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PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, FIRST SESSION

SENATE—*Wednesday, December 19, 2001*

(Legislative day of Tuesday, December 18, 2001)

The Senate met at 11:30 a.m. on the expiration of the recess and was called to order by the Honorable JOHN EDWARDS, a Senator from the State of North Carolina.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear God, bless the Senators with the assurance that You are closer than their hands and feet and as available for inspiration as breathing. May this day be lived in companionship with You, so that they will enjoy the confidence of the promise You gave through Isaiah: ''It shall come to pass that before they call, I will answer; and while they are still speaking, I will hear.''—Isaiah 65:24.

Unite the parties in unity. When Your best for America is accomplished by creative compromise and cooperation, everybody wins, especially the American people. When this day closes, our deepest joy will be that we have worked together to achieve Your goals. You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JOHN EDWARDS 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, December 19, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN EDWARDS, a Senator from the State of North Carolina, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. EDWARDS thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

AGRICULTURE, CONSERVATION AND RURAL ENHANCEMENT ACT OF 2001

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 1731, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes.

Pending:

Daschle (for Harkin) amendment No. 2471, in the nature of a substitute.

Wellstone amendment No. 2602 (to amendment No. 2471), to insert in the environmental quality incentives program provisions relating to confined livestock feeding operations and to a payment limitation.

Harkin modified amendment No. 2604 (to amendment No. 2471), to apply the Packers and Stockyards Act, 1921, to livestock production contracts and to provide parties to the contract the right to discuss the contract with certain individuals.

Burns amendment No. 2607 (to amendment No. 2471), to establish a per-farm limitation on land enrolled in the conservation reserve program.

Burns amendment No. 2608 (to amendment No. 2471), to direct the Secretary of Agriculture to establish certain per-acre values for payments for different categories of land enrolled in the conservation reserve program.

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

Mr. REID. Mr. President, for all Members of the Senate, we are very close to working out an arrangement this morning that should be good for everyone. I spoke to a number of farm State Senators last night and they thought it was very important that Senator HUTCHINSON of Arkansas be allowed to offer an amendment. We have worked throughout the night and the morning with Senator HUTCHINSON and worked out a time agreement on that, so as soon as Senator LUGAR arrives we will be ready to offer this unanimous consent agreement.

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.

Mr. DASCHLE. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, it is our intention to go to the Hutchinson amendment. As I think our colleagues are aware, the Hutchinson amendment is largely the Agriculture farm bill passed by the House. It may not be exactly the same bill, but that is the intent. Certainly Senator HUTCHINSON can speak for himself, and will.

It is my intent after that, then, to go to the cloture motion.

So I ask unanimous consent the pending amendments also be laid aside; that Senator HUTCHINSON be recognized to offer his amendment, No. 2678; that there be 1 hour 15 minutes for debate with Senator HUTCHINSON in control of 60 minutes, Senator HARKIN or his designee in control of 15 minutes prior to a vote in relation to the amendment, with no second-degree amendments in order prior to the vote; further, that the vote in relation to the amendment occur at 12:50.

Immediately following disposition of the Hutchinson amendment, the Senate will proceed to the previously ordered cloture vote on the substitute amendment.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. NICKLES. Reserving the right to object.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. NICKLES. I want to cooperate in every way with the majority leader and the managers of the bill, but I wonder if the majority leader, trying to make a request to have the Hutchinson amendment—I have no objection to that portion. I do know that Senator GRASSLEY, Senator DORGAN, myself, and others have a lot of interest in the payment limitation. I am not positive

● This "bullet" symbol identifies statements or insertions which are not spoken by a member of the Senate on the floor.

whether or not it is germane postcloture.

I guess part of your request is that we go immediately to the cloture vote. I wonder if you are willing to delete that second paragraph or if you are willing to make sure that the Grassley amendment would be in order, regardless of which way the result of the cloture vote would occur.

Mr. DASCHLE. I would want to consult with the Parliamentarian and Senator HARKIN and others. We have attempted, as the Senator knows, to accommodate a number of Senators who have asked to be exempted from cloture limitations following the time when cloture is invoked. I am not enthusiastic about expanding.

Again, it would be my understanding that these amendments would be available to us postcloture, with clarification of the Parliamentarian, and we will offer this at another time.

Mr. NICKLES. Mr. President, if I might inquire, at a previous time I asked the majority leader if this amendment would be in order, or part of the unanimous consent that this amendment would be in order postcloture, and we agreed to that. Does that agreement still carry? There were four or five amendments, if I remember correctly, or one or two, and a couple of others. If they were agreed to, there were two additional ones. If that still applies, that is fine with this Senator.

Mr. DASCHLE. Mr. President, I intended this as a new unanimous consent request. Therefore, the other ones—because of the old unanimous consent request—have already expired. Technically, it would not carry.

I think the best thing to do would be to consult with the Parliamentarian in terms of germaneness and make a decision at a later time.

I wonder if we might proceed. The cloture vote, by rules of the Senate, takes place within 1 hour after we come in. We do not need the second portion of the unanimous consent request in order to proceed with cloture. But I would like to accommodate Senator HUTCHINSON. I would make that request.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. NICKLES. Reserving the right to object, I want to make sure what we are doing. First, the leader said we would like to inquire whether or not Senator GRASSLEY and others want to offer their amendments. I want to protect their rights to offer their amendments.

There is an amendment dealing with payment limitation. Some of us are kind of concerned about the underlying Harkin bill that has payment limitations of 250. That can be expanded to 500 per family. The Grassley amendment that Senator DORGAN and others have supported would reduce that. I want to make sure that amendment is going to be debated before we conclude the agriculture bill. I don't want that amendment to be ruled nongermane postcloture. That is what I am trying to find out before we make an agreement.

Parliamentary inquiry: Is the Grassley amendment germane postcloture?

Mr. REID. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. NICKLES. I would be happy to yield.

Mr. REID. Is that the same as the original Dorgan amendment?

Mr. NICKLES. That is correct.

The ACTING PRESIDENT pro tempore. The amendment has not yet been reviewed for germaneness.

Mr. NICKLES. I didn't catch that.

The ACTING PRESIDENT pro tempore. The amendment has not been reviewed for germaneness.

Mr. NICKLES. That wasn't my understanding. Regardless, I will vigorously oppose cloture if that is what the majority leader's intention is. I urge him to ask consent to postpone the cloture vote until we determine what the outcome of some of these amendments is. Some of us are going to continue to oppose cloture until we have a chance to have our amendments heard, debated, and voted on in the Senate.

If you insist—and I am sure the majority leader is correct most of the time—cloture will expire after so many hours. But I will just tell him that some of us are going to be opposing cloture vigorously until the Senator from Iowa and others have a chance to have their amendments heard and voted on.

Mr. DASCHLE. Mr. President, I am very sympathetic to the Senator from Oklahoma. We have been on this bill for an awfully long time. I think we are almost at a point where we have broken the record now for the length of time we have been on a farm bill. Senators had many opportunities to offer amendments at night and during the day. I am not really sympathetic to those who suggest that somehow we have not accorded enough time to some of these amendments.

I also say we have come to the conclusion that we are going to have to make a decision about the farm bill. If we are unable to invoke cloture, it is my intention to put it back on the calendar, regrettably, and then move to other issues. We have conference reports that have to be done before we leave. There are other pieces of business that are required of us. This will be the third cloture vote. There will be no more cloture votes in this session of Congress on the farm bill.

Senators are going to have to make up their minds: Do they want to indefinitely postpone and thereby kill our chances for completing work on the farm bill this year or not? If they want to kill it, they will vote against cloture. If they want to support completing our work, they will vote for cloture this afternoon and we will complete our work. That still requires 30 hours of debate on the bill prior to the time we complete our work. That means that relevant amendments will be entertained, will be accepted, or voted upon and considered as germane amendments. That is the prerogative of every Senator even after cloture. Perhaps amendments can be designed to be germane. I certainly think a payment limit amendment is germane to the bill.

We ought to find the language that accommodates the Senator from Oklahoma, if that is his intent.

But I will say we have been on this bill for a record amount of time. It will be virtually a record if we complete our 30 hours. We do have other very important matters pending.

I want to make sure all Senators are put on notice. Three times, and we are out in terms of cloture. And three times, it seems to me, ought to be adequate time for everybody to have had their amendments considered. As we have noted, a number of other colleagues have asked for special consideration for their amendments. We are attempting to do that. We have to move on.

Mr. REID. Mr. President, will the majority leader yield?

Mr. DASCHLE. Yes.

Mr. REID. I say to the distinguished majority leader that I have received two notes from the cloakroom that they want to put out a list if in fact there is a postcloture list of amendments.

I also say that last night I had a conversation with a number of farm State Senators who have been voting against cloture. They said if we would allow Hutchinson a vote, they would be willing to vote for cloture.

We worked last night and all morning trying to work out an arrangement where there could be a vote on Hutchinson. We have given the Hutchinson forces 1 hour. We have taken 15 minutes to show that we are serious about moving this bill forward. It appears that no matter what we do, it isn't quite enough.

I hope my counterpart, the distinguished assistant minority leader, will allow us to go forward. This is an opportunity, in my opinion, to pass a farm bill. We will live by whatever the rules are.

I was informed, obviously incorrectly, yesterday that the Parliamentarian thought Dorgan would be in order postcloture. I hope it is. I think it is something we should debate.

But the fact of the matter is we have gone a long way this morning in working this out. I applaud the Senator from Arkansas. He wanted more time than the hour—an hour and 15 minutes. He believed, I guess, that was fair.

I think we should go forward and then have a fair third and final vote on cloture.

Mr. DASCHLE. Mr. President, as the Senator from Nevada noted, our colleague for good reason wanted to be able to offer the so-called Cochran-Roberts alternative. We have done that. We have had very good debates on a number of other questions over the last couple of weeks. In order to accommodate the Senator from Arkansas and others who believe we ought to at least have a chance to vote on the House-passed bill, we are now going to do that.

I honestly think we have been as fair and responsible as we can be to the request made by our colleagues. I hope now that we can get this agreement.

I renew my request.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. NICKLES. Mr. President, reserving the right to object, parliamentary inquiry: Is the Grassley amendment germane postcloture?

The ACTING PRESIDENT pro tempore. The amendment is being reviewed at this time.

Mr. NICKLES. I ask the majority leader to modify his unanimous consent request so that the Grassley amendment be considered germane postcloture in the event cloture is invoked.

Mr. GRASSLEY. Reserving the right to object, I think I have something better than being part of the unanimous consent agreement, or something better than even a veto to do this. I had the word of the Senate majority whip that I was going to be able to bring my amendment up right after the Durbin amendment this morning after 11:30. It seems to me, if I have the word of a fellow Senator that I have a chance to bring my amendment up, I don't even have to be included in a unanimous consent. If you want to nail it down that way, nail it down; it is OK with me. But it seems to me I was told by the majority leader that I was going to be able to bring my amendment up, and that word is better than anything else that can go on in this body.

Mr. REID. Mr. President, will my friend from Oklahoma yield?

Mr. NICKLES. I am happy to yield.

Mr. REID. There is nobody for whom I have more respect than the Senator from Iowa. We serve together on select committees. He is absolutely right. We thought when we came here this morning we were going to go to the Durbin amendment and then a Republican amendment. He had been standing around waiting for a while, and we did say that. But the fact is, there have been intervening things. I am not going back on my word. We thought we were going to do a totally different thing. And I am sorry there has been some misunderstanding. But I would never intentionally mislead the Senator from Iowa.

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. DASCHLE. Mr. President, if I can regain my right to the floor, let me simply say that we moved the cloture vote to 1:30 to accommodate some of our colleagues on the other side of the aisle. That has been locked in at 1:30. We also attempted to accommodate the Senator from Arkansas with this unanimous consent.

The ACTING PRESIDENT pro tempore. The time is 1:15, not 1:30.

Mr. DASCHLE. The UC was 1:15?

The ACTING PRESIDENT pro tempore. Yes.

Mr. DASCHLE. OK. We hoped we could accommodate the Senator from Arkansas with a vote on his amendment so that it could be taken before the cloture vote. That is all this unanimous consent request is designed to do. So if we cannot get it, we will just proceed, the Senator from Arkansas can offer his amendment, and we can do it without a UC. So if I cannot get that agreement, I will simply withdraw the request and perhaps we can proceed with the amendment.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. NICKLES. Reserving the right to object.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. NICKLES. I want my friend from Iowa, because I want to protect his interests on this amendment——

Mr. GRASSLEY. I know you are.

Mr. NICKLES. The majority leader is basically saying we have an hour and 15 minutes to debate the Hutchinson amendment, and then we will vote on cloture. And then we are going to find out that the Grassley amendment is nongermane postcloture if cloture is invoked. So it would not be in order to take up the Grassley-Dorgan amendment.

I have been here for 3 or 4 days trying to make sure we get a vote. No one has been filibustering this bill—no one. I know Senator GRASSLEY was here late last night trying to offer this amendment. I know yesterday, three or four times, I came up and said: I am ready to do a payment limitation amendment. Every amendment we have had has been germane to the bill.

We did not offer the energy package. We did not even offer the stimulus package; I thought about it. I might still do that if it is still the pending bill. I want to get the stimulus done before we get out of here. The amendments have been germane on agriculture.

To have an amendment such as payment limitation, when the underlying bill allows a few farmers to make hundreds and hundreds of thousands of dollars, to be squeezed out because of cloture I think is wrong.

So I guess the essence is that I will not object to a time limit on Senator HUTCHINSON's amendment. If the majority leader proceeds with the cloture vote, I will urge my colleagues, in the strongest terms, to please vote no on cloture so amendments that are germane—that are really germane that might fall on the strict interpretation of postcloture—that they will have a right to offer those amendments.

I urge my colleagues, Democrats and Republicans, who respect individual Senators having the right to amend a bill that is enormously complicated but important—that they have a right to offer those amendments.

So I will not object to the majority leader's request to have a time limit on the Hutchinson amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DASCHLE. I thank my colleagues.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas.

AMENDMENT NO. 2678 TO AMENDMENT NO. 2471

(Purpose: To provide a complete substitute)

Mr. HUTCHINSON. Mr. President, I have an amendment at the desk, and I ask for its consideration.

The ACTING PRESIDENT pro tempore. Under the previous order, the pending amendments are laid aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. HUTCHINSON] proposes an amendment numbered 2678 to amendment No. 2471.

Mr. HUTCHINSON. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted and Proposed.'')

Mr. HUTCHINSON. Mr. President, I ask unanimous consent to add, as cosponsors to the amendment, Senators LOTT, HELMS, SESSIONS, and KAY BAILEY HUTCHISON.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUTCHINSON. Mr. President, I thank the majority leader, the majority whip, and Senator HARKIN for their cooperation and their willingness to allow us to have this debate on, essentially, the House-passed bill.

This is the bill that was introduced earlier this year in an effort to break the logjam on a farm bill. It is a bipartisan bill, as it was introduced with four Democrats and three Republicans. To me, there is no doubt, as we come to this impasse, that the only way—absolutely the only way—we will get a farm bill signed into law this year is for us to take up an easily conferenceable bill with the House.

I have talked with the chairman of the House Agriculture Committee. If we would pass this bill—this amendment, and then the amended bill—we

would be able to conference it within an hour, and we would be able to send it to the President. That is the only prospect we have of getting a much needed farm bill to the President this year. That is why I rise to urge my colleagues to move forward and support this amendment.

Since the beginning of this debate, I have been urged by the farmers of my State to try to get a farm bill completed this year. Time and time again, I have told them that I would do everything I could to get a farm bill completed this year. I have expressed support for the House farm bill. I have worked with my colleagues to craft and introduce this bipartisan proposal. It was originally, when introduced, sponsored by a number of Members on both sides. I supported, in the committee, the Cochran-Roberts plan. I supported the chairman's commodity title. In fact, I believe I was the only Republican in committee to support the chairman's commodity title. I supported the passage of the chairman's farm bill out of the Agriculture Committee. And I have supported cloture on the chairman's substitute two times.

I want a farm bill. I voted in support of moving forward at every point during this debate.

If this substitute is not going to move forward and go to conference, perhaps it is time for a new approach. It is clear, after two cloture votes, that the Harkin-Daschle substitute does not have adequate support to move to passage. And, may I say, if we were somehow able to move the Harkin-Daschle substitute through, get cloture, and get it passed this week, we would have an enormous gap between this bill and the House bill, and, as Senator HARKIN admitted last night, it would be weeks before we could reach a consensus on those two bills. This is why I am offering the bill that I offered with Senators LINCOLN, HELMS, MILLER, SESSIONS, LANDRIEU, and BREAUX earlier this year.

We can debate the merits of the bills. There is no doubt that as this day and this debate goes on, we will engage in some substantial policy issues. However, at the end of the day, we must have a bill that can get the votes necessary to pass the Senate, be conferenced, and signed by the President this year. So far, the bill that has been offered has not been able to garner the support necessary to get out of the Senate and provide the support and certainty that our farmers are asking for and desperately need.

The fact that these votes appear to be breaking down on party lines should be troubling because agriculture is not a partisan issue. Agriculture spans across all of our States and should not be allowed to degenerate into a partisan finger pointing contest. That is what I have been hearing: accusations that one party or the other is blocking the move on a farm bill this year.

That is why I am offering this amendment. It is my sincere hope that this bipartisan proposal can help break this logjam which is keeping us away from our home States and, more importantly, is denying our Nation's farmers the necessary fixes to what amounts to a broken farm policy.

Is this the absolute best policy that can come out of this Senate? Maybe not. Will it have the type of funding numbers in it that everyone can go back to their home State and expect resounding praise for? Probably not. That is probably unlikely as well.

However, we must also consider whether this proposal is, in fact, better than the policy with which our farmers are currently dealing. What I hear from the farmers in Arkansas—and I think this is true across this Nation—is that they need certainty and predictability. If they are going to have certainty and predictability, they need to have a farm bill. As they go to seek financing arrangements for this next year, bankers are looking for some predictability, some certainty in farm policy. That can only happen if we pass a bill.

So the question is, is this amendment that I am offering today—one that was originally offered as a bipartisan proposal in this Chamber, and that was a bipartisan vote in the House. In fact, in the House, there were 151 Republicans, 139 Democrats, and one Independent who voted for this bill. This is the only true bipartisan approach. If it is, in fact, better than current farm policy, and is the only prospect of getting a bill to the President this year, should we not, then, on a bipartisan basis, unite behind it?

I think it is clear that the farm policy in this amendment is much better than the current policy. We must also consider whether our farmers are better off with no farm bill at all, which appears to be where we are headed right now. I think my farmers have been quite clear with me on this issue, as I am sure farmers in other States have made it clear to their Senators.

This amendment, as I have said, is very similar to the House-passed farm bill which ended up passing on a bipartisan basis. I realize there were many hotly contested amendments throughout this process, but in the end this bill in the House enjoyed resounding bipartisan support and should garner that kind of support in this Chamber as well.

I am keenly aware that a number of my colleagues from the other side of the aisle believe they have garnered concessions from Senator HARKIN and Senator DASCHLE and that their concerns have been addressed in the Harkin-Daschle substitute. I am aware of that. I appreciate the willingness of Senators DASCHLE and HARKIN to make those concessions and to address concerns that various Senators had. But if those concessions come at the price of refusing to support a bipartisan approach and the end result is that we have no bill that goes forward out of this Chamber this year, we have no bill that is passed and goes to the President for his signature, then I suggest that all those concessions and all those improvements in the Harkin-Daschle substitute bill are in fact meaningless because they are not passed into law.

On Monday of this week, the American Farm Bureau sent a letter, a public letter, in which they wrote:

> The American Farm Bureau Federation encourages the Senate leadership to expedite debate and for the Senate to complete a new farm bill by noon next Wednesday, December 19.

That is the moment we have just passed. The Farm Bureau continued:

> It is vitally important that this legislation be enacted this year to provide an important economic stimulus to rural America before Congress adjourns.

I wholeheartedly agree with the sentiments of the American Farm Bureau in this letter. This is why I am offering this amendment. If this amendment is adopted, I am confident we will be able to move to invoke cloture and we will pass a farm bill this year. I promised the farmers of my State I would do everything I could do to get a farm bill completed this year. I am sure many of you have made the same promise. This is our opportunity to make good on that promise and on that commitment.

To say to the farmers of America, I am going to march in lockstep with my party leadership in spite of the fact that the end result of that approach will be no bill, no cloture, no Presidential signature, and no farm bill by December 31, is blind partisanship that hurts the farmers of this country. This is our opportunity to pass a farm bill this year.

The policies included in this amendment have been supported by both Republicans and Democrats in the House. The policies included in this amendment have been supported by both Republicans and Democrats in this Senate. I urge my colleagues to join me in support of the amendment offered today.

I urge my colleagues to support the completion of a farm bill this year. It is not sufficient to say: I voted for cloture to end debate and get a farm bill this year, if you know in your heart that because of that stand, because of voting in lockstep and an unwillingness to take a bipartisan approach, an approach that we know can be conferenced with the House this year, that is a self-defeating approach that will not be a sufficient answer to the farmers in this country.

This is our opportunity to get it done. Let's not waste it.

I ask my colleagues for their support for the amendment. Will it have everything in it? It most assuredly will not.

It will in some areas. Will the funding be as high? Will the commodity title not be as high as it is in the Harkin bill? The answer to that is, that is true. In some areas, it won't. It won't be a bill that will satisfy everybody. But it is the only vehicle before the Senate. It is the only possible answer to the conundrum in which we find ourselves. It is the only possible way we can get a bill signed into law by the President of the United States.

I repeat, the chairman of the Agriculture Committee in the House has said this amendment, if adopted, would be easily and quickly conferenceable with the House-passed bill, meaning that before we leave this place for Christmas, we will be able to reward the farmers of this country with an end-of-the-year commitment that their farm policy is taken seriously by Congress, that we have risen above blind partisanship, that we are willing to put the farmers of this country above party loyalty, and that we have done absolutely our level best to get a bill signed into law by the President.

I ask unanimous consent to have printed in the RECORD the House Agriculture Committee's Web page statement today, December 19, 2001.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SENATE PRESENTED WITH PATH TO SPEEDY FARM BILL CONCLUSION

ARKANSAS SENATOR TIM HUTCHINSON MOVES FOR VOTE ON HOUSE-BASED BILL

December 19, 2001.—House Agriculture Committee Chairman Larry Combest commended Arkansas Senator Tim Hutchinson for giving farmers a real prospect of getting a finalized farm bill this year by urging the Senate to pass the House-based farm bill. The Hutchinson provision already has the bipartisan support of Senators who cosponsored the measure when it was introduced in the Senate November 9. Ag Chairman Combest noted the Hutchinson provision is more than 95 percent identical to the October 5th House-passed ''Farm Security Act of 2001,'' and Senate passage of the Hutchinson provision is the only chance to finalize a farm bill this year.

''Senator Tim Hutchinson has worked for producers in a positive, practical manner each step of the way to move the Senate to completion of a farm bill, and today is holding forth a light for Senators on the path to a speedy conclusion of the farm bill,'' said Combest. ''Farmers and their lenders need the certainty of a new farm bill as they prepare now for the coming crop year. Senators can do a lot to ease farmers' worries now and help our rural communities by passing the Hutchinson provision today.''

Like the House-passed Farm Security Act, the bill introduced by Senators Hutchinson, Blanche Lincoln, Jesse Helms, Zell Miller, Mary Landrieu, and John Breaux not only provides for a strong safety net, but it maintains planting flexibility and avoids harmful market distortions. Also, like the House-passed bill, the option offered for Senate vote today complies with WTO commitments and with the Budget Resolution passed by Congress while increasing investment in conservation programs to the highest levels ever.

Mr. HUTCHINSON. I will quote a portion of this for my colleagues. This was placed on their Web page today, December 19, 2001, from House Agriculture Committee Chairman LARRY COMBEST. He commends this amendment ''for giving farmers a real prospect of getting a finalized farm bill this year.'' He urges the Senate to pass this amendment. Chairman COMBEST noted: ''The Hutchinson provision is more than 95 percent identical to the October 5 House-passed Farm Security Act of 2001'' and ''Senate passage of the Hutchinson provision is the only chance to finalize a farm bill this year.''

To my colleagues who think there should be agreement on that point at this place in our deliberations, I commend Chairman HARKIN for a tremendous good faith effort to move forward the Senate Agriculture Committee-passed farm bill. He has given it a wholehearted effort in the Senate Chamber. He has provided opportunities for amendments to be offered. I commend him for that, though there are still a number of serious amendments outstanding. We have twice voted for cloture. We have not seen any change in the breakdown. It is clear that as dedicated and as resolved as Chairman HARKIN has been, the current Harkin-Daschle substitute cannot garner the support of the Senate and cannot be conferenced in time to get a bill for our farmers this year. Chairman COMBEST is absolutely right: This is our last and best hope of doing it.

I suggest many of my colleagues have told their farmers face to face in their States that they will come here and do their best to get a bill passed this year. I suggest we will not have done our best without the passage of this substitute, this amendment I have offered today.

I reserve the remainder of my time.

Mr. ROBERTS. Will the distinguished Senator yield for a series of questions?

Mr. HUTCHINSON. I am glad to yield.

Mr. ROBERTS. This is a most interesting approach, it seems to me. I credit the Senator for trying to find a road to break the logjam, to try to get out of the box canyon we seem to be in with regard to concluding the farm bill.

I must say at the outset that it is my understanding, basically, that your amendment is in the form of a substitute; is it not?

Mr. HUTCHINSON. It is a substitute.

Mr. ROBERTS. Basically what you are trying to do is take the House farm bill as passed. I just asked staff what it passed by over there. It was 291 to 120. That is a rather strong bipartisan declaration. Basically, what you are doing is taking the House farm bill under the banner that most people have been talking about—the farm groups, the commodity groups, all the farm organizations, and many of us on this side of the aisle and that side of the aisle have said for some time two key things: One, move the bill, make sure we move it, make sure we expedite it.

I would like to respond to the distinguished leader on the other side of the aisle. Senator DASCHLE indicated we have spent probably more time on this bill than at any time in the history of farm bills. The shortest amount of time we have ever spent in the Senate—and I can refer to the House as well—is 5 days and the longest is 31. All this time hasn't been spent on the farm bill. I am not advocating more time; don't misunderstand me. Chairman HARKIN has worked very diligently to move this process along. I credit him for that. But if, in fact, we are going to get this done—and that was the key premise of the many farm groups and commodity organizations and many of us who said we need to expedite this in an odd-numbered year, don't put it off until a political year. And the other premise was, if I understand the Senator and from most of the rhetoric in this regard, to save the investment, the money, the $73 billion. The administration has indicated basically that they don't have any quarrel with the money. Oh, I am sure they would like to come down somewhat, but I don't think that is the issue. It is the policy that is the issue.

What the Senator is trying to do is say, OK, if we want to accomplish that and save the investment and expedite the progress, this is the way to do it, and that all this talk about stalling and putting things off could be answered by his amendment. Is that how he sees it?

Mr. HUTCHINSON. Well, the Senator has articulated it very well. If we are serious about getting a farm bill done this year—and people have said they want a bill this year—this is it; this is the last alternative. If we want a bill that is conferenceable, that can go to the President, this is it.

I think those who have said, ''let's expedite the farm bill, get a bill passed this year,'' this is the litmus test. We are going to find out whether this is rhetoric or whether it is politics as usual, whether we want just an issue or a farm bill this year.

Mr. ROBERTS. If the Senator will yield further, I am not particularly enamored with the House bill. If you want to go a little bit further, I am really not enamored with the Senate bill. But we have been through that. We have had the Roberts-Cochran debate and that was fair. I credit the chairman and everybody else for giving us the time. I think we are headed down the wrong track with the Senate bill. I am not particularly enamored with the House bill.

Let me ask the Senator a couple of questions, if I might, to see if it is

more preferable in my mind to the Senate bill because that is what this debate is all about.

Now, the Senate bill frontloads the $73 billion to the tune of about $45 billion in the first 5 years. Then there is $28 billion on down the road. So I think we are taking away from the future baseline—that is a fancy word for money—for future farmers. It is my understanding that the House bill doesn't do that; is that correct?

Mr. HUTCHINSON. The Senator is absolutely correct. That is one of the strong reasons why this approach is preferable. I call it the 5 fat years and the 5 lean years, the 5 years of plenty and the 5 years of famine. That is the danger in frontloading.

Mr. ROBERTS. If I may ask another question, I know one of the sticking points we have here with many western Members is the amendment of the Senator from Nevada regarding water. If there is one thing that causes a lot of concern out West, where we don't have much of it, it is the situation where people worry about the federalization of State water rights.

I am not going to get into that argument one way or the other, but I know that Senator CRAPO and others have a lot of concern. Some of the farm organizations have some concern also. That is in the Senate bill. To my knowledge, that is not in the House bill; is that correct?

Mr. HUTCHINSON. The Senator is correct.

Mr. ROBERTS. Let me ask another question, if I might, if the Senator will continue to yield. One of the reasons that in the Senate bill they were able to move the loan rate up to $3—and I am not going to rehash the old discussion on loan rates, as to whether they are market-clearing, or income protection, or it should be $4, or $5, or $3, or whatever. But we get into a lot of problems in terms of market distortion and not really enough support, and the money they use to increase the loan rates comes from crop insurance reform additions on down the road as we get into future years of the farm bill. To my knowledge, the House bill did not—I am using strong words—rob, steal did not take away or find the offset from the crop insurance reforms that we did just last year. Is that not correct?

Mr. HUTCHINSON. The Senator is correct.

Mr. ROBERTS. In addition, I hesitate to bring this up, but we got into a discussion of what is amber and what isn't in the progression of the World Trade Organization talks. I quoted a statement from an outfit out of Missouri that tries to take a look at their crystal ball to evaluate the effects of farm bills. I think they said we had a 30-percent chance under the Senate bill that we would be in violation of the WTO cap, and that that would be an amber light; that in 2 years it was bound to happen. I don't know what the chances are in terms of the House farm bill, but it seems to me they could be less. I am not an academic, in terms of fabric, to determine that. I don't have that crystal ball. Would the Senator say that would be the case?

Mr. HUTCHINSON. I say to the Senator from Kansas that it is my understanding that because some of the decoupled payments in the Harkin-Daschle substitute are phased out, the likelihood in the course of the farm bill of it becoming out of compliance is greater than that of the House-passed bill.

Mr. ROBERTS. Then the key question is this, if the Senator will continue to yield. As he knows, in agriculture, we are going through some tough times. We are not in very good shape for the shape we are in. One of the real things I believe we have to do is get Presidential trade authority and get our exports tracking. I am not going to go into a long-winded speech on that, but no farm bill, whether it is the bill being proposed by the Senator from Arkansas, or Cochran-Roberts, or the Senate bill, the Daschle-Harkin bill, can be successful unless we sell the product.

We have not been involved in the 133 trade negotiations—except for two—ever since we lost the Presidential trade authority. We exported $61 billion of farm products about 3, 4 years ago. Now we are down to 50, maybe 51, 52. Subtract that difference in terms of what we are selling and whether that is what you add up to with emergency spending. I don't understand why we don't expedite consideration of the Presidential trade authority. That is on the back burner with the leadership. That should not be the case. In lieu of that, we are going to have to have protection for farmers. In your State there are rice, cotton, and soybean producers, and in my State of Kansas there are corn, soybean, wheat, and cotton producers—40,000 acres.

So the question is this: In terms of the support that would be going to farmers, under the Senate bill that targets price, that countercyclical payment doesn't come into effect until 2004. A lot of farmers don't understand that, I don't think, or they would not be endorsing this bill. Under the House bill, however, that target price comes in right away. I might not agree with target prices—I don't like that system—but at least there is a countercyclical payment immediately in regard to the bill. Is that not correct?

Mr. HUTCHINSON. The Senator is correct.

Mr. DORGAN. I wonder if the Senator will yield for a question.

Mr. ROBERTS. I have one other question.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. DORGAN. I am asking the Senator from Arkansas would he yield.

Mr. HUTCHINSON. Let me finish the colloquy with Senator Roberts.

Mr. WARNER. At an appropriate time, I would like the Senator to yield for a minute, also. I will follow the Senator from North Dakota.

The PRESIDING OFFICER (Mr. NELSON of Florida). The Senator from Arkansas should be advised that he has 19 minutes left under the previous order.

Mr. ROBERTS. I will be very quick in terms of this question. The Senator heard me state many times, having been involved in six farm bills, that Kiki de la Garza, chairman emeritus of the House Agriculture Committee, from Texas, who served longer than any other man as chairman, used to talk about the best possible bill and the best bill possible. This could be the best bill possible if you believe you want to move this process along, and conference it with the House, and get a bill and save the investment of $73 billion. That has been the mantra over and over and over again.

This is probably the best bill possible. Again, I don't particularly care for it. It seems to me that it would fit the description. Where are the bravehearts of the farm organizations and the commodity groups? Are they still on the sidelines? What are they doing in this regard? That is all I have heard for the past 2 weeks. Are the bravehearts getting off the sidelines or at least indicating some interest?

I talked with the House this morning. They indicated that might be the case, and I am talking about staff in terms of Mr. COMBEST and Mr. ROSS. Are the bravehearts getting off the sidelines or what?

Mr. HUTCHINSON. I would expect that. But this was, as the Senator knows, filed last night and laid down this morning, so there has been little time for the farm groups to weigh in one way or the other.

But I think the strongest point in the question posed—while there is a lot of debate about policy, we have spent the last 2 weeks at various times debating the policy of these various bills. The strongest point that you made is the one that I have tried to base this entire amendment upon, and that is, it is the only chance we have of getting improved farm policy, a bill actually signed into law this year.

That has been the hue and cry. That has been the demand of farm organizations and farmers across this country, that we finish a bill this year. This is the only way we can do it.

Chairman COMBEST has said that. I think it is patently clear that, even were the Harkin-Daschle substitute to be agreed to at this point, the differences between the House bill and the Harkin-Daschle substitute are so great that, in fact, it would take at least 3 weeks, as Senator HARKIN said last

night, for that conference to be completed. We would not have a bill in time to help our farmers or to meet that demand for it to be finished this year.

Mr. ROBERTS. I thank the Senator for yielding. I have taken up too much time. There are very crucial questions, it seems to me, about what is in the Senate bill and House bill and how fast we can move.

I thank the Senator for his leadership.

Mr. DORGAN. Will the Senator yield for a question?

Mr. HUTCHINSON. I have been told my time has been reduced. We started this debate late and the vote is still scheduled for 12:50, I believe.

The PRESIDING OFFICER. The Senator is correct.

Mr. HUTCHINSON. I will yield if the time will come from that side of the aisle.

Mr. DORGAN. Mr. President, how much time were the proponents offered on this unanimous consent request, and how much time are we offered?

The PRESIDING OFFICER. Under the previous order, the vote is called for 12:50. After the reduction of the time, the Senator from Arkansas had 45 minutes and the Senator from Iowa had 10 minutes.

Mr. DORGAN. It is 45 minutes and 10 minutes. I am asking the Senator if he will yield for a brief question.

Mr. HUTCHINSON. Not on my time.

Mr. HARKIN. I will yield 2 minutes.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. DORGAN. Let me ask if the Senator will yield and I will use a moment of time from the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. WARNER. Will the Senator yield for a quick question?

I thank the Senator for his work on peanuts. This is an industry which is threatened. In my State, we are talking about small farmers, not the billions going to the grain belt. I don't criticize that, but it is the small farmer out there.

We are dealing with people who are farming 40 acres, maybe 100 or so acres, sometimes 200. If I am correct, you are raising the target price to $5.50?

Mr. HUTCHINSON. The Senator is correct.

Mr. WARNER. I thank you for that. Then 10 cents a pound quota buyout for 5 years, that is there. And allowing the producer to assign their base the first year and then reassign it the second year, that is very important. I thank the Senator and for that reason I give my strongest support for his legislation.

Mr. HUTCHINSON. I thank the distinguished Senator from Virginia, and I am grateful for that commitment of support.

I inquire of the Senator, my colleague from North Dakota, how much time does he request?

Mr. DORGAN. Let me ask the Senator to yield. I will use 2 minutes of time that is allocated to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. HUTCHINSON. I yield without losing my right to the floor.

Mr. DORGAN. Well, parliamentary inquiry: We are using the time of the Senator from Iowa but he doesn't yield the floor?

The PRESIDING OFFICER. Yes.

Mr. DORGAN. I so appreciate the generosity here. Let me ask the Senator from Arkansas a question.

He says this is the last opportunity for a farm bill, this amendment he is offering. Is it not the case we will have a cloture vote following that and the last opportunity for a farm bill will be for us to break the filibuster that has occurred now day after day after day on the underlying amendment? Is that not the last opportunity for the Senate to move a farm bill?

Mr. HUTCHINSON. As I said, I have voted for cloture and I will again vote for cloture. But even if cloture were invoked and the Harkin-Daschle substitute were adopted, it is not possible to conference it and get a farm bill to the President this year.

Mr. DORGAN. That is a judgment I don't share. The Senator has, in fact, voted for cloture. Almost all of his colleagues on that side of the aisle have not. We have decided today to allow the Senator from Arkansas to offer his amendment, which is essentially a farm bill. We say, yes, you offer yours; let's have a vote on that.

Why are the majority of the Members on your side not willing to do the same for our farm bill?

Mr. HUTCHINSON. I am sorry. I am not sure——

Mr. DORGAN. We have had a filibuster day after day after day. We have had two unsuccessful votes to try to break it. Almost everyone on your side of the aisle has voted to continue the filibuster. You are now offering your amendment. We say go ahead and get a vote on your substitute farm amendment; go ahead. We will agree to a vote on yours. Why do most of the members of the Republican caucus not agree to the same thing with respect to the Harkin bill, or the Daschle bill that is the underlying bill on the floor of the Senate?

Mr. HUTCHINSON. I can't judge their motives and I do not seek to. I have urged them to vote for cloture. I think it is very important we have a farm bill this year. But time is running out and I urge they support cloture.

Mr. DORGAN. I would say the discourse between——

Mr. HUTCHINSON. Regular order, Mr. President.

Mr. DORGAN. The regular order is 2 minutes on our time. How much of that is consumed?

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

The Senator from Arkansas.

Mr. HUTCHINSON. I thank the Chair. I thank my colleagues for the opportunity to visit.

I inquire as to exactly how much time we have.

The PRESIDING OFFICER. The Senator has 13 minutes 42 seconds remaining.

Mr. HUTCHINSON. Mr. President, I note many of the questions that arise in a farm bill debate—some of those posed by both Senator WARNER and Senator ROBERTS—deal with the commodity title. Obviously, those are great concerns because all of us have our own constituencies.

The Harkin substitute that we are seeking to amend includes many elements that farmers of Arkansas would support. It includes a yield update as well as a base acre update; it includes a 100-percent base acreage coverage versus the 85-percent base coverage included in the House bill and my amendment.

These are, frankly, changes that would benefit many farmers in Arkansas, Louisiana, Alabama, and Mississippi. That is one of the reasons that I have supported the chairman's mark.

However, this is what we must remember. If these changes mean we will not be able to get a farm bill this year, it is time for us to seek a different approach. While some of the funding levels for the various commodities may not be as high as we have in this substitute, the average gross receipts are rather attractive to many farmers in my State and other States as well.

I yield to the Senator from Oklahoma.

Mr. NICKLES. Will the Senator yield for a question?

Mr. HUTCHINSON. Yes.

Mr. NICKLES. I want to maybe take issue with the comments that were made that Republicans have been conducting a filibuster on this bill. Will the Senator correct me, but haven't we had germane amendments every day we have been on this farm bill?

Mr. HUTCHINSON. The Senator is correct.

Mr. NICKLES. Then on the issue of cloture, some people are assuming if you vote no on cloture you are filibustering the bill. I disagree.

Isn't it correct, if cloture were invoked, the amendment you are now offering would be nongermane?

Mr. HUTCHINSON. That is absolutely correct.

Mr. NICKLES. Isn't it correct we have asked the Parliamentarian to give us a ruling on Senator GRASSLEY's amendment? Senator DORGAN was a cosponsor. I hope he still is. I am afraid that would be nongermane.

Isn't it correct that a lot of people who have very legitimate interests in agricultural policy want to offer

amendments that, if cloture is invoked, they are denied that opportunity to do so?

Mr. HUTCHINSON. The Senator is, of course, correct. I respect that. The fact is, the farm bill came very late in this session because we have been very involved with a lot of important legislation dealing with 9–11.

My support for cloture, and the reason I urge my colleague to support it, is because we are running out of time. While there are legitimate amendments and there are important amendments, I think we had too much finger pointing, too much of Democrats saying Republicans are filibustering. Frankly, some of us question the motives on the other side. We are running out of time.

Mr. NICKLES. If the Senator will yield, that is the reason why I came to the floor. I heard this ''filibuster'' and I thought, wait a minute, this is a very complicated bill. We have been on it for a couple of days. But every single amendment—I believe we have had just as many amendments offered by Democrats as Republicans or very close and they have all been germane.

I know there are several other amendments that are very germane but might fall postcloture. I just wanted to understand from my colleague and maybe make an assertion that there is not a filibuster. There is a desire to improve a bill that some of us believe is fatally flawed.

I will also ask my colleague, the bill we have pending, the so-called Harkin-Daschle bill that was reported out of the partisan Agriculture Committee, isn't that unusual? The facts are that the markup of agricultural policy for decades has been bipartisan. Unfortunately, it was not in this case in the markup of the Agriculture Committee.

Mr. HUTCHINSON. I say to my colleague from Oklahoma that my history on the Agriculture Committee is pretty thin. This is my first time on an agriculture bill markup, so I can't really answer this question. But I will say this. While the bill that came out of committee has been described as being a bipartisan bill, I was the only Republican to support that bill. So that cannot be considered nearly as bipartisan as the amendment I am now offering which originally, when offered as a freestanding bill in the Senate, had four Democrats sponsoring it and three Republicans.

So I would suggest if we are going to talk about a bipartisan approach, this is far more bipartisan than the bill that came out of committee, unfortunately.

Mr. NICKLES. I thank my colleague.

Mr. HUTCHINSON. I inquire of my colleague from Arkansas as to how much time she would request.

Mrs. LINCOLN. About 5 minutes.

Mr. HUTCHINSON. I yield Senator LINCOLN 5 minutes.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. I thank the Chair.

Mr. President, today is December 19. Twenty days ago, on November 30, our leaders made a motion to move to debate on the farm bill. That was just after Thanksgiving. Many farmers in Arkansas probably thought, finally, the Senate is going to start voting on the merits of the farm bill. Members on the other side of the aisle objected; they were not ready to move to the farm bill. They said we did not need a farm bill this year and we did not have to deal with that issue right now; we could put it off for another year, just as we have been putting farmers off for the last 4 or 5 years. They forced us to have a procedural vote.

The White House continued issuing statements against considering a farm bill this year, and our farmers waited. Our farmers all across this Nation waited.

On December 5, 5 days later, we had a vote that is hard to explain to folks outside the beltway. We voted on the motion to invoke cloture on the motion to proceed to the farm bill. It passed 73 to 26. In other words, 73 Senators thought we should begin debating the farm bill. But rather than allowing the Democratic leadership to move forward with the bill, Republicans forced us to wait several days and then vote on the motion to invoke cloture on the motion to proceed to the farm bill. Now, with that vote behind us, many farmers in Arkansas probably thought, finally, finally, the Senate is going to start voting on the merits of a farm bill now.

Then, on December 5, December 6, 7, 10, 11, and 12, we discussed the farm bill. Hanukkah came and went.

As my colleague from Oklahoma mentioned, this is a difficult bill. Farm bills always are. That is why we spent the last year and a half discussing the issues of this bill.

In years past, we have tested the issues of a 5-year farm bill. And in the last farm bill we found that the policy we enacted in 1996 was completely inadequate. We have been discussing that for a year and a half. We have been talking about it in committee. We have been talking about it among ourselves and with our colleagues on the other side of the Capitol.

The Senate is supposed to be the deliberative body, and we have proven that again with the weeks of debate on a farm bill that took up 3 days of business in the other body. For 3 days the other body deliberated this issue, and we have spent how much time here over the course of the last 3 weeks?

On December 12, the distinguished former chairman of the Agriculture Committee, the Senator from Indiana, Mr. LUGAR, offered his alternative to the commodity title of this bill. We debated its merits, and then it failed by a vote of 70 to 30.

Many farmers in Arkansas probably thought, finally, the Senate is going to finish up the farm bill. The leading Republican on the Agriculture Committee had offered up his best, and the Senate had voted no. Now maybe we could pass the farm bill. And then we continued to deliberate. We deliberated on December 13, 14, on December 17 and 18.

Christmas grows near. Yesterday we had another procedural vote in an attempt to move the farm bill. The Senate voted on cloture. But we fell 6 votes short of the 60 needed to move forward. Most Republicans voted no. They wanted more time to deliberate.

It is beyond me who it may be out there in our farmland of America, from whom they are hearing, who thinks we are not in an urgent situation of providing good agricultural policy. And I do not know, but maybe the Senator from Arkansas and I are the only ones who hear from farmers who are extremely anxious about whether or not they are going to get their financing to put seed in the ground next year or whether or not they are going to be able to continue a family farm that has been in their family for generations, whether they are going to have to continue to farm out the equity of that farm in order to be able to continue farming.

Then the distinguished former chairman of the Agriculture Appropriations Subcommittee and the former chairman of the House Agriculture Committee offered their alternative. Before yesterday, there had not been any written copy of the Cochran-Roberts bill. We could not review the bill on its merits. So it became known on this side of the aisle as ''what will it take to get your vote?''

A version of that bill had failed during committee consideration. But yesterday, it got its day in the Sun. And it was fully debated on the Senate floor. And it failed by a vote of 55 to 40.

With that vote behind us, many farmers in Arkansas probably thought, Finally, the Senate is going to pass the farm bill.

And that brings us to this day on the brink of another vote to bring the Agriculture Committee's farm bill to an up-or-down vote in the Senate.

Now my good friend from Arkansas is prepared to offer a bill that he and I introduced prior to the Senate Agriculture Committee considering the farm bill.

We introduced that bill when we were concerned that the Senate Agriculture Committee wouldn't pass a farm bill.

But the distinguished chairman of the Agriculture Committee, Senator HARKIN, worked closely with us to craft a bill that fits the needs of all producers.

I am proud of the bill that came out of committee. And I want to commend Chairman HARKIN for his hard work.

I am prepared to vote in favor of final passage of the Harkin farm bill right

now. It is a good bill. A strong bill that has weathered 20 days of debate.

But my friend from Arkansas wants a vote on the bill we introduced earlier this fall.

I will vote in favor of the Hutchinson amendment because it reflects a bill that I wrote.

But I warn my colleagues on the other side of the aisle: Regardless of the outcome of this vote, if you vote against cloture at 1:15, you will reveal your true intentions regarding U.S. farm policy for all America to judge.

There will be no denying that you have no interest in moving a farm bill this year.

It will be obvious to every farmer who is watching this debate.

America's farmers will know, without qualification, that you preferred to turn your back on them. You will have abandoned them in this time when they are desperate for a farm policy based on the realities of American farming in the 21th century.

That is a fine ''Merry Christmas'' wish for rural America.

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. LINCOLN. May I ask unanimous consent for 1 additional minute.

The PRESIDING OFFICER. The time is controlled by the other Senator from Arkansas.

Mrs. LINCOLN. I ask for 1 additional minute.

Mr. HUTCHINSON. I ask the Chair how much time is remaining on my side?

The PRESIDING OFFICER. Four minutes.

Mr. HUTCHINSON. Judging from the fact this is not a wholehearted endorsement of my amendment, perhaps the——

Mrs. LINCOLN. I was just describing the debate so far.

Mr. HUTCHINSON. Perhaps the request can be granted from the other side.

Mr. ROBERTS. I object.

The PRESIDING OFFICER. Who yields time?

Mrs. LINCOLN. I ask unanimous consent for 1 additional minute.

Mr. ROBERTS. I object.

The PRESIDING OFFICER. Objection is heard.

Who yields time?

The Senator from Iowa.

Mr. HARKIN. How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator has 8 minutes.

Mr. HUTCHINSON. May I inquire of the Chair, do I still control the floor?

The PRESIDING OFFICER. The Chair was inquiring who yields time, and the Senator from Iowa made an inquiry and was recognized. The Senator from Iowa has the floor.

Mr. HUTCHINSON. I simply was going to reserve the remainder of my time for closing.

The PRESIDING OFFICER. The Senator's time is reserved.

The Senator from Arkansas has 4 minutes. The Senator from Iowa has 7½ minutes.

Mr. HARKIN. Mr. President, I will yield myself 5 minutes, and I would appreciate the Chair announcing when my 5 minutes is up.

Mr. President, first of all, this is not the House bill. This is not even the bill that my friend from Arkansas introduced last night. In order to comply with the budget, they made changes, and what were the changes made? It is very interesting. Let's just take a look at two areas.

The Hutchinson amendment really does gut conservation. In the Senate bill we put $21.5 billion. The House has $15.8 billion. The Hutchinson amendment lowers that to an even $14 billion. But here is where most of the money came from. I say to my friend from Arkansas, Senator LINCOLN and others, we are interested in the small towns and communities. We want rural development.

In the Senate bill we had $1.7 billion—listen to this—over 5 years for rural development. The House bill has $1.17 billion over 5 years for rural development. So we are pretty close. The Hutchinson amendment has—listen carefully—$200 million over 10 years for rural development. Gutted.

So if you want to have a balanced farm bill and one that helps our small towns and communities, forget about that amendment. He guts rural development and puts it all into commodities. But even putting it into commodities, they backload it in 10 years.

What we have done is said there is a crisis out there right now and we need to help farmers right now. For the life of me, I do not understand, Mr. President, why the Senator from Arkansas would want to hurt his own rice producers.

Next year, under the committee bill, the payment per acre for rice is $148.13 under our bill. Under the amendment of the Senator from Arkansas, the payment will be $96.18 per acre for his own rice farmers. Why he would want to offer an amendment to penalize his own rice farmers, I have no idea, because they go back to the old bases and yields. We update the yields. Look at next year. Our payment next year is $148 per acre on rice; the Hutchinson amendment is $96 per acre on rice.

With corn, we pay $36.67 per acre; the Hutchinson, $26 per acre. Wheat is $18.90 under our bill, $15.54 under Mr. Hutchinson's amendment.

This amendment is not well thought out. It is not even the House bill. It is not the House bill at all.

One more time for the record, I say to my friend from Oklahoma, nine titles were approved in our committee unanimously—unanimously. Bipartisan, not one dissenting vote. Senator LUGAR and I worked it out. We worked it out with Senator HUTCHINSON and all the Republicans and Democrats on the committee. The only title that did not come out unanimously was the commodity title. Even the Senator from Arkansas voted for that, so at least it has some bipartisan support.

When the Senator says this is some kind of hugely partisan bill, that is nonsense on its face. All you have to do is please check the record. This bill had strong bipartisan support in the committee.

Again I respond to my friend from Kansas who said we robbed the crop insurance program to increase loan rates. Let the record show, all we did was include a provision that extends the very same provision that Senator ROBERTS put in his crop insurance bill last year. It was OK when he put it in last year. All we are doing is extending it. Now somehow he says it is not OK. We did not gut the crop insurance. If it was good enough for Senator ROBERTS last year, it is good enough for us to put it in now and extend it into the future. That is all we did. We did not in any way touch or gut the crop insurance program.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HUTCHINSON. It is my hope to close for the amendment. Is it the intent of the opponents of the amendment to use the remainder of their time?

Mr. HARKIN. How much time remains?

The PRESIDING OFFICER. There are 2½ minutes for the Senator from Iowa.

Mr. CONRAD. I would like 1 minute if I may.

Mr. HARKIN. I yield 1 minute to my friend from North Dakota.

The PRESIDING OFFICER. The Senator from Iowa yields 1 minute.

Mr. CONRAD. I have said many times that the House-passed farm bill represents a good starting point. But it is a starting point that can be improved. For example, the House bill falls well short of the bill out of the Agriculture Committee in its treatment of commodities such as sugar, soybeans, sunflowers, canola, barley, and the pulse crops of dry beans, lentils, and chickpeas. In dairy, the Senate bill is substantially better than the House bill.

The House bill skimps on commodity support in its first year, providing less than half the support provided by the Senate bill in its first year. If the House bill prevails, we may very well find ourselves back here late next year considering supplemental support for agriculture again. I believe our goal should be to improve the House bill. We cannot do it if we simply accept it today.

The chairman has made clear what is before the Senate is not even the House bill.

Mr. HUTCHINSON. I have 4 minutes remaining.

The PRESIDING OFFICER. The Senator has 3½ minutes.

Mr. HUTCHINSON. I yield 1 minute to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. I thank the distinguished Presiding Officer and my colleague.

It seems to me we have a paradox of enormous irony. The majority has, for weeks, talked about and urged passage of a farm bill to protect the investment in agriculture, the $73 billion provided for in the budget, and to expedite consideration with the House of Representatives, and we could pass the bill this year.

Today, let the record show, whether it might be minor differences between the bill offered by the distinguished Senator from Arkansas and the House bill, the majority is now going to vote against the House position before they go to conference. I think that is a paradox. I think that is unique. I think that is unprecedented.

I thank the Senator for the time.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. Let me say very quickly in wrapping up, I appreciate working with the chairman, and I think he made a good faith effort.

As far as the conservation is concerned, I will respond by saying I offered increases: The average annual funding level from $200 million to $1.3 billion a year for the EQIP program. Livestock and crop producers each receive 50 percent of the funding. On the issue of the rice, the average gross receipts over the 5 years is $11.90 per hundredweight under the House bill and the amendment I offered.

Yes, yours is higher, but they are not being penalized. It is a bill and a position that the Rice Federation and rice producers endorsed because they knew it was good for rice when the bill was introduced.

However, we could argue day and night about this funding and which bill is better for the various crops. The reality is, if Members want a farm bill this year, if Members want a bill this year, this is it. You can bump it up another few billion and maybe everybody in the world will be happy, but if you cannot pass the bill, it doesn't help the farmers.

The latest figures show that the Harkin substitute would cost $45.2 billion over baseline in the first 5 years, leaving only $28.3 billion for the second 5 years. Basically, if we do this, we will eliminate the funding available in the years 2007 - 2011. That is why I say these will be the years of plenty and those will be the years of famine.

This amendment is balanced, and it is reasonable, and it has broad support in the Agriculture Committee and the agricultural community. It is bipartisan. It was introduced as a bipartisan bill.

The basic, underlying, fundamental point is this: It is the only bill that is conferenceable with the House. It is the only bill that has any chance at all of being signed into law this year. If you have told your farmers that you are going to do everything within your power to get a farm bill passed this year, then you need to vote for this amendment.

This will be the highest of ironies, I say to my friend from Kansas, that those who have said they don't want to delay a farm bill are going to vote against the one vehicle by which they can get a farm bill this year; that those who have said there are obstructionists trying to get a farm bill passed will be in a position of voting against the one that could be signed into law by the end of this year.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I yield 30 seconds to the Senator from North Dakota.

Mr. DORGAN. This does not wash—to stall for 2 months, to filibuster for 2 weeks, then walk around here pretending you are out of breath from running so far. Every step of the way, we had people on that side of the aisle trying to prevent us from writing a farm bill, and now they are coming to the floor saying: We are trying to move it along.

This is a sure way to try to move it along—filibustering through two cloture votes. We will see at 1:15 if they give us help to move it along.

The PRESIDING OFFICER. The Senator has 47 seconds remaining.

Mr. HARKIN. The time for games is over. The fact is, the White House itself has said we should not have a farm bill this year. The ranking member of the Agriculture Committee, Senator LUGAR, has said that. The Secretary of Agriculture has said that. The entire Republican hierarchy downtown and here have said time and time again we should not have a farm bill this year. Since this amendment is different from that of the House, it would still require a conference.

Again I say, Mr. President, now is the time to pass a good bill. If we get cloture today and we can close this bill down, we can conference our bill in the next 2 days and we can go into conference with a good bill, not with an amendment that is less than what the House has.

I urge defeat of the Hutchinson amendment.

I move to table the Hutchinson amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The hour of 12:50 having arrived, under the previous order, the question is on agreeing to the motion to table. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA) is necessarily absent.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) and the Senator from Alaska (Mr. MURKOWSKI) are necessarily absent.

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) would vote ''no.''

The result was announced—yeas 59, nays 38, as follows:

[Rollcall Vote No. 376 Leg.]

YEAS—59

Baucus	Durbin	Mikulski
Bayh	Feingold	Miller
Biden	Feinstein	Murray
Bingaman	Graham	Nelson (FL)
Boxer	Gregg	Nelson (NE)
Breaux	Hagel	Reed
Byrd	Harkin	Reid
Cantwell	Hollings	Rockefeller
Carnahan	Inouye	Sarbanes
Carper	Jeffords	Schumer
Chafee	Johnson	Smith (NH)
Cleland	Kennedy	Smith (OR)
Clinton	Kerry	Snowe
Collins	Kohl	Specter
Conrad	Landrieu	Stabenow
Corzine	Leahy	Torricelli
Daschle	Levin	Voinovich
Dayton	Lieberman	Wellstone
Dodd	Lugar	Wyden
Dorgan	McCain	

NAYS—38

Allard	Edwards	Lott
Allen	Ensign	McConnell
Bennett	Enzi	Nickles
Bond	Fitzgerald	Roberts
Brownback	Frist	Santorum
Bunning	Gramm	Sessions
Burns	Grassley	Shelby
Campbell	Hatch	Stevens
Cochran	Hutchinson	Thomas
Craig	Hutchison	Thompson
Crapo	Inhofe	Thurmond
DeWine	Kyl	Warner
Domenici	Lincoln	

NOT VOTING—3

Akaka	Helms	Murkowski

The motion was agreed to.

Mr. HARKIN. I move to reconsider the vote.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. MILLER). The Senator from Iowa.

Mr. HARKIN. Mr. President, parliamentary inquiry: What is the order of business now before the Senate?

The PRESIDING OFFICER. The cloture vote is the next order of business.

Mr. HARKIN. Mr. President, I understand there is no time remaining. I ask unanimous consent that I be given 1 minute and that the other side be given 1 minute prior to the cloture vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Iowa.

Mr. HARKIN. Mr. President, we will now go to a cloture vote. It will be the

third cloture vote. The majority leader has said that will be it, because this is Wednesday. To finish the 30 hours after cloture, if we got cloture, would require the rest of the week. We all want to get out of here by Friday or Saturday—I hope. So this really would be the last opportunity to have closure on the farm bill.

We have had good votes. We voted on the Lugar substitute. We voted on Cochran-Roberts. We voted on Hutchinson. There may be other amendments. They should be germane. Somebody said about cloture, it cuts off amendments. It does not cut off any germane amendments to this agriculture bill.

So let's have the cloture vote. We get our 30 hours. At least then we can finish the bill. Then the staff can work on it in January, and when we come back on January 23, we can meet in a short conference and get the bill to the President before the end of the month.

If cloture is defeated, I can assure you, all of my fellow Senators, the President will not get this bill until sometime in March or April, if even then. So this is the last train out of the station. I hope we can get it done.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Indiana.

Mr. LUGAR. Mr. President, we worked with the distinguished chairman carefully. There are a large number of issues that must be discussed before this bill is perfected.

In good faith, I ask the Senate to give us opportunities to perfect this bill. It must be perfected, in my judgment, if the President is to sign it, if we are to have a successful conference, and in fact if we are to have successful agricultural policy.

In fairness, there are a number of amendments that must be heard that, in due course, will have to be heard somewhere in the land. This is the proper forum and the proper time. I ask my colleagues to vote against cloture to keep the process alive because I am confident we will improve the bill if we have that opportunity.

I thank the Chair.

CHANGES TO H. CON. RES. 83 PURSUANT TO SECTION 213

Mr. CONRAD. Mr. President, section 213 of H. Con. Res. 83, the FY 2002 Budget Resolution, permits the chairman of the Senate Budget Committee to make adjustments to the allocation of budget authority and outlays to the Senate Committee on Agriculture, provided certain conditions are met.

Pursuant to section 213, I hereby submit the following revisions to H. Con. Res. 83.

The revisions follow:

	($ millions)
Current Allocation to the Senate Committee:	
FY 2002 Budget Authority	21,175
FY 2002 Outlays	17,856
FY 2002–06 Budget Authority	69,640
FY 2002–06 Outlays	52,349
FY 2002–11 Budget Authority	114,692
FY 2002–11 Outlays	80,210
Adjustments:	
FY 2002 Budget Authority	0
FY 2002 Outlays	0
FY 2002–06 Budget Authority	37,751
FY 2002–06 Outlays	34,465
FY 2002–11 Budget Authority	66,150
FY 2002–11 Outlays	66,150
Revised Allocation to the Senate Agriculture Committee:	
FY 2002 Budget Authority	21,175
FY 2002 Outlays	17,856
FY 2002–06 Budget Authority	107,391
FY 2002–06 Outlays	86,814
FY 2002–11 Budget Authority	180,842
FY 2002–11 Outlays	146,360

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DASCHLE. Mr. President, we have been on this bill for almost a record length of time now. I am told that tomorrow we will break the record for the length of time a farm bill has been debated. If we get cloture, of course, we will still entertain 30 hours of debate for germane amendments. As I have done on several occasions, we will also entertain unanimous consent requests to consider amendments that are not germane.

But time has run out. This is the third cloture vote. We have a lot of other legislation that must be addressed before the end of the week. We have three conference reports on appropriations that must be completed. We have other legislation of import to both sides of the aisle that must be addressed and, hopefully, completed.

I announced earlier today that if we fail to get cloture on this vote, we will have no other choice but to go on to other issues. That will terminate the debate and end any possibility that we could complete our work on the farm bill this year.

I put all my colleagues on notice, after three cloture votes we need to move on. It is up to both of us, Republicans and Democrats, to make that decision. We can finish this bill. We can accommodate all the other items that need to be addressed, but we have to move on. Germane amendments for 30 hours ought to be enough for everybody who has debated this bill now for over 2 weeks. I ask my colleagues to vote for cloture. Let's get this work done.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Republican leader.

Mr. LOTT. Mr. President, I yield myself leader time so I may respond. I know Senator DASCHLE might want to close the debate.

Let me just emphasize on this issue, first of all, I don't believe this is a record. I think if you go back and search the record, we have spent as long as 30 days on an agriculture bill. We could go back and forth over what the length of time was. The important thing, though, is to get the right thing done.

This legislation does not expire until next year. We are not going to get a conference agreement on this legislation whether we complete action now or next week or sometime before the end of the year. The conference will go well into the next year. I suspect this will be a pretty difficult and long conference. There is no need to continue to have this vote.

Unfortunately, this is the most partisan farm bill I recall seeing in my 29 years in the Congress. Farm bills are almost always, if not always, very bipartisan in the way they are brought out of committee and the way they are considered on the floor. Unfortunately, that has not been the case here.

Farm legislation is very important. We should make sure, when we come back next year, this is the first issue pending and complete action. In the meantime though, we should keep our focus on the three appropriations conference reports, seeing if we can get a bill through that will help the families and the unemployed on the stimulus package, and see if we can get an agreement on the terrorism reinsurance and bioterrorism. Those are the issues we really can do, should do, and I hope we will do.

I urge my colleagues, do not rush to judgment. Let's not be forced to invoke cloture when there are important amendments that would be cut off, such as the one Senator GRASSLEY has on limitations.

There is no need to be panicked here. We can do this. We can do it right. We cannot cut off our colleagues who have good amendments. We can complete action in due time and get a good farm bill well before the law expires.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. Let me respond briefly. First of all to the Grassley amendment, we are told now that it is germane, and certainly it would be eligible for consideration. That goes to the point I made just a moment ago. A lot of amendments that are still pending will certainly be entitled to consideration, entitled to a vote, and that is as it should be.

I also note the Republican leader's comment that this has been a partisan process. I am told by the chair of the committee that we have never had as many unanimous votes in a markup as we had with consideration of this farm bill. Of the titles that were passed out of the committee relating to this bill, nine of them passed unanimously. Only one failed unanimity. That doesn't sound partisan to me.

The commodity title was the only title that generated votes on both sides. Every other vote, in all nine titles, was passed unanimously.

Again, as to the assertion that we can wait, I must say I urge you all to

refer to the Budget Committee and their projections that, by waiting, we chance losing $25, $30, $40 billion in budgetary authority. This in essence is a vote to cut agriculture by a substantial amount of money, if we fail cloture now, if we don't take full advantage of the budget window we have available to us.

We can't wait. I know the administration has urged that we wait, the Secretary of Agriculture has urged that we wait. I must say, 32 or more farm organizations have urged us to act now. Why? Because they are worried about the budgetary implications. Why? Because they want farmers and ranchers to have the opportunity to make the transition. Why? Because the Department of Agriculture normally needs 6 months to make the transition. There are plenty of reasons it is important for us to bring this debate to a close. Let's do it. Let's move on to the other issues we have to confront. Then let's going home for Christmas.

Mr. NICKLES. Will the majority leader yield?

Mr. DASCHLE. I am happy to yield to the Senator from Oklahoma.

Mr. NICKLES. The majority leader referred to the fact that a lot of farm organizations support this bill. Was the majority leader aware that the American Farm Bureau Federation wrote a letter today, December 19, which reads in part:

> The American Farm Bureau Federation Board of Directors in a special meeting on Tuesday, December 18, 2001 voted to oppose senate passage of the farm bill if it contains the water language that your amendment is intended to strike.

I ask unanimous consent to have this letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, DC, December 19, 2001.

Hon. MICHAEL CRAPO,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR CRAPO: I am writing to convey the strongest support possible of the American Farm Bureau Federation for your amendment to strike the Reid water rights language from the conservation title of S. 1731. This language poses an extraordinary new threat to agriculture and the ability of farmers and ranchers to remain economically viable.

The water provisions in the bill set a dangerous precedent that would erode historic state water law. Additionally, it will expand the scope of the Endangered Species Act to cover a new category of species that are not in fact threatened or endangered. These changes are unacceptable to agriculture and will affect agricultural producers well beyond those who participate in the Conservation Reserve Program.

The American Farm Bureau Federation board of directors in a special meeting on Tuesday, December 18, 2001 voted to oppose Senate passage of the farm bill if it contains the water language that your amendment is intended to strike.

Sincerely,

BOB STALLMAN,
President.

Mr. NICKLES. It is just one farm organization, but it happens to be the largest farm organization in the country.

Mr. DASCHLE. Mr. President, I haven't seen the letter, but I will tell you, the Farm Bureau has probably been the leader of all farm organizations in urging the Senate not to delay. It is one thing to vote for or against a particular piece of legislation relating to amendments that may or may not be offered. But it is another thing altogether to complete our work. The Farm Bureau, the Farmers Union, virtually every farm organization known to this country has urged the Senate to complete its work, and to do it this week—not next week, not in February, not March, but now.

The Farm Bureau, the Farmers Union, all the other farm groups have said that. I think those positions ought to be made clear as well.

I yield to the Senator from Iowa.

Mr. HARKIN. Mr. President, I want to respond to my friend from Oklahoma. I spoke with Mr. Bob Stallman this morning on the phone. He is the president of the American Farm Bureau Federation. He referred to this letter. He referred to the conference call they had yesterday. That is true, they are opposed. He said to me—and I asked, May I relate this? He said yes—they are absolutely in favor of cloture, of bringing this to an end. But then again he said they would be opposed to the bill if it had that water right in it. But he told me on the phone this morning they were absolutely in favor of cloture and bringing it to a close.

Mr. DASCHLE. Mr. President, the time has come for us to move to the other important pieces of legislation that have to be addressed. Let us complete our work on this bill. We have been on it long enough. We have debated every conceivable amendment. I think the time has come for us now to complete our work.

I yield the floor.

Mr. SESSIONS. Will the majority leader yield for a question?

The PRESIDING OFFICER. Will the Senator yield?

Mr. DASCHLE. I will yield. I know there is a Senator on the floor who needs to catch an airplane. This will be the last time I yield.

Mr. SESSIONS. My request would be that there be one last attempt to make a bipartisan compromise here. We have people such as Senator LUGAR, Senator COCHRAN, Senator GRASSLEY, Senator Roberts, with deep histories in farm legislation, who are troubled by this bill. I believe we can work it out, as we have in several other last-minute circumstances. But to just shelve it with no willingness to give on the majority leader's side is not healthy.

Will the majority leader try that?

Mr. DASCHLE. Mr. President, let me say, we will have 30 hours, 30 hours of debate, to try every conceivable new avenue to reach some compromise. I am more than willing to sit down with our two managers, with other Senators who have an interest in completing our work.

The real question is whether or not we want to finish the farm bill this year. I hope people can say on both sides of the aisle in the affirmative, yes, we will finish our bill this year. We will complete our work as all farm organizations and as our responsibility dictate.

I yield the floor and ask for the vote.

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Daschle for Harkin substitute amendment No. 2471 to Calendar No. 237, S. 1731, the farm bill:

> Paul Wellstone, Tim Johnson, Bill Nelson, Harry Reid, Blanche L. Lincoln, Zell Miller, Barbara Boxer, Byron L. Dorgan, Max Baucus, Thomas Carper, Ben Nelson, Kent Conrad, Tom Harkin, Patrick J. Leahy, Fritz Hollings and Jean Carnahan.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call under the rule has been waived.

The question is, Is it the sense of the Senate that debate on the substitute amendment No. 2471 to S. 1731, the farm bill, shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA) is necessarily absent.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) and the Senator from Alaska (Mr. MURKOWSKI) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 54, nays 43, as follows:

[Rollcall Vote No. 377 Leg.]

YEAS—54

Baucus	Chafee	Edwards
Bayh	Cleland	Feingold
Biden	Clinton	Feinstein
Bingaman	Collins	Graham
Boxer	Conrad	Harkin
Breaux	Corzine	Hollings
Byrd	Dayton	Hutchinson
Cantwell	Dodd	Inouye
Carnahan	Dorgan	Jeffords
Carper	Durbin	Johnson

Kennedy	Mikulski	Sarbanes
Kerry	Miller	Schumer
Kohl	Murray	Snowe
Landrieu	Nelson (FL)	Specter
Leahy	Nelson (NE)	Stabenow
Levin	Reed	Torricelli
Lieberman	Reid	Wellstone
Lincoln	Rockefeller	Wyden

NAYS—43

Allard	Enzi	Nickles
Allen	Fitzgerald	Roberts
Bennett	Frist	Santorum
Bond	Gramm	Sessions
Brownback	Grassley	Shelby
Bunning	Gregg	Smith (NH)
Burns	Hagel	Smith (OR)
Campbell	Hatch	Stevens
Cochran	Hutchison	Thomas
Craig	Inhofe	Thompson
Crapo	Kyl	Thurmond
Daschle	Lott	Voinovich
DeWine	Lugar	Warner
Domenici	McCain	
Ensign	McConnell	

NOT VOTING—3

Akaka	Helms	Murkowski

The PRESIDING OFFICER. On this vote, the yeas are 54, and nays are 43. Three fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The majority leader.

Mr. DASCHLE. I enter the motion to reconsider the cloture vote.

Mr. JOHNSON. Mr. President, I rise to express my grave disappointment at the failure of the Senate to achieve cloture on S. 1731, the Senate farm bill. Today, as on two other occasions in the last 13 days we have debated the farm bill in the Senate, a majority of our body has voted for cloture, a parliamentary tool applied to end excessive debate and to ensure we could finish the farm bill by the end of the year. Unfortunately, even though a majority of the Senate wants to pass a farm bill this year, the Senate Republican leader has blocked an up-or-down vote on the farm bill, forcing the Senate to revisit this issue next year. It requires 60 votes to terminate a filibuster and to allow the Senate to proceed with its work.

Today, farmers and ranchers across South Dakota and the entire country are busy doing their jobs. They are maintaining their operations, feeding livestock, deciding what to plant for the 2002 crop year, discussing prices, expenses and economic matters with their lenders, all in anticipation that Congress will do their jobs and complete a farm bill this year. The only problem is that Congress, namely a certain number in the Senate, has failed family farmers and ranchers by rejecting action on the farm bill this year. Despite the fact that every major farm and ranch organization in the country wanted to complete action on the farm bill this year, a certain number in the Senate ignored these 32 groups. In fact, Mr. Bob Stallman, the President of the American Farm Bureau Federation has been quoted as saying that a vote against cloture is a slap in the face to farmers. Unfortunately, Farm Bureau, Farmers Union, and all the other farm groups were ignored today and on two prior cloture votes. On three separate occasions the U.S. Senate was given an opportunity to demonstrate how important family farmers, ranchers, and rural communities are to the overall well-being of the country, because the Senate had cloture votes on three separate days. On three occasions the Senate was given a chance to say we'll write a new farm bill this year, we'll go to conference with the House, and we'll send a bill to the President. On three occasions the Senate was given an opportunity to send a message to farmers and ranchers all across the country that we care about them, that we want a better farm bill for rural America, and that it was important to us to deliver a new farm bill to them. Yet, on Thursday, December 13, the Senate obstructed action on the farm bill by a 53–45 vote. Then on Tuesday, December 18 and today, Wednesday December 19, the Senate rejected cloture on a 54–43 vote each day. Rejecting cloture simply means a rejection of the farm bill this year. That is very unfortunate.

I have repeatedly said it is crucial for Congress to complete action on the farm bill, conference with the House, and send a bill to the President for his signature this year, if not very early next year, in order to ensure two very important things.

First, that we capitalize upon the $73.5 billion in additional spending authority provided by this year's budget resolution, because given the shrinking budget surplus and unprecedented demands on the Federal budget now, there are no assurances this money will be available in 2002, when a new budget resolution will be carved out of a very limited amount of resources. Second, that we mend the farm income safety net now because the experience of the 1996 farm bill has painfully taught us that it does not provide family farmers and ranchers a meaningful income safety net when crop prices collapse. Thus the need for a new farm bill is clear.

Some will allege the Senate did not have time to fully debate the merits of S. 1731, the Senate farm bill. However, that is clearly not the case. Rather, in the last 13 days we have debated the farm bill, approximately 20 amendments were proposed to the underlying bill. Three of these amendments were comprehensive alternatives to the farm bill passed out of the Senate Agriculture Committee. Of these three substantial alternatives, one was a proposal by Senator LUGAR to overhaul the farm bill's commodity title with a severe reduction in support to South Dakota's crop producers, essentially by eliminating the marketing loan program. On December 12, the Senate voted against the Lugar amendment on a 70–30 vote. Then, yesterday, the Senate debated at great length an alternative to the farm bill offered by Senators COCHRAN and ROBERTS. Their alternative would have revamped many titles of the farm bill, including major changes to the commodity and conservation titles. Yesterday, the Senate rejected the Cochran-Roberts alternative by a 40–55 vote. Finally, today, Senator TIM HUTCHINSON offered a near identical version of the House-passed farm bill (HR 2646) for consideration and debate in the Senate. Today, the Senate soundly rejected the House proposal by a 38–59 vote. In the final analysis, a clear majority in the Senate has gone on the record in opposition to three major farm bill alternatives. I am confident that if we were allowed a straight up-and-down vote on the Senate farm bill, we would pass it. However, certain Senators have resorted to stall out the farm bill, essentially killing it for the year.

Finally, I will do all I can to make sure the farm bill is the very first order of business that we take up in 2002. We may still have time to pass a farm bill in the Senate, conference with the House, and send a bill to the President. In the meantime, I will continue to fight for South Dakota's priorities in the farm bill. Some of these priorities include; my provision to forbid meatpacker ownership of livestock, which will restore fair competition in the marketplace; my provision to provide for country-of-origin labeling of beef, lamb, pork, fruits, vegetables, peanuts, and farm-raised fish; my provision to prohibit USDA quality grade stamps on imported meat; an energy title that promotes value-added ethanol, biodiesel and wind production in South Dakota; a conservation title increasing the Conservation Reserve Program to 41 million acres; and; a commodity title containing higher loan rates than the House farm bill and a provision that rewards farmers with an allowance for an update on a farmer's yields and planted acreage for the purpose of making price support payments. None of these provisions are contained in the House farm bill.

We have more work to do. In addition to completing action on the farm bill, we should address common-sense payment limitations in the farm bill so family farmers and ranchers truly benefit from it. I look forward to next year and our endeavor to provide America's family farmers and ranchers with a new farm bill.

Mr. NELSON of Nebraska. Mr. President, I rise in support of the Daschle substitute to the committee-passed bill.

Let me begin my statement by pointing out that every farmer I talk with in Nebraska wants Congress to pass a new farm bill this year. This legislation is awfully important to tens of thousands of farm families in Nebraska and they are asking me to get it done.

For my State, with its 55,000 farm families where we have more cows than

people there may be no greater economic stimulus package than the farm bill.

Many of my colleagues have thanked Chairman HARKIN, ranking member LUGAR, and their staffs for their hard work in getting this bill together. Let me add my thanks. It was not an easy job.

But then, neither is farming in an environment where commodity prices for crops remain at historic lows for the fourth straight year.

Or where livestock producers—the largest sector of agriculture in my state—are facing costly new environmental regulations with frightfully few federal resources to help share the burden.

So I rise in support of this legislation and ask my colleagues to join me in its consideration.

This bill breathes new life into our commodity programs, provides nutrition programs for hungry children and adults, supports our international food donation and trade efforts, and protects millions of acres of environmentally sensitive land, among many other important priorities.

It makes a real commitment—both in programs and funding—to rural development. I have worked with many Nebraskans involved in rural development in their communities, and these are the provisions they asked for: Access to venture capital. Adequate funding for water and sewer projects. Greater access to broadband service. More funding for value-added product development.

A modest investment in these programs will have tremendous return in rural communities all across America. I hope my colleagues have heard from their constituents about the importance of these provisions and that they are as enthusiastic as Nebraskans are.

This bill also includes, for the first time, a title devoted to agriculture-based energy. It's a terrific idea and one whose time has come. I only wish the Agriculture Committee had the jurisdiction to go further!

Nevertheless, the provisions in the energy title that provide grants, loans and technical assistance to farmers and ranchers to develop and incorporate renewable energy use will be, I predict, widely oversubscribed.

In five years we will be back here trying to expand these programs, like we have our conservation programs, because demand has far surpassed the funding available.

Speaking of conservation, let me briefly comment on the conservation title. The Chairman and Ranking Member of our committee deserve special recognition for their vision in moving farm programs toward a more conservation-oriented policy.

Environmental and sportsmens' groups—the hook and bullet coalition, I heard them called recently have been working toward the expansion of these programs for years, and their efforts pay off in this bill.

CRP, WRP, WHIP, FPP . . . the acronyms all run together, but each program has a distinct and invaluable purpose.

Of particular interest to Nebraskans are the significant new resources for the EQIP program, which will allow it to ramp up to $1.25 billion a year by 2006 from just $200 million now.

It will provide assistance to thousands of livestock producers, in particular, to comply with new regulations. Just as importantly, it will assist row crop producers in protecting water supplies, soil quality and wildlife habitat. The House also made a significant commitment to EQIP and I commend them for that.

A critical title of this legislation reauthorizes and expands nutrition programs. Included is a provision of particular importance to Nebraska and other states with military installations.

The privatization of housing on military bases has had the unintended consequence of jeopardizing eligibility for the free and reduced cost school lunch program for qualifiying children. Because of the reporting requirements in the privatization legislation, service members' housing allowances are now being counted as income making children who previously qualified for the free and reduced cost school lunch program ineligible.

So, unfortunately, as a result of a policy that I support—privatized housing on our military bases—we are improving quality of life with one hand and taking it away with the other.

This bill creates a stop-gap solution to this problem, until child nutrition programs can be reauthorized.

Finally, the commodity title is of course the engine driving this train. I cannot overstate how important it is to Nebraska.

Farmers, as we all know, are deriving an ever-increasing share of their income from farm program payments under Freedom to Farm.

The law that was supposed to rid them of the shackles of Federal farm programs has instead made them more dependent on the government than ever before. It has cost taxpayers tens of billions of dollars in emergency assistance.

Farmers in Nebraska have said resoundingly, ''Enough!'' and they are right. It is time for a new program that offers some stability and a reasonable chance at profitability. And it's time for a program that no longer offers its benefits based on what you may have planted 20 years ago.

This legislation provides a modest increase in loan rates, and I do mean modest. Corn goes from $1.89 to $2.08; wheat from $2.56 to $3.00.

Farmers in Nebraska have been calling for an increase in loan rates for years, but this is hardly what they had in mind.

And still, there are those who call it excessive. Who say that these loan rates—still well below what it costs farmers to raise a crop—will ''stimulate production.''

I ask them: where? Freedom to Farm sent farmers checks when prices were at record highs and they did what any business would do—they invested in greater productivity. And they were successful.

As we know too well, it took only two years of Freedom to Farm for prices to collapse. And they have not recovered. And still the government signals, ''Plant more.'' ''Buy more land.'' ''Expand your operation.''

The current program, I say to my colleagues, stimulates production. So I do not see where all this new production is going to come from.

What I do see is a loan rate that offers producers a fighting chance at making a cash flow work with their banker this spring. A safety net that leaves them less dependent on the continued largesse of Congress. And I like that, and so do they.

The commodity title reauthorizes programs for sugarbeet growers, which is also important to my state. To the 550 families growing sugarbeets in western Nebraska, this bill is critical.

And it meets other needs of other regions and senators that make it truly a national program—including peanuts and fruits and vegetables.

So I thank Chairman HARKIN for putting this bill together and I urge the Senate to invoke cloture and move to its immediate consideration.

Mr. CRAIG. Mr. President, last week we voted on an amendment by Senator JOHNSON that would prohibit meat packers from feeding, owning, or controlling livestock. I voted for this amendment because of concerns from my livestock producers that the packers have too much control of the market.

Since that time, I have received more information on how this provision would be implemented. It has come to my attention that the language as written would prohibit forward contracting, future contracts, and other pricing mechanisms.

This is significant information. Indeed, had I known it at the time of the vote, I would have voted differently.

For that reason, I took the only action available to me to correct the situation. I filed two alternative amendments to the farm bill: one that would prohibit the Johnson language from going into effect, and another that would substitute a study to determine the economic impact of such a proposal. The proposed ban on packer ownership, as offered by Senator JOHNSON, could cause widespread economic harm in the livestock and packing industries, but no one has explored what the

true implications would be. My amendment would require the US Department of Agriculture to complete this study within nine months.

I have always been a free market conservative; however, I regularly hear from ranchers expressing concerns about concentration in the meat packing industry. In Idaho we have two packers, and the only thing worse than just two packers, is to have only one. I am concerned that the language as passe4d could result in further consolidation within the packing industry.

While I agree with my producers that we have a problem, we must be sure that our solution does not create an even bigger long-term problem.

MEAT PACKERS

Mr. GRASSLEY. Mr. President, last week the Senator from South Dakota and I offered an amendment which would prohibit meat packers from owning, feeding or controlling livestock prior to slaughter. Together, we had introduced legislation in the Senate to accomplish the very goal of our amendment. A majority of our colleagues in the Senate voted in favor of our amendment. However, since that time, concerns have been raised by the Secretary of Agriculture and some in the livestock industry that the language of the amendment, specifically the word ''control'' would affect forward contracts or marketing agreements. I do recall that the Senator from Montana inquired as to whether this amendment affected such contracts and that the Senator from South Dakota responded that the amendment did not affect them. However, I would ask the Senator from South Dakota for further clarification on that issue.

Mr. JOHNSON. I thank the Senator from Iowa for his leadership on this issue. Additionally, I thank him for his concern for livestock producers and for the opportunity to clarify any misunderstandings. The amendment is not intended to affect forward contracts or marketing agreements. Such arrangements have caused or can cause problems in the market, but they are outside the scope of this amendment.

The intent of the word ''control'' must be read in the context of ownership. In other words, control means substantial operational control of livestock production, rather than the mere contract right to receive future delivery of livestock produced by a farmer, rancher or feedlot operator. ''Control'' according to legal dictionaries means to direct, manage or supervise. In this case, the direction, management and supervision is directed towards the production of livestock or the operations producing livestock, not the simple right to receive delivery of livestock raised by someone else.

The word control is intended to close any loophole which may allow clever attorneys to circumvent congressional intent. Such loopholes could include situations where a packer that owns livestock engages in a transaction where a farmer takes nominal title to livestock or livestock feeding operations, but a packer has substantial operational control over the livestock production which is similar to ownership. Another situation is where a packer could exercise such operational control through a related entity. However, where a farmer or rancher holds true operational control, this amendment would not affect him.

Mr. GRASSLEY. Mr. President, I understand that the Senator from South Dakota does not intended the word ''control'' to include forward contracts and marketing agreements. However, how are such contracts different from operational control?

Mr. JOHNSON. There are two reasons that forward contracts and marketing agreements are not within the definition of control. First, these contracts do not allow a packer to exercise any control over livestock production operation. Rather, the contracts merely provide the packer with the right to receive delivery of livestock in the future and most include a certain amount of quality specifications. There is no management, direction or supervision over the farm operation in these contracts. The farmer or rancher makes the decision to commit the delivery of livestock to a packer through the contract without ceding operational control. In fact, the farmer or rancher still could make a management decision to delivery the livestock to another packer other than the one covered in the contract, albeit subject to damages for breach of contract. Even where such contracts include detailed quality specifications, control of the operation remains with the farmer. The quality specifications simply related to the amount of premiums or discounts in the final payment by the packer for the livestock delivered under the contract.

Second, several states prohibit packer ownership of livestock, such as Iowa, Minnesota, and Nebraska. The Iowa law, for example, prevents packers from owning, operating or controlling a livestock feeding operation in that state. But packers and producers may still enter into forward contracts or marketing agreements without violating that law because operational control, in the context of ownership, is the issue. The term control is intended to be similarly interpreted and applies in this amendment.

Mr. GRASSLEY. I concur and understand the distinction between control of livestock production in the operational sense and a mere contract in which a packer has the right to receive delivery of livestock in the future. I also understand that farmer owned cooperatives, including federated agricultural cooperatives, are exempt if they own a packing plant. But there is yet another situation in which some packers enter into joint ventures with farmer-owned cooperatives that has members which would supply the jointly owned packing plant.

It has never been our intent to prevent cooperatives from engaging in relationships with packers, and the amendment does not do that. For example, in Iowa, Excel, which is owned by Cargill, is in negotiations with a beef cooperative to build a packing plant to be owned by a joint venture. If that deal is completed, the actual packer would be the joint venture entity formed by Cargill/Excel and the beef cooperative. Co-op members who chose to participate in that endeavor can freely commit all or a portion of their cattle for slaughter without violating this amendment. The reason is that the packer in the exercises no operational control over livestock production. Rather, the package again has a mere contractual right to receive delivery of cattle that meet its specifically on graduate and quality. That contract may be a standards forward contract or marketing agreement, or the contract may take the form of a membership agreement between each farmer member and the beef cooperative. In either even, this amendment does not affect this joint venture arrangement.

Mr. JOHNSON. That is absolutely correct Senator GRASSLEY, and we have advocated this position all along. Thank you from clarifying that issue with me. While forward contracts and marketing agreements can pose problems for the marketplace, they are outside the purview of our amendment.

Mr. GRASSLEY. Thank Senator JOHNSON for clarifying the scope of the amendment.

MORNING BUSINESS

Mr. DASCHLE. I ask unanimous consent there now be a period for morning business, with Senators permitted to speak for up to 10 minutes each.

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

FAILURE TO PASS A FARM BILL

Mr. HARKIN. What was the final vote, I inquire?

The PRESIDING OFFICER. The yeas are 54; the nays are 43.

Mr. HARKIN. We would have had 55. Senator AKAKA was missing, of course.

This is a sad day and not a very bright Christmas next week for farmers and ranchers and people who live in rural America. What we have said to them is: You don't count; you will come on the tail end of everything else. We will do this, we will do that around here, but when it comes to our farmers and ranchers, you are at the tail end. That is what my Republican colleagues have said. Go take a hike, they said to rural America. We will deal with you later. We will deal with you later.

I come from a town of 150 people. I was born and raised there. I bet I am the only Senator in this Chamber who lives in the house in which he was born. I wasn't born in the hospital; I was born in the house. I still live in that house in a town of 150 people. I have a strong feeling about people who live in small towns and communities that need rural development, that need sewer and water, need better communications, telecommunication centers in our country, who need job opportunities. Our farmers surround these small communities and this is what they need for them and their families and their livelihood.

We tried everything humanly possible to get this bill passed, in good faith, working in a bipartisan manner. Facts are devilish little things because facts give lie to rhetoric. We hear all this rhetoric from the other side that this is a partisan bill. If it wasn't so partisan, we could get it through.

But the facts are devilish things. And the facts are that every single title of this bill we worked on, I worked closely with my ranking member, a good friend, an honorable person, someone who cares deeply about agriculture. We worked on these. We worked them out in committee. Every single title got a unanimous vote, all Republicans, all Democrats, but one title, commodities.

Senator HUTCHINSON from Arkansas voted with us, so it was bipartisan. Basically, the same thing happened in 1995. We had to deal with the commodity title in the Chamber. I understood that. But then we had all the amendments that gutted nutrition, gutted conservation, that went after rural development. And we had all decided in the committee, unanimously, on what we reported out.

The facts give lie to rhetoric. They have the rhetoric. They have been hit with the rhetoric, but the facts are on our side. This is one of the most bipartisan farm bills ever to come out of the Senate Agriculture Committee. The facts are there and cannot be denied. Again, they talked about reaching more of a bipartisan consensus. Again, the facts are devilish little things.

We had three big amendments offered on the Republican side that were sort of in the nature of substitutes for a committee bill. One was the amendment offered by my friend from Indiana, the ranking member, Senator LUGAR. Then we had the amendment offered by Senators COCHRAN and ROBERTS. And then this morning we had the amendment offered by Senator HUTCHINSON. If you listened this morning, you heard Senator HUTCHINSON and others saying this would be the only bill; if only we would pass the Hutchinson bill, it could be the only bill that could get through conference and get to the President.

The facts are devilish things. The Lugar amendment got 30 votes. The Cochran-Roberts amendment got 40 votes. The Hutchinson amendment this morning got 38 votes.

What are they talking about? I assume what they mean when they want a bipartisan bill is they want the 30 or the 40 people to decide. That is not bipartisan. We had the votes. What it showed was the majority of the Senate wants the committee bill, but for some reason they will not vote for cloture to give the 60 votes.

I ask, what is partisan about somewhat higher or lower rates? What is partisan about that? What is partisan about fixed payments, which we have in our bill? What is partisan about countercyclical payments, so that if the price goes down we come in and help farmers out? What is partisan about a strong conservation program, that even the Secretary of Agriculture, in the book they published earlier, touted widely?

This is a balanced package. It was right down the middle. It was not radical. It was not partisan. When you get a bill that can get unanimous votes on our committee on every title except one, I say that is a pretty doggone good bipartisan bill. It may not be what every single person wants. Not everything in that bill is something I would want. But I recognize you have to balance interests—not only between parties, but you have to balance them geographically and between crops.

That is what we did.

Now, let me talk about the cloture vote. Cloture is a funny sounding word. I assume when farmers and the people in my small towns in Iowa and places where I live are watching this on C–SPAN, or they pick up the newspapers, or watch it on television, or hear it on the radio, they wonder what cloture means. All it means is that we bring the bill, finally, to an end at some point. There is some point at which we end. Even after the cloture vote, 30 more hours are added onto the almost 3 weeks we have already been on it—30 hours with germane amendments allowed. Obviously, nongermane amendments would not be allowed.

Is the other side saying they want a farm bill on which they can add everything that is not germane? Go out and tell that to the farmers. Tell them they stopped this bill because they wanted to add a stimulus package—some tax giveaway program or some other extraneous matters.

I say to the farmers and ranchers and people in my small towns, all cloture means is we were going to reach the point of a final vote. It did not say how you vote. But there would be 30 more hours with amendments that were all germane to the farm bill.

Even my friend from Iowa, my colleague, had an amendment on payment limits. He was upset this morning. There was a little to-do last night and this morning about it. We worked it out so his amendment would be germane. Yet he still voted against cloture.

What more can you do? What more can you possibly do? This is not a good day for farmers, for agribusiness, for our bankers and lenders all over rural America. I have been here 27 years. Not as long as my colleague from Indiana, but I have been here 27 years. I have been on the Agriculture Committee 27 years—in the House and then here in the Senate. I have been through over a half dozen farm bills; about four of those in the Senate. Some of them have been pretty tough debates. We have had tough debates here. Farm bills engender tough debates. Sometimes I kind of like it. They are good debates.

But in all of those years, I have never seen a more partisan attack on a committee-reported bill than I have seen in the last couple of weeks on the floor of the Senate. The administration, time after time after time, and the President's chief advisers, have said they do not want a farm bill this year. They want to put it off until next year sometime. The Secretary of Agriculture has also repeated those words.

I would say with all due deference to my friend from Indiana, I assume he has said repeatedly we should not have a farm bill this year; we should do it next year.

All right. That is OK, if that is their point of view. But let's vote on it. Let's let the majority of the Senate work its will.

Yet we did not. So I would say, look to the administration. Obviously, they have their troops in order here because, I have to tell you, it is not in the best interests of a lot of people who voted against cloture to vote against cloture. They know it. Their farmers know it. Their farm organizations know it.

Yet because the administration lowered the boom and said no, no farm bill this year, we don't get cloture. We do not bring it to a close.

Again, hope springs eternal. I said I would do everything humanly possible to try to bring this to a close this week. I believe that I have met that commitment. I am not a dictator. I cannot force anyone on the other side of the aisle to vote one way or the other. I can only use reason, logic, and the facts, that is all—and have votes and let them debate and then have the amendments.

We have done that. I am fearful next year when we come back, we are going to have new budget estimates. We are going to lose a lot of money out of this. There will be a hue and cry out of the administration that we cannot afford this. We are going to put our farmers and our ranchers in a terrible situation next year, all because of the vote that was held 15 minutes ago.

How do we plan? How do farmers plan? There is huge uncertainty out

there. So I hope as Senators who voted against cloture—have a Merry Christmas. I wish them all a Merry Christmas and a Happy New Year. Think about those farm families out there who are going to be worrying about what kind of farm program they are going to have next year.

The PRESIDING OFFICER (Mr. REED). The time of the Senator has expired. The Senator from Indiana.

Mr. LUGAR. I thank the distinguished chairman for wishing us Merry Christmas. I reciprocate. In the same serious vein, however, we both reciprocate with farmers across our land and all citizens who watch this debate and who are deeply interested, as we are, in this bill.

Let me recognize, first of all, the leadership of our chairman, Senator HARKIN, who came into the chairmanship in June, and organized a staff in a very difficult year. The farm bill cycle, one that comes with this Congress, requires a great deal of organization. He has brought together a skilled group of staff members who have worked well, the staff members I was privileged to serve with when I was chairman of the committee.

Nevertheless, it was a difficult time to begin the farm bill consideration, the drafting, pulling together, at least, of the materials as well as the consensus that was required. I pay tribute to the chairman for doing that very skillfully.

But as has been pointed out throughout the debates, many times members complained during the markup that they were not aware of the text of the bills until a few hours before consideration. These are complex titles. Even then, we proceeded and cooperated with the chairman, for reasonable debate and votes.

The chairman is correct. In the case of the titles other than the commodities title, we often came to unanimity. I think I would make only the slight correction that I offered amendments in committee to do considerably more in nutrition and food stamps and feeding of the poor than was the will of the committee at that time. Likewise, more on agricultural research. Essentially, a majority of the members of our committee were deeply concerned throughout all the other titles about the amount of money that would be left for the commodities. They wanted to follow the money. It was all right to take a look at research and nutrition and the rest of it, but these were perceived as preliminaries to the main goal.

As a result, we do not all get what we want in these priorities. Nevertheless, I had a chance to express it. We had votes, I think fairly narrow losses on both of those, and came back to the floor to try again—unsuccessfully, as it turned out. I accept that fact. This may be a year in which the majority of the committee and a majority of the Senators were eager to literally appropriate more taxpayer money for the traditional crops and bits and pieces of other situations to satisfy Senators necessary to build a coalition.

I also observe the driving force for all of this was a statement that the Budget Committee had reserved $172 billion over a 10-year period of time for agriculture. If this was not seized, the moment was not seized, the money was not seized, it would be gone. Therefore, even if there might be inadequate consideration of titles and texts and procedure, or even if, in this debate on the floor, amendments could not be heard, again and again we returned to the thought that if this did not occur in calendar 2001, the $172 billion might be lost.

The majority leader in his comments thought maybe $30 billion or $40 billion might be left. Therefore, those voting against cloture were voting for a cut in the Agriculture bill.

Admittedly, we considered a 5-year bill, the House bill with the $172 billion 10-year situation, but we even came back to that in a vote today. This preoccupation with that money is an important fact. But I tried to reason during some of our debate in this Chamber that we are all aware as Senators, quite apart from the technicalities of the Budget Committee, that our country is at least in a mild recession. We are, hopefully, going to take up stimulus spending to get it out and move people along—farmers included. There is not $172 billion and there has not been for a long time. We have continued to operate in a fashion in which we spent every last dime, pushing each commodity situation to the nth degree.

I and others argued that that is a mistake for agriculture in America; it is not in the best interests of a large majority of farmers. This bill was crafted to benefit a fairly small number of farmers in America. Those of us who have talked about it have detailed in our own States precisely who gets the money. In Indiana, 66 percent of the money goes to 10 percent of the farmers. The bill we have been considering would concentrate it even more. What about the other 90 percent? Are they of no consequence in this debate?

When we talk about farm families in my State, 90 percent might say: Is no one looking out for us?

And I say: I am.

Let's get that straight. The bills we were taking a look at narrowly focus a lot of money to a very few people.

They would say: We deserve it. We are the most efficient. We are the biggest. We are getting bigger. We have the best research, the best marketing.

We applaud that, but that does not justify the American taxpayers transferring money to them.

We applaud their efficiency because they make money doing what they are doing.

I have no idea how the final product might have looked if we had invoked cloture today. But we have a pretty good idea. How interesting it is that so many farm groups said: We are looking at two bad bills—the House bill and the Senate bill. But vote for a bill anyway to get on with the process because the $172 billion might disappear, and somehow a miracle might occur in conference between two bad bills. That is highly unlikely.

What we have done today is given ourselves a second chance to let the American people in on the secrets, the facts, and then to deliberate a little more carefully as to how in fact we should not encourage overproduction and overconcentration of the money. The problems will surely come in the trade situation of this country when we take steps such as this that are clearly not tied to all of the opening up elsewhere in the world that we espouse.

We have a lot of work to do. I look forward to working with the distinguished chairman of the committee. I am grateful we have a second chance to do much better for American farmers.

As I have said throughout the debate, as one who is among that group, I take farming seriously and personally—in my family as well as in my State. I think I have a pretty good idea, as a matter of fact, of what may be beneficial to Indiana agriculture.

The bill that was before us without amendments and without substantial changes would have been harmful to my State. That is counterintuitive. Indiana is one of the big winners as you look down the number of farmers receiving subsidies and the amounts of money.

The fact is we have been running the markets off the tracks by the Government interfering and stimulating overproduction year after year. You depress prices year after year. There is no way prices could get up, given the bill we are taking a look at. You depress it by the very nature of the bill and then complain that prices are at all-time lows. Of course, they are. If we passed this bill, prices would be low for 10 years. That would guarantee a crisis.

I predict that unless we cure this, we will be back in July and August despite the protestations, and we will say somehow this just didn't work; it wasn't the right formula; we need more money, and we will vote for more money, as we have annually year after year, because the politics of competition between the parties would really not permit anyone to opt out at such a moment.

I am more optimistic than my colleague from Iowa. I think we are going to progress and do the right thing, as we always attempt to do in this body. I think we are going to have more constructive deliberation outside of the Chamber and then hopefully have a more focused debate inside the Chamber and come to the right conclusions.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, how much time is there?

The PRESIDING OFFICER. There are 10 minutes allowed each Senator to speak in morning business.

Mr. WELLSTONE. I thank the Chair.

Let me thank both my colleagues for different reasons.

First of all, I thank Senator HARKIN, who I think has done a yeoman job of reporting not a perfect bill but a good bill out of the Agriculture Committee and bringing together a lot of different people representing a lot of different viewpoints with a unanimous vote on all of the provisions of the bill except the commodity provision.

I thank Senator LUGAR for his typical graciousness and civility. Let me add that the differences I have with him are not ever personal but more a matter of policy.

These are the facts as I see them. When Senator LUGAR talked about too much AMTA payments being inverse in relationship to need, I quite agree with him. But I see a good part of that as being the outgrowth of the failed ''freedom to fail'' bill and the AMTA payments that have gone out to people. I can't think of a more failed farm policy, I say for all of my colleagues who supported that bill.

There are many who filibustered this bill and supported what was called the Freedom to Farm bill—what we call the ''freedom to fail'' bill.

Essentially what has happened, because it was such a miserable failure, is we now have farmers and agriculture in a large part of rural Minnesota and rural America dependent on these Government payments. Quite frankly, these AMTA payments especially are inverse in relationship to need. There is no question about it.

Farmers in our State—livestock producers, corn growers, wheat growers, and dairy farmers—hate being dependent on the Government checks.

I think what is going on here is as follows: This administration's definition of a good farm bill is low loan rates and low prices for family farmers. It is that simple. As a matter of fact, in the substitute Senator HUTCHINSON presented today, the House bill actually would enable the Secretary of Agriculture to lower the loan rates from where they are right now.

There is a lot of arcane language that goes with agricultural policy. But basically what we are talking about is a way in which farmers have some negotiating power vis-a-vis grain companies, or other exporters, with the loan rates so they can get a better price. When they get the better price, they do not have to take out any loans. The Government doesn't pay them any money.

If I had my way, if Senator DAYTON had his way, and if other farmers had their way, we would have had a Grassley-Dorgan amendment which would have made this more targeted. We would raise the loan rate.

Let us be clear about this. What is at issue is that this administration's definition of a good farm bill is low prices for family farmers. They want the loan rate down. For the large conglomerates—be they the grain traders or other exporters—low prices are great. They pay the independent producers low prices, they export, and they make a big profit. That is what this is about.

I was the last to join the Agriculture Committee. I was so hopeful that we would write a new farm bill. It is not just strategy here in the Senate, or strategy here in Washington DC; it is a lot of people who are being spat out of the economy—broken lives, broken dreams, broken families. All family farmers say: That is what I care about.

Frankly, my passion isn't for all of the food industry. I am not worried about Tyson Foods or IDP. I am not worried about the big grain companies. They do fine. The part of agriculture or the food industry for which I have the passion is the family farmers—the people who not only live the land but work the land, and who are basically saying: We want to have a living wage. We want to have a price whereby we can make a little bit of profit based on our hard work so that we can support our families and live in the part of Minnesota and America that we love—rural America and rural Minnesota.

I am not a farmer. But in an odd way, when we moved to Northfield, MN, in 1969, I started organizing with farmers. I have been organizing with farmers now for almost 30 years. If there is one thing I advocate for, it is for trying to make sure farmers have some leverage to get a decent price.

We had rural economic development provisions in this bill. We had energy provisions in this bill. We had good conservation measures in this bill. We had food nutrition in this bill, which wasn't as strong as Senator LUGAR would like or that I would like, but much better than the House bill. A number of us had amendments ready that we thought would have strengthened it.

In addition, it was not perfect, but the effective target price, loan rate, with some additional assistance, would have provided some real help to family farmers—not as in you are directly now dependent upon all Government payments, but as in you are going to have a chance to get a better price in the marketplace.

Mr. DAYTON. Will the Senator yield for a question?

Mr. WELLSTONE. I am pleased to yield.

Mr. DAYTON. My distinguished colleague, the senior Senator from Minnesota, has been in this body for 10 years. This is my first year in this body. I know, from my own experience in Minnesota, that it is unusual for the Minnesota Farm Bureau and the Minnesota Farmers Union to be in complete agreement. In this case, I believe we were both hearing from those organizations and many other farm organizations in Minnesota that represent the farmers in our State, that they wanted this bill. They wanted this bill to pass the Senate.

My question is, not having been in this body as long as my senior colleague, in the 10 years my colleague has been in this body, is the Senator aware of a time when both national farm organizations—the American Farm Bureau Federation and the National Farmers Union—were standing at a press conference, the two of them, with Senators such as ourselves, and saying the same thing about this bill?

Mr. WELLSTONE. I say to my colleague from Minnesota, no. I think the reason for it is, if this bill had passed, it would have been an increase of net farm income of $3 billion a year over the next 10 years.

We need that in farm country. I have never seen the Farm Bureau and the Farmers Union so united. I cannot believe that Senators actually voted to block this bill, obstruct this bill from passing.

Mr. DAYTON. I also ask the Senator—again, this is my first year in this body—I have just been in awe of Chairman HARKIN. And I expressed last week my deep respect for Senator LUGAR, who was the former chairman and now ranking member of the committee.

I have never before, in this process, seen anyone lead a committee as he has hold hearings for months, and have the committee markup, where all points of view were recognized, where we voted and passed it out.

Has the Senator ever seen a committee chairman give any stronger and better leadership to a committee bill than this one?

Mr. WELLSTONE. I say to my colleague from Minnesota, no. I think Senator HARKIN made such an effort to reach out that he would infuriate some of us on the committee. He really went out of his way to work with Senators on both sides of the aisle. The proof of that, again, is that every provision in the bill—except for one—was passed with a unanimous vote. It was a good markup. It was substantive. I think Senator LUGAR had a lot to do with that as well.

I think Senator HARKIN did everything he could to make this bill a bipartisan bill.

Mr. DAYTON. I would hope all the farmers in the State of Iowa, the Senator's home State, and all the farmers in America would understand and know that Chairman HARKIN has done everything for countless hours and hours over the last months to bring this bill

to the floor, making it a good bipartisan bill, and one that, most importantly, speaks to the critical financial circumstances in which many Minnesota and other American farmers find themselves. I think it was extraordinary and heroic. I want to give the chairman that due credit.

I thank the Senator.

Mr. WELLSTONE. I agree with my colleague.

I yield the floor.

Mr. ALLEN. Mr. President, before I get into my statement, I just want to say one thing about all of this deliberation on the farm bill. As far as family farmers are concerned, I am glad for Virginia family farmers in the peanut business that this law is not going to be changed before October of 2002. Changing those laws would have been devastating to those family farmers. And while the Cochran-Roberts and Hutchinson amendments were better, because of the fact this is not going into effect now, they can plan, with their leases for equipment, in this final year of this farm bill.

(The remarks of Mr. ALLEN and Mr. WELLSTONE pertaining to the introduction of S. 1848 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. WELLSTONE. 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. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

LTV SHUTDOWN

Mr. WELLSTONE. Mr. President, there is a piece in the New York Times today, the business section, ''LTV Seems on the Verge of a Shutdown,'' subtitled ''Without Loan, Steel Giant Could End Its Labor Contract Today.''

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Dec. 19, 2001]

LTV SEEMS ON THE VERGE OF A SHUTDOWN

(By Riva D. Atlas)

After more than half a century in business, the LTV Corporation will soon shut its doors, barring a government-supplied miracle.

One of the nation's biggest steel makers, LTV put its mills earlier this month on what is called ''hot idle,'' which would allow the company to restart them quickly if a government-backed loan comes through at the last minute.

But if help does not arrive by today, the company will ask the bankruptcy judge to end its labor contract.

A shutdown would leave about 70,000 retirees and recent employees with no or reduced pensions and health care benefits, and force the government to pick up at least some of the tab for what remains. The pension costs alone would be at least $2 billion.

LTV's predicament—with creditors on one side saying life support no longer makes sense and workers on the other fighting to preserve jobs and benefits—may become all too familiar in the future. More companies are liquidating in bankruptcy under pressure from creditors.

In the steel industry alone, 12 companies have shut down since 1998, according to the United Steelworkers of America, and 17 more are now in bankruptcy. The steelworkers union is lobbying for government assistance—as are Bethlehem Steel, U.S. Steel and Wheeling-Pittsburgh, which want permission to consolidate in an effort to avoid LTV's fate.

LTV's decision to shut down, announced last month, comes a year into its second bankruptcy. In its first bout with Chapter 11, the company spent seven years in bankruptcy—one of the longest reorganizations of any American company. Now, LTV's management has concluded that its losses, $2 million a day, are simply too large.

''The company was running out of cash,'' said James Bonsall Jr., chief restructuring officer of LTV. Unless it began to liquidate, it would be unable to pay off $100 million in bank debt due at the end of the year, he said. Officials at J.P. Morgan Chase, which provided LTV with $582 million shortly after the bankruptcy filling in return for first claim on LTV's assets, declined to comment.

If LTV closes, it will mean the end of a company with roots far from the steel industry. Founded by James Ling, a high school dropout from Hugo, Okla., the predecessor company, known as Ling-Temco-Vought, had interests in electronics and aerospace. An avid conglomerator, Mr. Ling's endless stream of acquisitions landed his company in 14th place on the Fortune 500 in 1967. The following year, he entered the steel business with LTV's $425 million acquisition of Jones & Laughlin Steel. (Mr. Ling was ousted in 1970 under pressure from LTV's banks and has since emerged as an oil industry entrepreneur in Texas.)

LTV sold off the other businesses during its first bankruptcy. ''We tried to get rid of the steel business, but we couldn't,'' said Mark Tomasch, a company spokesman. The steel business was unattractive to buyers, he said, in part because of the large health care obligations.

With $5 billion in revenues last year, LTV was the third-largest integrated steel producer in the United States, operating steel mills in Cleveland and East Chicago, Ind.

LTV's employees, aware that jobs are hard to come by, are fighting to keep the company alive. Their situation has won them the support of members of Congress from the region. Analysts and investment bankers say the workers' expectations are unrealistic, and ultimately side with LTV's management. Demand for LTV's product is too meager to justify the company staying in business, these executives said.

[On Tuesday, the U.S. and 38 other nations agreed to reduce world output of steel by nearly 10 percent over the next decade in an effort to drive up demand. C8.]

''All these politicians want the steel mills to open or reopen, but they never look at the other side of the equation,'' said Charles Bradford, an independent steel industry analyst and consultant based in New York. ''They say, 'Let's make steel,' '' Mr. Bradford said, citing a rallying cry of the steelworkers. ''But they never think about who's going to buy the stuff.''

LTV's business, along with that of the other large steel makers, has steadily weakened in recent years, thanks in part to cheap foreign imports that have been flooding the United States since 1998. (Operators of so-called ''mini-mills,'' which are not always small and recycle scrap steel into new products, have generally remained profitable.)

All the integrated steel companies, including LTV, are also paying benefits to a population far larger than their employees. At LTV, there recently were at least 10 retirees for every worker. The precise number is unclear because the union counts 10,000 more retirees than the company does.

Waves of layoffs beginning in the 1980's and continuing in the last 2 years have swelled the ranks of retirees at most steel companies. A provision in many steelworkers' contracts guarantees them the right to claim retirement benefits early if they are dismissed or if their mills shut down, said Cary Burnell, a member of the research staff at the steelworkers union. As part of their push for industry consolidation, U.S. Steel and Bethlehem Steel asked Congress two weeks ago to assume some of their health care costs.

LTV's workers are laboring furiously to pull off an 11th-hour rescue, but their prospects are dim. Their union is hoping for a $250 million loan backed by the Emergency Steel Loan Guarantee Board, an arm of the Commerce Department. ''We're going to fight like hell to get this loan, and fight like hell to save this company,'' said Leo Gerard, international president of the steelworkers union.

The company's banks, National City and KeyBank, suspended their efforts to secure such a loan last month, after deciding that they could not adequately demonstrate that the loan could be repaid.

Senator Paul Wellstone, a Democrat from Minnesota, was hoping to attach an amendment to the economic stimulus bill that would loosen such loan standards, but it is unclear when the bill will come to a vote, said a member of his staff. The union also delivered a letter, signed by 91 members of Congress, to the Commerce Department on Friday urging approval of the loan.

But with the union due to report its progress to the bankruptcy judge today, time may be running out for LTV's workers. Even if the loan is approved, the company says it will not be enough to keep LTV alive. ''The company would need close to $1 billion to return to business,'' said Mr. Tomasch, the spokesman.

If the bankruptcy judge permits, LTV will soon stop paying retirement and health benefits. Some of these expenses will be assumed by the government. The Pension Benefit Guaranty Corporation will take over LTV's retirement plan, at what it estimates will be a cost of $2 billion. Retirees over 65 will qualify for Medicare.

Many of LTV's remaining employees will be out of luck. There are limits on the benefits the pension agency will cover, according to Mr. Burnell of the steelworkers. It will not cover, for example, a payment of $400 a month from the company to many steelworkers dismissed between the ages of 50 to 62, intended to tide them over until they qualify for Social Security. Someone with 20 years at LTV typically qualifies for a pension of $1,450 a month, including the $400 monthly payment, but the pension agency would exclude recent enhancements to the pension plan and probably pay about half that amount, Mr. Burnell said.

Employees younger than 65 will also be on their own for medical costs. A fund set up by LTV when it last emerged from bankruptcy to pay for employees' health care probably will be out of money in less than a year, said Mr. Tomasch, the LTV spokesman. Among the benefits that will be lost is a medical plan that covers 80 to 90 percent of the costs of prescriptions ordered by mail. Last year, the company paid $200 million in health care costs, he said.

If LTV's unions are unable to secure the loan, their best hope is to find a buyer for the mills.

''Plan A is to keep LTV operating and to do our work in Washington, D.C.,'' said Stephanie Tubbs Jones, a Democratic representative from the Cleveland area, where LTV has it's biggest mill. ''Plan B is to prepare our community to invite a new buyer for LTV, including providing incentives.''

Finding a buyer for the Cleveland mill will not be easy. ''There is excess capacity around the world, and the Cleveland mill is one of the highest-cost mills,'' said Mr. Bradford, the independent analyst.

Even if a buyer is found, that might not help LTV's current employees. The mills will be more attractive to a buyer without the workers, Mr. Bradford said, because then they would not be forced to assume the health care costs.

Mr. WELLSTONE. I will read a paragraph:

LTV's workers are laboring fiercely to pull off an 11th-hour rescue, but their prospects are dim. Their union is hoping for a $250 million loan backed by the Emergency Steel Loan Guarantee Board, an arm of the Commerce Department. ''We're going to fight like hell to get this loan, and fight like hell to save this company,'' said Leo Gerard, international president of the steelworkers union.

Mr. President, I along with other Senators who try to represent workers and working families and steelworkers, have written a letter to this Emergency Steel Loan Guarantee Board in the Commerce Department asking them to grant this loan. On the Senate floor today, I wish to associate myself with President Gerard's comments. If there is any vehicle—we are down to the wire here—if there is an economic stimulus package or economic recovery package, I will have an amendment which will give that loan board better authorizing language to make it clear that, indeed, this is their mandate to guarantee just these kinds of loans. I don't know whether or not we are going to have that package. That is being negotiated.

I have also made it clear that I think if there is any other bill that passes through in terms of providing relief for this sector of the economy or that sector, that from my point of view there also has to be an amendment which represents relief for those people who are flat on their back, out of work, without unemployment insurance any longer, without health care coverage or soon to be without coverage, or to help these steelworkers.

I wanted to cite this article because I am sure President Gerard and the steelworkers sometimes think they are shouting in the wind, that they are not being heard. Industrial work is being spit out of the economy. LTV shut down. At the taconite plant in the Iron Range of Minnesota, 1,400 workers are out of work.

I went with them the day the local president called everybody together to tell them it was over. And I got really mixed advice about whether to go because people said, if you are there, like a politician, people are just going to turn on you because they are so angry about losing their jobs. They didn't do that. People appreciate the fact you go up and you are with people, especially in these times.

But the fact is, not just for the sake of these workers who want nothing more but to work, but for financial security as well, we ought to pay attention to what has happened in the steel industry. We should pay attention to what is happening to certain vital sectors of the economy.

Again, just so President Gerard and the International Steelworkers Union don't think there aren't Senators who support them, I know others do as well. Senator ROCKEFELLER has been at this a long time. This was Senator BYRD's original idea. This Emergency Steel Loan Guarantee Board of the Commerce Department can do this. This is their mission and mandate. They can say: We guarantee this loan. So far they have not done so. I wish we could rush through some additional language to make it clear this is their mission and mandate. We may not be able to do so. But they ought to go forward with this loan. If they don't, the consequences are going to be very harsh.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. JOHNSON). Without objection, it is so ordered.

RECESS

Mr. REID. I ask unanimous consent the Senate stand in recess until 3:30 today.

Thereupon, the Senate, at 3:03 p.m., recessed until 3:30 p.m., and reassembled when called to order by the Presiding Officer (Mr. JOHNSON).

The PRESIDING OFFICER. The Senator from Massachusetts.

JUDICIAL NOMINATIONS

Mr. KENNEDY. Mr. President, we have been hearing a steady drumbeat of complaints from our Republican colleagues about the pace of judicial confirmations by the Senate. For all who know the facts, there is no basis for the charge that Democrats have engaged in delay tactics on judicial nominees. In fact, the Democratic Senate has been significantly more diligent in confirming judges under the Bush administration than the Republican Senate was at any point under the Clinton administration.

In the 5 months since Democrats gained control of the Senate, the Judiciary Committee has already held 11 hearings on judicial nominees. Under Chairman LEAHY'S leadership, we held hearings during the August recess, and also just 2 days after the terrorist attacks. In addition, we held a hearing in the Capitol Building, when the Senate offices were closed by the anthrax contamination.

As a result, 27 judges have already been confirmed in the 5 months since Democrats took control of the Senate. By the time the Senate adjourns, we are likely to have confirmed more than 30 judges—more than were confirmed during the entire first year of President Clinton's first term in office when Democrats controlled the Senate, and more than double the number confirmed during the entire first year of the first Bush administration.

Our record is good by any measure. It becomes even better when we compare it to the record of the Republican majority when they controlled the Senate during the Clinton administration.

We have held 11 judicial nomination hearings in just 5 months, almost all of which have included several judges per hearing. In 1999 and 2000, the Republicans held an average of only seven hearings for the entire year.

In confirming 24 judges since the August recess, we have had a more productive post-August-recess period than any Republican-led Senate did for a comparable period in the last 6 years.

Some Republicans are now blaming Democrats for the current number of vacancies on the Federal bench. But these vacancies were largely caused by the tactics of the Republican majority over the last 6 years. We know that our colleagues worked to impede President Clinton's executive branch nominees such as Bill Lann Lee, nominated to head the civil rights division, and Dr. Satcher, the nominee for Surgeon General. Our colleagues also blocked or attempted to block President Clinton's judicial nominees by delaying or refusing to hold hearings, and refusing to allow the Senate to vote on some nominees. The average length of time a circuit court nominee waited for a hearing under the Republican Senate was about 300 days. Some nominees waited up to 4 years for a hearing. In 6 years, the Republican Senate failed to confirm nearly half of President Clinton's nominees to the circuit courts. As a result, vacancies in the Federal courts increased by 60 percent.

No one suggests that Senate Democrats should follow the example the Republicans set over the past 6 years. The Judiciary Committee should and will continue to move forward in confirming nominees to the Federal court in a prompt manner. But it is wrong for any of us in the Senate to abdicate our responsibility to thoroughly review the record of each nominee. Lifetime appointments are at stake. The need for careful review is important not just for Supreme Court nominees but for nominees to the lower Federal courts as well. These courts hold immense power. Many important legal issues in this country are decided at the Court of Appeals level, since the Supreme Court decides fewer than 100 cases per year.

I voted to confirm most of the judges nominated by President Reagan and the first President Bush. The Senate's constitutional duty of ''advice and consent'' does not mean that the Senate should be a rubber stamp. It certainly does not require the approval of Federal judges who have displayed hostility to core Federal constitutional and statutory protections, or who have an extreme ideological agenda. Judges who are highly qualified, have a balanced judiciary temperament, and who are committed to upholding the Constitution and Federal law are judges that Senators on both sides of the aisle can support. But we should not support nominees with records that suggest they will roll back the rights and protections that Americans consider vital.

All nominees should have their records examined thoroughly, and they should have hearings to answer questions about their records. Because these are lifetime appointments to courts that make decisions deeply affecting the nation, full and fair review is the least the Senate owes the American people.

The Senate has worked well together this year on a number of bipartisan efforts, including education, airline security, and bioterrorism. On the issue of judges, all of us on the Senate Judiciary Committee know that we can work well with the administration and with Senators on both sides of the aisle to confirm nominees for our Federal courts who are highly qualified, fair, and committed to upholding the Constitution and the Nation's laws. I look forward to greater efforts in the time ahead to achieve that very important goal.

I am reminded of the fact, in reviewing the Constitutional Convention, that perhaps the last major decision made at the Constitutional Convention was to change what had been initially accepted by the Founding Fathers, and that was the Senate was going to appoint Federal judges. The Senate would do it by itself. One of the last decisions made by the Founding Fathers was to have this as a shared responsibility.

It seems to me that is something that sometimes this institution loses sight of, as do the American people sometimes. They believe that once nominated, we, in effect, should be a rubber stamp to these nominees. In reading constitutional history, we will find, to the Founding Fathers this was an issue of enormous importance and consequence. They made it extremely explicit that they believed the responsibility ought to be an equally shared responsibility between the President and the Senate. It does seem to me we should meet that responsibility in ways that are fair, that reveal the qualities of the individual, and make a judgment and a decision based upon that process.

TRIBUTE TO JOHN T. O'CONNOR

Mr. KENNEDY. Mr. President, it is a privilege to take this opportunity to remember my friend John T. O'Connor, who passed away on November 30, 2001. A lifelong fighter for social justice, John died suddenly and unexpectedly at the age of 46 while playing basketball, a sport he loved, at the YMCA near his home in Cambridge, Massachusetts.

John O'Connor's zest for life and boundless energy were apparent from the moment you first met him, and those extraordinary qualities continued to amaze even those who knew him best and longest. His undeniable charisma helped win an enormous circle of friends. But his life was always about causes larger than himself. He credited his passion for social justice to the example of his parents, Katherine and George, to the Catholic faith and training he felt so deeply, and to his many inspiring teachers, especially at Clark University in Worcester, his alma mater.

John's public journey began when he was still in college in the late 1970s, organizing fellow students to volunteer at the Mustard Seed, a Catholic worker collective in Worcester dedicated to feeding the poor and homeless. There he perfected his trademark eggplant parmesan. After graduation, John went to work for Worcester Fair Share, knocking on the doors of the three deckers of Grafton Hill in a successful campaign to end arson-for-profit in that neighborhood, a pattern he identified through disciplined research. The fire station built in response to that campaign remains a testament to John's first venture into grassroots organizing.

The combination of community organizing and strategic research led him to understand that the environment was also an urban issue, affecting the quality of life in low income neighborhoods as surely as in the great outdoors. He began this new work by organizing citizens to resist an ill-conceived landfill proposal and to negotiate with local factory owners to reduce emissions.

Soon, John moved on to a large national campaign, setting out to rid the country of environmental threats such as the asbestos contamination he lived next to in his hometown of Stratford, CT. At a time when environmental activism was out of fashion among some in Washington, he began traveling across the nation, speaking out against polluters, and convincing more than a million Americans to sign petitions to support toxic waste cleanup. He built his organization, The National Toxics Campaign, into a grassroots campaign to mobilize people from across the country, providing timely and passionate support for the appropriation of $8 billion for the Federal Superfund law in the mid-eighties, and helping to realize the promise of that historic legislation.

First and foremost, John was a community organizer. He took on a remarkable range of issues, and he always did so with great dedication and effectiveness. He worked with scientists to document health concerns for veterans of the Gulf War. He made the case for environmental cleanup programs from Boston Harbor to the Rio Grande. He argued against the misuse of pesticides and other chemicals in agriculture. He was a strong believer in the importance of organized labor, and he fought alongside union members for strict protections for health and safety in the workplace. He co-authored a number of books on organizing and the environment, and a book on agricultural democracy was near completion. He was also interested for many years in responsible energy policy, and he led an effort in 1998 to repeal a Massachusetts electricity deregulation law, which he felt was unfair to consumers and the environment.

For John O'Connor, environmentalism was always as much about people as about our physical surroundings. It was logical that he would turn in recent years to the cause of assuring the best possible health care for every citizen. In 1999, he led efforts that obtained more than one hundred thousand citizen signatures in support of a health reform measure for the Massachusetts ballot. Momentum generated by that successful signature drive led to the passage of important but long-delayed legislation on the rights of patients in managed care. Looking ahead, he was poised to play an important and growing role in revitalizing prospects for universal coverage in Massachusetts.

John O'Connor was also an intense and tireless champion of racial justice. He was endlessly fascinated by the diversity of human experience. As an American of Irish heritage, he led the 1997 drive to create the first permanent U.S. memorial to the victims of the Irish Famine on Cambridge Common.

To John O'Connor, ethnic background and culture were intended to enrich the world, not divide it. He was proud to be known as an ''ABC''—an Armenian-by-Choice—after his marriage to Carolyn Mugar, an outstanding leader and activist in the Armenian community. John enthusiastically joined her to make his own impressive contributions to that community.

His passionately-held beliefs made John an intense and frequent critic of the status quo in general, and of politics in particular. Yet he was profoundly optimistic about what this nation could achieve. He believed deeply in democracy. He looked for inspiration to the early years of our country and the nation's founders, and he read widely about them. In his campaign for the U.S. House of Representatives in 1998, he told voters he wanted an America that truly reflected the basic values enshrined in the Declaration of Independence and the Constitution—not an America that was simply the sum of its commercial enterprises or parochial concerns. Although he did not prevail in that campaign, he ran a strong race that impressed many people and made countless new friends along the way.

With John O'Connor's death, we in Massachusetts have lost one of our state's most active and effective champions of working families, consumers, and the environment. John left us much too soon. I mourn his loss, and I extend my deepest sympathies to his wife, Carolyn Mugar, his daughter, Chloe, his parents, his brothers and his sister, his nieces and nephews, and his many godchildren. In his memory, we pledge to recommit ourselves to the many great causes in which John did so much to lead the way.

Mr. DEWINE. Mr. President, I rise this afternoon to pay tribute to two members of my staff who are retiring this week. These are two people who have really made a difference.

The PRESIDING OFFICER. The Senator from Ohio.

TRIBUTE TO JOAN DOUGLASS

Mr. DEWINE. Mr. President, Joan Douglass is a real gem, a classy, knowledgeable woman who connects with people of all ages. She has had one of the toughest and most important jobs in our office. Joan has been on the front line. Joan is the first person you see when you come into our Columbus office. She is the person whose voice you hear when you call our Columbus office, the first person to answer the phone. That is an office that actually is not just my office. It is also Senator VOINOVICH'S office. We have, in Ohio, a joint casework office, which has worked out very well. Joan is the person there who greets everyone.

Over the years, Joan has put up with just about everything: bomb threats, sit-ins, now even anthrax scares. Joan is a rock. She is as solid as they come.

Everyone who knows Joan speaks of her with such fondness. She is really a person with no enemies. Her love, her compassion for people is unmatched. She loves people. They love her back.

You know, it takes quite a lady to take a new job at the age of 72, which is what Joan did when she came to work for us—especially the job working for two Senators. What could be tougher than that? Who in the world would ever think of doing that? Who goes from being a State legislator, which Joan was, a real estate broker, and many other exciting jobs, to working for two Senators? Only Joan.

Actually, before she worked for us she worked for then-Governor VOINOVICH for 8 years. Four of those years I was the Lieutenant Governor. Every day when I would come to work, Joan would be the first person I would see—always smiling, always happy, always professional.

Joan continues to amaze me in everything she does. I am astounded by her energy and her great sense of adventure. Nothing ever seems to slow her down.

Joan really is a terrific role model for all of us. In fact, she should be the poster child for how Federal employees should treat people. No matter what, Joan has always greeted everyone who walked into our office with great respect and great compassion. It didn't matter if it was someone who loved me or hated me. It didn't matter, Joan was steady. She treated them the right way. She treated everyone in that same sweet, nurturing, nonthreatening, and friendly way.

Joan has always handled herself with such professionalism, and no matter what, no matter how busy she was, she always has had time for people, especially for the younger people, younger members of our staff in the office. She really has been a role model. She has been a mentor. Every time I see her, Joan always asks about Fran, asks about our children and now our grandchildren. I have always appreciated that.

I speak for so many in our office and many across the State of Ohio when I say that, although we are happy for Joan upon her retirement and we wish her nothing but the best with her new post-Senate endeavors, we are saddened by her departure and we will miss her dearly.

We will miss her dedication to the people of the State of Ohio. We will miss her optimism and her cheerful nature. We certainly will miss her terrific sense of humor. Most of all, we will just miss Joan.

She is one great lady. My wife Fran and I wish her all the best in the world.

In conclusion, I thank Joan for her dedication to the people of the State of Ohio, for her friendship, and for the work she has done for our country.

TRIBUTE TO JENNY OGLE

Mr. DEWINE. Mr. President, I rise today to pay tribute to good friend and member of my staff, Jenny Ogle, for all the great work she has done for the people of Ohio. Jenny, who runs the joint casework office we have with Senator VOINOVICH, is retiring today. We are going to miss her dearly.

When I started thinking about her retirement, my mind was flooded with fond memories and so many laughs and good stories. There is no one else like Jenny. Before coming to work for our joint casework office, she ran my Senate casework office worked for me when I was in the House of Representatives for 8 years, and also worked for Congressmen Bud Brown and DAVE HOBSON.

She is a true professional—someone who has been really a stabilizing force in our whole casework operation. The casework operation, of course, is what reaches out to people. It is where people of the State of Ohio go when they have a problem. They do not come to us, and they do not come to Jenny unless they are already frustrated with the Federal bureaucracy or the State bureaucracy or something else. When they come in, they already have plenty of problems. Jenny has been the one who worked out those problems.

It takes a good deal of patience to handle the kinds of things Jenny has seen over the years in that casework office. She has seen just about everything.

That is why I have always been amazed by her steadiness—her unbelievable ability to deal with the kinds of cases and the kinds of problems that are seen on a daily basis. What really impresses me is that she is always still smiling and laughing at the end of the day. She always has done her job with great professionalism and great compassion.

Jenny also has been a real leader in our office. For example, she pioneered the military academy nomination process, a very complex process. She essentially wrote the book on it. What she has developed is today being used around the country in congressional office after congressional office. She wrote the bible on how Congressmen should handle their academy nominations. I thank her for that.

I have known Jenny for a long time—since those days when she was working for Congressman Bud Brown, and when she came to work for me at our Springfield office. I remember how her Aunt Tilly used to come in the office and do her filing. I also fondly remember the doughnuts Jenny would bring in from her brother's doughnut shop. Those are great memories.

Jenny is also a rare person—a person with great compassion and empathy for people and their concerns.

Let me thank her from the bottom of my heart for the great job she has done

to assist countless thousands and thousands and thousands of Ohioans over the last 20 years.

I am truly privileged to have had the extraordinary opportunity to work with Jenny and to call her my friend.

We wish her and her family all the best in the world.

In conclusion, let me thank Jenny for her dedication to the people of the State of Ohio—for her friendship, and for the work she has done for our country.

Thank you, Mr. President.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

JUDICIAL NOMINATIONS

Mr. DURBIN. Mr. President, over the last few weeks, many conservatives have launched an extensive public relations campaign to assail Democrats on the Senate Judiciary Committee, and particularly Chairman PAT LEAHY. They have been critical of the pace of judicial nominations. This campaign is wholly unwarranted. Coming during a war when Democrats are committed to working with the President to shore up our Nation's defenses, it is particularly ill timed.

The Washington Times has compared Democrats to terrorists, referring to the pending nominations as a ''hostage crisis.'' Another conservative publication, Human Events, labeled my colleague, Chairman LEAHY, as ''Osama's Enabler.''

Sadly, these outrageous charges are not limited to right-wing media outlets. Many colleagues in the Senate from the other side have leveled the following accusations: One Senator said the Democrats are guilty of racial profiling. Another Senator said the Democrats on the Judiciary Committee are actively hindering the war effort. Another Republican Senator said we are drawing out a session to deny the President a chance to make recess appointments.

In truth, Senator LEAHY has done an excellent job of moving the President's nominees along—far better than the Republicans ever did over the previous 6½ years. We have already confirmed 27 judges since July of this year. When all is said and done, we may well end up confirming more than 30. That is more judicial nominees than were confirmed during the entire first year of President Clinton's term in office, when the Senate was controlled by the same party. It is double the number of nominees confirmed during the entire first year of the first Bush administration.

Chairman LEAHY has had to contend with Senate reorganization, terrorists attacks, a massive antiterrorism bill, and anthrax contamination that shut down his personal and committee offices. We all recall the news reports about the anthrax letter being sent to Chairman LEAHY. He has had ample occasions to delay hearings. Yet he has not. He easily could have used any of these obstacles as an excuse to cancel hearings, and he did not.

In little more than 5 months, Chairman PAT LEAHY has held more judicial nomination hearings than Republicans held in all of 1996, 1997, 1999, and the year 2000.

The Democrats, under his leadership, have eliminated the anonymous holds that crippled the judicial confirmation process for the last 6 years.

If you are not here in the Senate, anonymous holds may be a term you don't understand. Let me explain it. Under Republican leadership, any Senator could block a nominee for any reason, without even identifying him or herself to the rest of the Senate. A nominee would come before the Senate Judiciary Committee and sit there week after week, month after month, and in some cases year after year without any Senator standing up and saying: I am the person who is holding this judicial nominee. It was totally unfair.

On some of the nominees, I used to go around the Chamber begging Republican Senators to tell me: Do you have a problem with the nominee? I want to talk about it.

They wouldn't say. It was anonymous. That is over. Under Senator LEAHY's leadership, the anonymous holds that have crippled this process for the last 6 years has been eliminated. We have made public a Senator's support or opposition to judicial nominees from their home State. We have moved nominees approved by the committee swiftly to the floor. I presided personally over two or three of these hearings. And those nominees went straight from the committee to the floor in a matter of days. We have voted unanimously to confirm nominees vetted by the committee. The only vote against all of President Bush's nominees coming out of committee was cast by minority leader TRENT LOTT.

Quite frankly, it is a bit ironic to hear many of our Republican colleagues complain about unfair delays in judicial nominations. It is no secret that many of our colleagues systematically blocked Democratic appointments, regardless of qualifications, to the Federal courts of appeal. In 1996, for example, the Republicans failed to confirm one single appellate court nominee—not one.

In the 106th Congress, Republicans failed to act on an astonishing 56 percent of President Clinton's appellate nominees, despite the fact that his nominees received extraordinarily high ratings from the American Bar Association, and support on a bipartisan basis.

Some of President Clinton's nominees languished after a hearing or committee vote; many more never even got a hearing.

Let me tell you about one: Helaine White, a nominee for the Sixth Circuit in Michigan. She waited in vain for over 1,400 days for the Judiciary Committee to schedule a hearing. For approximately 4 years, she sat in that committee.

If my Republican colleagues got a letter marked ''Return to Sender'' after 1,400 days, they would abolish the Post Office.

They thought it was all right to let Ms. White, a nominee for this important judicial vacancy, sit there for approximately 4 years.

The situation was so bad under the Republican leadership of the Judiciary Committee that Chief Justice of the Supreme Court Rehnquist criticized the Republican leadership for creating so many vacancies in the Federal courts. In fact, one of President Bush's own judicial nominees, who was unanimously voted out of the committee last Thursday, criticized the Republicans last year for employing a double standard for a Democratic nominee to the courts.

Chairman PAT LEAHY of Vermont has already held more hearings for the Fifth Circuit than the Republicans held in over 6 years. In 6 months, PAT LEAHY has held more hearings to fill vacancies in that circuit than the Republicans held in 6 years. The Democrats have confirmed the first new judges to the Fifth and Tenth Circuits since 1995—6 years.

Details like this demonstrate there is simply no comparison between Democratic and Republican records.

Our Republican colleagues would have you believe the Democrats are dragging their feet because the ratio of President Bush's confirmations to the number of vacancies is relatively low. But what they don't tell you is this: Close to 70 percent of the current vacancies in the Federal courts have been open since President Clinton was in office, several of them since 1995. They are decrying the number of vacancies not filled, and yet during President Clinton's Presidency they would not fill them, even though he sent qualified nominees to the Senate.

The number of judicial vacancies increased by 60 percent during the 6½ years the Republicans were in charge of the Senate. Due to concerted opposition by their party, President Clinton appointed proportionately fewer appellate judges than either President Reagan or the first President Bush. Now, with a Republican President back in the White House, our Republican colleagues are suddenly very concerned about judicial vacancies.

In the wake of September 11, President Bush called on Members of the House and Senate to come together—and we have—to improve air safety, to stabilize the airline industry, to give law enforcement additional tools to fight terrorism, and to strengthen our

economy. That is exactly what the Democrats have done. We put aside partisanship to meet the demands of our country at war.

Quite frankly, we would have had an easier time of it, and fewer disputes with the Republicans over judicial nominees, if the President and his Attorney General had sent up more judicial nominees like those we have already confirmed, especially for the Federal Court of Appeals. This simple fact is often lost in the din of partisan rhetoric.

The Democratic leadership has worked hard, in just a few months, to confirm men and women of real integrity and accomplishment to the Federal judiciary. We have advanced judges who enjoy widespread bipartisan support. They have records which demonstrate a commitment to mainstream American values, including the protection and advancement of civil rights and civil liberties for everyone. We have intentionally avoided a contentious and draining fight over controversial nominees.

In the weeks and months ahead, with the immediate national crisis we face, we will still have to confront many controversial nominees. But let me remind my colleagues that we are filling lifetime appointments. These are not temporary. Judges sit on the Federal bench long after many of us have delivered our last speeches and after Presidents have come and gone. We will scrutinize them fairly, but carefully.

Our Republican colleagues have said they want us to work three times as fast because when they were in control they went three times as slow. Sadly, many of the nominees we have been sent do not really hew to the mainstream of American politics. The end result—if we follow and appoint every nominee sent—would be a judiciary that would not represent the values of this country, the mainstream values which we should push for when it comes to these important judicial appointments.

The American electorate has been evenly divided over the last 10 years. This country is entitled to a judiciary that reflects that diversity, not one hijacked by any political extreme, right or left.

Chairman PAT LEAHY has done an excellent job as the Senate Judiciary chairman, and his critics on the right should read the facts.

I yield the floor.

The PRESIDING OFFICER (Ms. STABENOW). The Senator from Wisconsin.

Mr. FEINGOLD. Madam President, I also have come to the floor, along with the Senator from Massachusetts and the Senator from Illinois, to talk about this very important topic; and that is, the confirmation process for Federal judges.

The first thing I want to do is commend the chairman of the Judiciary Committee, Senator LEAHY, for the professional and diligent way in which he has handled the confirmation process this year, since taking the helm of the committee in June. His, in some way, is a thankless job, because, as we have observed, no matter how many hearings he holds or judges he moves through the committee, there are those in this body who will never be satisfied. Indeed, it seems that the only thing that will satisfy the critics is for Chairman LEAHY to shortchange the important constitutional role that the Senate and the committee play in the confirmation process. But that, I know, he will never do, and the Nation should be very grateful to him for that.

There has been some harsh criticism of Chairman LEAHY from our colleagues on the other side, and in the press. Given how President Clinton's nominees were treated during 6 years of Republican control of the Senate, I find it kind of hard to believe some of the arguments we now hear. We have here, really, a numbers game. The argument has reached a new level of absurdity when our Republican friends start talking about things such as the average number of nominees per hearing. It is pretty obvious that is a meaningless calculation. To the extent that statistics matter, the numbers that count are the number of judges for which hearings have been held and the number of judges confirmed.

When you look at those numbers, the numbers that really matter, I have to say that our chairman really does have the better of the argument. In just 5 months since taking over the committee, Senator LEAHY has already held hearings for 34 judges. That is more than the number of judges who received hearings in the entire firs year of the George H.W. Bush administration and the entire first year of the Clinton administration. And so far, we have confirmed 27 judges this year. Remember again that the Democrats have only been in control since June I understand that probably 3 more judges will be confirmed before this session concludes, meaning that 30 judges will be confirmed this year. That would be more than were confirmed during the entire first year of President Clinton's first term in office and more than double the number confirmed during the entire first year of the elder President Bush's administration. Think about that. Given all that we have had to deal with on the Judiciary Committee this year, I think Chairman LEAHY has shown more than good faith in trying to move the process along, especially since September 11.

There have been times this year when I have been concerned about hearings being held too soon on some nominees. A hearing that is held before Senators can review the records of the nominees is really nothing more than just a formality. Particularly given the large number of circuit court nominees, I think our colleagues on the Republican side are asking us, in a way, to ignore our constitutional responsibilities when they make blanket demands such as: You should confirm all judges who were nominated before the August recess. Those kinds of arguments are particularly inappropriate when you think about the appointments we are being asked to confirm with to little scrutiny. Lifetime appointments to the circuit courts and district courts are not to be taken lightly. With the Supreme Court taking only about 100 cases each year, the decisions made in the lower courts are usually final, and have a huge impact on the development of the law. They also have a huge impact on the people's lives. In addition, there are a number of circuits in this country that are extremely unbalanced ideologically, and the nominations made by President Bush seem to be designed to exacerbate that imbalance. It is entirely reasonable—indeed, our constitutional role demands—that we examine the records of individuals chosen for the circuit courts very carefully before we approve their nominations

It is clear to me that neither side in a fight such as this is ever going to be satisfied. In the current situation, despite everything that the chairman has tried to do to move quickly on judges—including holding hearings in August, holding more hearings after September 11 when our committee was more than occupied with the so-called anti-terrorism legislation, and even holding a hearing in October when the Senate office buildings were closed and some of our staffs had had nowhere to work for the previous 2 days—despite all of this, my Republican colleagues continue to complain. At one point, they even held up appropriations bills on the floor for over a week, something that our side never did despite our frustration with the pace of confirmations under President Clinton. And now we understand that the minority leader placed a hold on every Judiciary Committee bill because of his displeasure with the pace of the nomination of a judge he has championed to the Fifth Circuit.

Let us recall that in the last 6 years of President Clinton's term, the Judiciary Committee did not hold a single hearing on a Fifth Circuit nominee. No fewer than three highly qualified nominees for positions on that court never got a hearing, much less a vote in committee or on the floor. The thing that has troubled me the most about the criticism of the pace of judicial confirmations is the complete unwillingness of those who are now criticizing Chairman LEAHY to acknowledge that they really contributed to the judge shortage that they are complaining about today, or that they did anything in the last 6 years to deserve our criticism of them at that time.

It is particularly frustrating to hear our Republican colleagues invoking the ABA review in support of President Bush and the Republican leadership in the Congress broke with over 40 years of tradition, dating back to the administration of Dwight D. Eisenhower, when they refused to submit the names of nominees to the ABA prior to the nominations being formally made. Now they complain about the delays in confirming nominees and invoke the ratings of the ABA panels as evidence that these nominees are beyond reproach. It just does not add up.

The very act of forcing the ABA to begin its assessment after a nomination has been made has delayed confirmation hearings for at least a month and often longer. Chairman LEAHY very sensibly has insisted that an ABA review on a nominee be completed before scheduling a hearing. So I suppose that if we are playing a numbers game and are going to compare apples to apples, we should subtract 30 to 45 days of consideration from each of President Bush's nominees.

My conclusion is that until I hear the critics of Chairman LEAHY say, ''Yes, it was wrong to let Judge Helene White go 4 years without even a hearing; yes, we now agree that Kathleen McCree Lewis should have at least had a hearing; yes, the delays in voting on the confirmations of Judge Berzon and Judge Paez were unconscionable; yes, it was wrong to not confirm a single circuit court nominee in 1996; yes, it was wrong to confirm only 44 percent of the circuit judges nominated by President Clinton in the last Congress of his term; yes, it was wrong to have 68 of President Clinton's nominees in the 106th Congress never come up for a vote in the Judiciary Committee; and yes, we are in large part responsible for the fact that there are now so many vacancies to fill on our federal courts,'' until I hear those statements, the statistics they cite, and the argument that they make ring a little hollow. If and when I do hear those statements accepting responsibility, I think a bipartisan solution will emerge. Because of my Republican colleagues acknowledge that they bear some responsibility for the situation we find ourselves in today, they can suggest to the President that he try to ''change the tone'' on this issue in a tangible and meaningful way. He can do that by renominating some of those highly qualified candidates who never got a hearing or a vote in the Judiciary Committee when it was chaired by my friend, the Senator from Utah. The President did that with Roger Gregory, and I applauded him for it. We can wipe the slate clean with some courageous work, and there are enough vacancies to do this in many circuits. That is the challenge. Are we gong to continue the numbers game? Are we going to continue the recriminations? Or are we going to move forward in a bipartisan way and get on with our business on this committee and in the Senate. I think the chairman of the Judiciary Committee is doing an admirable job under the circumstances. I urge him and the majority leader not to submit to pressure tactics. The ball is in the President's and the minority's court. They can decide if they want to ''change the tone in Washington.'' We simply cannot do it alone.

I yield the floor.

Mr. KOHL. Mr. President, I rise today to discuss judicial nominations and the pace being set by the Judiciary Committee. It is the Senate's responsibility to confirm judges and fill the vacancies in the Federal judiciary. Unfortunately, this constitutional responsibility has become increasingly politicized in the last few years. It seems that the people accused of slowing the process last year are the same ones that are pushing for faster confirmations today. And those who wanted more judges confirmed last Congress are now defending the pace of current confirmations. While we all expected that dynamic once the party in control of the White House and the Senate changed, it is still disappointing.

It would be a good idea to agree upon a set of rules that governed the pace of the confirmation process regardless of the party in control of the White House or the Senate. Since that is unlikely, we are now required to defend our rate of confirmations. The only way to do that is to compare the pace this year with that of past years. When we do that, we find that there is little to criticize in the performance of this year's Judiciary Committee.

By the end of this session of Congress, we will have confirmed at least 27 district court judges and 6 circuit judges. The Judiciary Committee has held 11 nominations hearings for judges since control of the chamber changed.

To put that in context, by the end of the year, the Senate will have confirmed more judges in the first year of the Bush Presidency than in either the first year of the first President Bush or President Clinton. It is also far more than the 17 judicial confirmations in 1996 and almost the exact number confirmed in 1999 and 2000 when 34 and 39 were confirmed respectively.

The record also shows that close to 70 percent of the vacancies have existed long before President Bush took office. The Senate chose not to act, in some cases for years, on President Clinton's nominees to fill the positions. The cries of judicial emergencies and demands for immediate action now ring a bit hollow when the judgeships could have been filled years ago.

Nonetheless, it is our responsibility to take action on the judicial nominees in a timely manner. We have been doing just that. As we go forward, I want to work with my colleagues on both sides of the aisle to confirm more judges. The Judiciary Committee has a noble tradition of cooperation in approving judges who are qualified, respectful of the law, and moderate in their approach. It is our responsibility to return to that tradition and confirm judges who represent the ideological middle ground.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Madam President, I thank my friend from Kansas. I know he has some things to say. I will try to be brief. I was in the line to try to talk about this very subject. I will make it brief so we can get on and we can get an explanation of the lovely pictures he has behind his podium.

I, too, rise to say a few words about judicial nominations and in particular to defend the chairman of our Judiciary Committee, Senator LEAHY of Vermont. Our friends on the other side of the aisle have made a lot of hay about our record on judicial nominations, but the facts simply don't bear out the allegation.

Patrick LEAHY has conducted the Judiciary Committee, both when we had the hearings on Senator Ashcroft's nomination to be Attorney General, when he was chairman for 17 days, and now as chairman for 5 months, in the most gracious, fair, bipartisan way that I have seen a chairman conduct him or herself. It is sort of unfair to demonize. That seems to be a new technique used by some. They are doing it to our majority leader, Senator DASCHLE, another gracious and fair-minded man, because he doesn't agree with them. That seems to be the thing that has happened. Maybe it started a few years back with the contract on America and all the cohorts there. But it is not a nice way to do politics, to demonize an opponent.

I know there are certain newspapers and TV shows and radio shows that try to spread the word. I just want to say, first, I don't think the American people appreciate it. Second, it is not going to cower Senator DASCHLE or Chairman LEAHY. I know them both. They are very estimable people. They are very nice people. They are very strong people. To say that taking personal shots and demonizing somebody is going to make them back off is a silly policy. Put yourself in their shoes.

When we are all under the gun and personally attacked, that doesn't make us back off. It makes us maybe review what we have done, and then if we think we are right—and I know Senator DASCHLE and Chairman LEAHY have—we are all the much stronger. Let's go over the facts instead of talking about just kind of rhetoric.

First, under Chairman Leahy's leadership in the first 5 months since the Senate reorganization, despite the disruptions caused by the September 11 tragedy in my city and the anthrax in

our offices, we have held 11 hearings on nominations. That is more than two per month. There was an unprecedented August recess nomination hearing that Chairman LEAHY held. I chaired a hearing 2 days after the closure of all three Senate office buildings due to anthrax. We had to meet in the Capitol, in a cramped and crowded room. I believe it was on a Friday afternoon.

In 1999 and 2000, by contrast, when the committee was controlled by the people of the other side, there were only seven hearings per year, and that was the entire year, not just the 5 months we had.

Second, my friends from the other side of the aisle complain that we are confirming too few judges. We have put 27 on the bench up to now; that is in 5 months of being in the majority. We should get up to 32 by the time we leave this week. Let me underscore 32. That is 5 more than were confirmed in the entire first year of the Clinton administration, when Democrats controlled the Judiciary Committee. They argue we are stalling, but we are putting in more judges nominated by a Republican President, George Bush, in the first year or first 5 months, than we put in when there was a President of our own party, President Clinton, who was nominating. Claims ring hollow when you look at the facts.

Again, the idea of taking a 2 by 4 and trying to hit the chairman or the members of our committee over the head without the facts is not going to bear fruit. You can give as many speeches as you want.

Third, when we point to raw numbers, our colleagues change their arguments, and then they point to the percentage of seats that remain vacant. You can't create a problem and then complain that someone else isn't solving it fast enough.

Why are there vacant seats? There are vacant seats because when people from the other side controlled the Judiciary Committee during the last 6 years of the Clinton administration, vacancies on the Federal bench increased 60 percent—a 60-percent increase during the time they were in control. Now they are complaining there are record vacancies and we have to fill them all in 1 year. Give me a break.

We are not going to play games and say what is good for the goose is good for the gander. We are not suggesting two wrongs make a right. We are not going to increase the percentage of vacancies. Instead, we are going to decrease it, and we have gotten a good start to the task. But the proof is in the pudding or, in this case, in the numbers. We are going to fill these open seats as quickly as possible, but we are going to do it right. No one is going to cower us in the time-honored, constitutional way in which we select judges, which has been always in the history of this country, at least during our better moments, when we do it with care.

That leads to my fourth point. Because so many Clinton nominees never got a hearing and never were voted on by the Senate when it was controlled by the folks from the other side, the courts now more than ever hang in the balance. Some of the nominees have records that suggest extreme viewpoints. We need to examine their records closely before we act.

Again, one of the most awesome powers we as Senators hold is the power to approve judges. We can't just blindly confirm judges who threaten to roll back rights and protections won through the courts over the last 50 years: Reproductive freedom, civil rights, the right to privacy, environmental protection, worker and consumer safety.

In my State of New York, the administration has so far worked with us in good faith to select nominees who have met what I told them are my three criteria for nominating people to the bench: Excellence, moderation, and diversity.

Nominees who meet those three criteria will win my swift support. But for those nominees whose records raise a red flag, whose records suggest a commitment to extreme ideological agendas, we have to look more closely.

These days, the Supreme Court is taking fewer than a hundred cases a year. That means these trial and, particularly, appellate court nominees will have, for most Americans, the last word on cases that are oftentimes the most important matters in their lives.

We need to be sure the people to whom we give such power—for life—are fairminded, moderate, and worthy of such a deep, powerful, and awesome privilege.

We have worked well together with our Republican colleagues on several matters since September 11. By and large, we have done well to keep things bipartisan. On judicial nominees, both sides must work together to correct the imbalance on the courts and keep the judiciary within the mainstream—not too far left and not too far right.

We need nominees who are fair and openminded, not candidates who stick to a narrow ideological agenda.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

INDIAN GAMING

Mr. BROWNBACK. Madam President, I have an issue I want to explain to my colleagues before the Labor-HHS conference report comes before the body. In that conference report, there was an item that was going to address a wrong that had been placed in an earlier appropriations bill and that was not the Interior appropriations bill. This body passed a particular piece of legislation, a very small paragraph, that dealt with a situation in Kansas that was then taken out of the conference report. That is why I am objecting to the Labor-HHS conference report until I get some assurances that we are going to have this issue dealt with next year. It has to do with a cemetery in Kansas.

The pictures I have here are of a beautiful site in Kansas City, KS, that is called the Huron Indian Cemetery. The area overlooks the Kansas River. It is up on a bluff. It is in downtown Kansas City, KS. It is where a number of Native Americans are buried who lived in this area—the Wyandotte Tribe who lived in this area, before a number of them moved to Oklahoma, before the tribe moved to Oklahoma.

You can see the pictures we have of a peaceful site in Kansas City, KS. It is virtually a park for a lot of people, a very solemn cemetery that is maintained quite nicely in this area.

We have Indian gaming in Kansas, and four tribes are recognized in Kansas. Each has a casino in the State. There is a tribe in Oklahoma, the Wyandotte Tribe, that wants to build a casino in Kansas, even though they are now located in Oklahoma. Initially, they wanted to build it on top of the cemetery. Local people protested, saying: Why are you ruining this sacred site to put in a casino?

They said: OK, we will put stilts on it and you will still have the cemetery, but this will sit on top of it.

Next they said: We want to build it right next to it. We are going to buy property next to the cemetery and we want to put in a casino, even though we are not a Kansas tribe and we are from out of State; some of our ancestors from the Wyandotte Indians were buried here 200 years ago, so we want to be able to claim this as an Indian reservation in Kansas, even though we are an Oklahoma tribe; we want to be able to claim it in Kansas so we can build a casino in Kansas.

That is what they desired to do.

The four recognized tribes in Kansas opposed it and said: Look, you left the State, and we stayed here; we have the appropriate authorization to build casinos; we don't want another one in the State; we don't want you coming here. The unofficial Wyandottes who stayed in Kansas said: We don't want you to have a casino next to our graveyard. It is a sacrilege to put a casino on it, on top of it, or next to it. We oppose that.

The Governor of Kansas opposed them doing that, saying this isn't fair to our tribes in the State. It isn't fair to the Wyandotte Indians and their ancestors who stayed in the area for an Oklahoma tribe to come in. They fought them on doing that. This matter was litigated first in Federal court, lower court, and in the Tenth Circuit Court. In each case, Kansas, and the

tribes in Kansas, the local people who stayed in Kansas, won against the Oklahoma tribe. They won at all levels—lower court, district court, and Tenth Circuit Court. So they could not declare this land adjacent to the cemetery as part of the Oklahoma Wyandotte Reservation in Kansas. That is what they were trying to do. The court said they disagreed with that.

Let me take you to the Department of the Interior Appropriations bill. In that appropriations bill, nothing was passed regarding this issue on either side, the House side or Senate side. In the conference committee that met, there was a handwritten sentence that was written in by a staff member that overruled the court ruling and allowed for the creation of a casino next to this cemetery. That was done in the Interior Appropriations bill.

Both Senator ROBERTS and I are opposed to doing this. This was not brought to the Senate floor, not handled here. This was a handwritten sentence that was inserted. They declared: We are going to overrule the court case, overrule what the Kansas Senators want to do. They are going to allow them to build a casino next to the cemetery, regardless of what the local tribes and the Governor and what the people in the State of Kansas or what the two Senators say.

It is an egregious abuse of the appropriations process to do this—and in my State where people don't want this to take place—just for the financial advantage of an Oklahoma tribe. If they want to do this in Oklahoma, build casinos there. That is up to them. Fine. But in Kansas this is not appropriate. Yet they slipped in that handwritten note to the Interior conference report.

This body, the Senate, corrected that in the Labor-HHS appropriations bill. We said this is not appropriate to take place in Kansas. That was the amendment that was on the floor and was accepted. That was the position of this body.

In the conference meeting that took place last night, the House would not agree with the Senate position, so the Senate position was taken out and now we are left with the Oklahoma Wyandottes being allowed to build a casino right next to this cemetery in Kansas City, KS, and overrule a court ruling of the Tenth Circuit Court of Appeals.

Mr. REID. Will the Senator yield?

Mr. BROWNBACK. Yes.

Mr. REID. I have been in touch with Senator BYRD. Senator BYRD agrees with me that, on the Interior bill next year, it would be possible for you to do it in subcommittee, or committee, or any member of the subcommittee has an absolute right to offer that amendment. We know how strongly you feel about it. I personally feel it should not have been in the Interior bill in the first place. I indicated that to the Senator. We will work with you on the minority and majority sides to make sure this issue is raised in the subcommittee and at the full committee level next year.

Mr. BROWNBACK. I appreciate that being raised by my colleague from Nevada—his assurance that we get this dealt with next year. We have talked off the floor about that. He agrees this is not the right way for this to come in. I point out that this is something we are going to have to deal with next year because this matter will still be under construction, or starting to be constructed at that point in time. It needs to be changed back in the Department of the Interior appropriations bill. I am very pleased that the Senator from Nevada recognizes that as well.

I point this out because I think this is such an abuse of the process. It is just wrong for this to take place.

I ask unanimous consent to have printed in the RECORD a letter from the Governor of the State of Kansas regarding this matter and also one from the four Indian nations in Kansas, the four recognized tribes, all opposed to the expansion of the Oklahoma Indian tribe into Kansas to build a casino.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

STATE OF KANSAS,
OFFICE OF THE GOVERNOR,
Topeka, KS, October 10, 2001.

Hon. PAT ROBERTS,
U.S. Senator, Hart Senate Office Building, Washington, DC.

DEAR SENATOR PAT ROBERTS: On behalf of the State of Kansas, I am writing to express my strong opposition to language proposed for inclusion in H.R. 2217, the Department of the Interior and Related Agencies Appropriation Act of 2002. Language that proposes to clarify the authority of the Secretary of the Interior should not be included in the final text of the bill.

The language proposed as a technical amendment states, ''the authority to determine whether a specific area of land is a 'reservation' for purposes of sections 2701–2721 of title 25, United States Code, was delegated to the Secretary of the Interior on October 17, 1988.''

As you are aware the State of Kansas has been actively involved in litigation concerning the authority of the Secretary of the Interior. The Tenth Circuit Court of Appeals in Sac and Fox Nation of Missouri v. Norton, recently upheld the position of the State of Kansas that ''. . . the Secretary lacked authority to interpret the term 'reservation' as used in IGRA.'' The decision of the Tenth Circuit Court of Appeal has been appealed and the Wyandotte Nation has requested a writ of certiori to the Supreme Court of the United States. If the proposed language were to be included in the final version of H.R. 2217 it has the potential to negatively impact ongoing litigation. This is simply another effort to avoid IGRA and expand gaming by non-residential tribes.

I request your support in opposing the inclusion of this proposed language in the final version of H.S. 2217.

Sincerely,

BILL GRAVES,
Governor.

INDIAN NATIONS IN KANSAS,
June 19, 2001.

Re: Four Tribes' Joint Resolutions Opposing Gaming Within the State of Kansas by Out-of-State Indian Nations.

Hon. BILL GRAVES,
Governor of Kansas,
Topeka, Kansas.

GOVERNOR GRAVES: The four (4) Indian Nations in Kansas (''INIK'') have unanimously supported the governor of the State of Kansas in opposition to out-of-state Tribes attempting to gain land holdings in the state of Kansas for purposes of establishing gaming enterprises. At this juncture, the Four Nations have passed joint resolutions similar to the Kansas Legislative Resolution (SCR 1611) opposing such efforts. Enclosed herein are INIK's originals of both of their resolutions. Resolution I opposes the Wyandotte Tribe of Oklahoma's efforts, and Resolution II opposes all out-of-state Tribes.

The Kansas Tribes join with the State of Kansas in this effort, and want you to have this information to see their formal position. if you have any questions, please feel free to contact any of the Tribal Chairpersons.

Respectfully Submitted,

NANCY BEAR,
Chairperson, Kickapoo Tribe in Kansas.

Mr. BROWNBACK. I want to read from the Governor's letter:

I continue to support the rights of the four existing residential Native American tribes to conduct gaming in Kansas in accordance with approved compacts. Efforts to side-step IGRA negatively impact the rights of our residential tribes as well as the rights of the State of Kansas.

This is a quote from the Indian Nations of Kansas, the four tribes—the Kickapoo, Sac and Fox, Prairie Band, and Iowa Tribe:

The four Indian Nations in Kansas have unanimously supported the governor of the State of Kansas in opposition to out-of-state Tribes attempting to gain land holdings in the state of Kansas for purposes of establishing gaming enterprises.

They are all united and opposed to what was stealthily slipped in the dark of night by staff in a handwritten note, and it is wrong for this to take place.

I put my colleagues on notice, I put the House on notice, and I put the Wyandotte Tribe in Oklahoma on notice: This is going to be back next year. You have bought the land, and you may have won this round, but we will be back at this next year.

The way this happened is not fair. I think it is a sacrilege for them to desecrate this sacred site for their own gaming purposes, their own income purposes, their own purposes of making money that they would take this upon this sacred site. In all traditions, burial grounds are treated as a sacred site. This is wrong. It should not happen, and it was slipped in the wrong way.

Madam President, I thank you for your understanding of this situation. I hope we can correct this next year. I yield the floor and 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.

TRAVEL AND TOURISM INDUSTRY

Mr. REID. Madam President, as we approach the end of this first session of the 107th Congress, there are many significant legislative achievements of which we should be proud. In the wake of the terrorist attacks of September 11, Democrats and Republicans, Senators and Representatives, came together in a bipartisan, bicameral fashion to pass a resolution authorizing the President to use military force in the war against terrorism.

Then we immediately appropriated, on a bipartisan basis, $40 billion in emergency funds to help fight the war against terror and aid in our ongoing recovery, cleanup, and rebuilding efforts in New York, Washington, and Pennsylvania.

We came together to pass antiterrorism legislation, the USA Patriot Act, that will provide law enforcement in this country with the necessary tools to fight terrorism at home and abroad.

In an effort to improve our homeland security, we also passed important legislation that will dramatically improve the security of our Nation's airports.

We passed these initiatives and other legislation because we made a commitment to set aside bipartisan bickering and devote the collective efforts of this Congress toward working on behalf of the best interests of the American people.

I was asked recently by a member of the press how far bipartisanship should go during wartime and whether it should apply only to military matters.

I responded that bipartisanship should apply at all times, in peace and, of course, in war. Unfortunately, it seems our commitment to bipartisanship has been unable to produce an economic stimulus package that our economy and so many American working families desperately need.

As I am speaking, I see the chairman of the Finance Committee, Mr. BAUCUS, the senior Senator from Montana. He has made a valiant effort. There is still a glimmer of hope maybe something can be done, but he has made a valiant effort. He has worked for weeks to come up with an economic recovery package. It is too bad his efforts have not been rewarded with some bipartisan legislation in keeping with some of the things I have outlined that we have been able to accomplish.

We need to pass an economic stimulus package before the end of this session that would extend unemployment and health benefits for the hundreds of thousands and even millions of Americans who have lost their jobs since the recession started in March. We need to pass an economic stimulus package that will provide much needed relief for the American businesses that have been hit hard by the downturn in the economy.

An economic stimulus package is also important because we need to address one sector of the American economy that has suffered more than any other as a direct result of the terrorist attacks of September 11: the travel and tourism industry. It would be wrong for this Congress to adjourn for the year without doing something to address what has happened to the American travel and tourism industry since that fateful day in September.

Prior to September 11, the travel and tourism industry employed more than 18 million people with an annual payroll of almost $160 billion. In 30 States, tourism is the No. 1, No. 2, or No. 3 industry. It is estimated that travel and tourism generated $93 billion in tax revenues during the year 2000 for State, Federal, and local governments. When our Governors and other State officials find themselves strapped for cash to pay for basic services such as education, $93 billion in tax revenue becomes even more significant. Moreover, during the past decade, travel and tourism has emerged as the Nation's second largest services export, generating an annual trade surplus of about $14 billion. This, of course, is no surprise to the people and workers of Nevada where travel and tourism is by far the largest industry.

In the year 2000, 36 million people visited Las Vegas, contributing approximately $32 billion to local economies and sustaining approximately 200,000 hospitality and tourism-related jobs. Since September 11, these impressive numbers have declined. According to the Hotel and Restaurant Employees International Union, 41 percent of hotel and restaurant employees in the Washington, DC, metropolitan area have been laid off. In Washington, DC, 41 percent of hotel and restaurant employees have been laid off.

In Las Vegas, the fastest growing metropolitan community in the United States, 30 percent of the hotel and restaurant employees have lost their jobs. Similar cuts have been seen in other cities throughout the country, including New York, San Francisco, Boston, Los Angeles, Honolulu, and Miami.

Jonathan Tisch, one of the premier businessmen in the world, has told me on many occasions—he is based in New York—how drastic September 11 has been to his business. I spoke yesterday to Barry Sternly, another fine, outstanding businessman in American today. The tourism industry, the hotel business in which he is involved, has suffered tremendously. Around the country, 450,000 jobs directly related to travel and tourism will be lost this year. Think of those jobs that will be indirectly affected as a result of what has happened since September 11.

The forecast for the industry from this point on is not much better. The Travel Industry of America estimates travel by Americans will decrease by 8.4 percent this winter compared to the 3 months of December, January, and February a year ago.

These months are always down months, but they are drastically down now. Many hotels use these months to do renovations and things they can afford to do with the money they would normally have earned in the other months, but they did not make money as they anticipated they would in the months of October and November, which are normally very good months for them. So with the decline of 3.5 percent for the entire year 2001 when compared to the year 2000, the Travel Industry of America estimates it will result in nearly $43 billion in lost travel expenditures in 1 year.

Even more chilling, the International Labor Organization projects up to 3.8 million jobs related to the American travel and tourism industry could be lost in the next few years—$43 billion and almost 4 million jobs. How can we possibly consider leaving without doing something to address this critical sector of the economy?

Certainly there should be bipartisan support for tourism since it is so important in so many States, whether it is the State of Montana, the State of Michigan, the State of Nevada, or the State of Iowa. Tourism is important in all of these States, and I mention them because I see their Senators in the Chamber today. How can we possibly consider adjourning without doing something to help the hundreds of thousands of people who have already lost their jobs and do something so that millions more will not lose their jobs? How can we possibly discuss an economic recovery package without addressing the needs of travel and tourism? I say if we do nothing except something related to tourism, we will be doing a good job. It has such an important impact on our economies.

Since September 11, I, with a number of other Senators, have come to the Senate floor on various occasions to urge action on a travel and tourism package in conjunction with the so-called economic stimulus plan. We have urged our colleagues in the Senate, the House, and the administration to include legislation that will encourage people to start traveling again in order to stimulate the economy and get workers back on the job. We have taken some important first steps.

A few days after September 11, Congress acted quickly and responsibly to enact crucial legislation to help stabilize our Nation's airline industry with $15 billion in grants and loans. Since September 11, the airline industry has cut 20 percent of its flights and

laid off more than 100,000 workers. The financial package for the airline industry was the right thing to do, but it was just the first step toward making sure travelers truly feel safe to fly.

We then passed a comprehensive airline security bill to dramatically increase the number of sky marshals, strengthen cockpit doors, and federalize the screening of passengers and luggage at our Nation's airports.

While we were right to enact these measures, it is important for us to remember travel and tourism in this country entails so much more than just the airline industry. Travel and tourism has many different faces: Hotels, car rental agencies, cruise ships, theme parks, resorts, credit card companies, family-run restaurants, big city convention centers, tour operators and travel agencies. These are just some of the many diverse elements of an industry that in some way reaches every State, virtually every community in America.

More importantly, it is from these nonairline sectors of the travel and tourism industry that the vast majority of the jobs have been lost. That is why I proposed a comprehensive travel and tourism package as part of any economic stimulus plan we would consider.

There are many Senators who have been interested in travel and tourism, but I would specifically mention Senators CONRAD, DORGAN, INOUYE, KYL, BILL NELSON, BOXER, MILLER, AKAKA, SCHUMER, CLINTON, ENSIGN, ALLEN, STEVENS, and there are many others.

My plan calls upon Congress to enact tax credits for leisure travel to encourage Americans to get back on the airlines, to rent a car, to stay a few nights at their favorite hotel or enjoy a few meals at their favorite restaurants. The tax cuts would be temporary and would provide immediate results. Travel tax credits would encourage people to take advantage of all the many wonderful things the travel and tourism industry in this country has to offer while at the same time spending much needed dollars to stimulate the economy.

My plan also calls for a temporary increase in the deduction for business meals and entertainment expenses.

This proposal will encourage businesses to increase their entertainment expenses. And, because the average expensed business meal is less than $20, this proposal will assist small businesses. This proposal by itself will have an enormous and positive impact on our Nation's restaurants and the millions of Americans they employ.

We need to address the needs of our nonairline travel business such as rental car companies, hotels, travel agencies, airport concessionaires, to name only a few. These businesses need our help. My plan will provide a financial package of loan guarantees similar to that for the airline industry. Finally, we need to do a better job of promoting tourism at home and abroad by establishing a Presidential advisory council on travel and tourism to assist in the development of a coherent and comprehensive national tourism policy designed to help strengthen the travel and tourism industry. My plan provides for the necessary funds to help carry out this mission. We need to make sure that this country advertises the great tourism attractions in Florida, New York, Michigan, California, and Nevada. Most other countries spend significant amounts of money advertising tourism. We see advertisements on television and radio all the time. Australia, New Zealand, and other countries advertise and promote tourism to their countries. We need to do the same for America.

The travel and tourism industry is too important to our Nation's economy, too important to my State and other States and communities throughout the country to be ignored. I hope everyone understands the importance of travel and tourism and how important it is to our country.

I have a letter from the former majority leader of the Senate, George Mitchell. The letter says:

> I know how hectic these days are for you and so I will be very brief.
>
> Some of the people who were most adversely affected by the events of September 11 are the working poor. Welfare reform in the 1990s forced them into the job market, and fortunately, many found work in the travel and tourism industry. Many have lost their job or face unemployment unless we can get the industry moving again.
>
> By embracing the travel credit, [we] can keep the focus of the economic stimulus bill on individuals and on doing everything we can to help the working poor stay in the job market.

I also have a letter addressed to me from the chair and chief executive officer of the Carlson Group, one of our nation's largest travel agencies. I ask unanimous consent it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 18, 2001.

Hon. HARRY REID,
Assistant Majority Leader of the Senate,
The Capitol, Washington, DC.

DEAR SENATOR REID: I cannot tell you how dismayed I was to read the article in the Washington Post, today, concerning the impact of September 11th on the travel and tourism industry.

As I am sure your constituents have told you, domestic air travel has remained down 31% for the past seven weeks. All elements of the travel and hospitality industry dependent on air travelers have watched their revenue drop by at least this amount.

Since personal travel is down 37–40%, tourist destinations, resorts, cruise ships, and many other segments of the American travel and hospitality industry have suffered declines as much as 60% over the same period and it continues.

We believe that a personal travel credit and elimination of the 50% penalty on business meals and entertainment expenses are desperately needed to keep Americans employed.

Obviously, being employed is far superior to receiving unemployment compensation and far more beneficial to our wonderful people and their families and the states, which bear the burden of such unemployment costs.

To the extent some in the industry seem to suggest that such assistance is too expensive or impracticable, they are not speaking for our people, our franchisees, our company and many others who have been the casualties of the fallout from 9/11.

We know that you understand this. We deeply appreciate your efforts and those of your colleagues, in particular Senators Jon Kyl and Bill Nelson, to help our employees and our businesses regain their economic footing through an amendment to the stimulus bill.

Best Regards,

MARILYN CARLSON NELSON,
Chair and Chief Executive Officer.

The PRESIDING OFFICER. The Senator from Montana.

UM GRIZZLIES GOING TO NATIONAL CHAMPIONSHIPS

Mr. BAUCUS. Madam President, I rise today to express a little hometown and a little home State pride. Last Saturday, the University of Montana Grizzlies defeated the Northern Iowa Panthers, I say to my very good friend from Iowa who attended Northern State, and is the strongest northern State booster I have ever run across. I will not embarrass my good friend by giving the score of that game, but I will say to my good friend from Iowa and to the world that we are proud that the University of Montana Grizzlies prevailed. It was a hard fought football game, and I give utmost credit to the Panthers, who were terrific.

This win gave the Grizzlies the privilege of going to the 1–AA championship game in Chattanooga, TN. They will play the Furman University Paladins Friday at 5:30 eastern time. Everyone tune in.

In Montana, folks travel from every corner of our big State. We call ourselves the big sky State. We are a pretty large State, at close to 149,000 square miles. People around Montana come from all corners of our State to see the University of Montana Grizzlies, the Montana State University Bobcats. There is a fierce rivalry between the Cat fans and the grizzly fans.

From Eureka to Ekalaka, from Havre to Virginia City, in buses, vans, cars, and trucks, Montanans travel great distances to cheer on their sons and daughters, their friends and neighbors. When our team, the Grizzlies, made it to the national championship, understandably we were a little bit excited. We are very proud of our team. I wish you could feel the energy and excitement going on in Montana right now. We are very excited.

This is not new for the Grizzlies. They have been to the I–AA playoffs 8 out of the last 9 years. Friday's championship game will be the fourth the Grizzlies have been to since 1995 when they won the championship. I will never forget. I was there. Man, did we have fun.

It is also important to note that most of the UM players are from Montana. We are proud of that. They are great athletes, but they are also good students first. The team averages a 2.9 GPA, virtually a 3.0 team average. They are from small towns, rural communities. Some of them came up playing 6- and 8-man ball—football in small towns known as ''iron man'' ball.

They are excellent student athletes, like big sky defense man of the year and Academic All-American Vince Huntsberger from Libby, MT. I was talking to Vince the other day after a game, and Vince remembers when I walked throughout the State of Montana running for office. He even told me he carried a sign in a parade I was in when he was a little kid.

We have Brandon Neil from Great Falls, T.J. Olkers from my hometown of Helena. Our star quarterback, John Edwards, is from Billings. Then there is Spencer Frederick from a little town called Scobey in the northeastern part of our State. These young people and all the others make us very proud.

If you ask anyone who follows I–AA football, they will tell you that the Washington Grizzly stadium is the premier place to play in the country. I commend the UM president, George Dennison, for his leadership at the university and for investing in the program. Also, congratulations to UM athletic director, Wayne Hogan, and his staff. He came about 7 or 8 years ago and is doing a great job. He is from Florida. And Grizzly coach Joe Glenn, with his vision, his leadership, that has earned him the big sky coach of the year for the second straight year.

I think all of these individuals have done so well. I thank them for the pride we have.

Finally, I have a wager with my very good friend from South Carolina, Senator HOLLINGS. If the Paladins win—he went to the University of Furman—I will come to the floor and recite the words of the Furman fight song. If the Grizzlies win, Senator HOLLINGS has agreed to come to the floor and recite the UM fight song. Fair wager, for fun. I will send his office the words to our song so he can get started and get the rehearsal going so he can boom forth with the University of Montana fight song at the next opportunity in the Senate.

SOFTWOOD LUMBER—A CALL TO ACTION

Mr. BAUCUS. I rise today to focus attention on the ongoing softwood lumber dispute between the United States and Canada. I believe we have an excellent opportunity to permanently remove this blemish on our strong bilateral trade relationship.

In the past 3 months, the U.S. Department of Commerce found that the Canadian Government unfairly subsidizes this lumber industry and then dumps those products in the U.S. market, both of which are prohibited by U.S. law. These activities have caused unprecedented upsets in the U.S. market, resulting in record low prices, disruption in supply, mill closures, layoffs, people out of work.

Good jobs in my State of Montana and across the Nation have been put at risk by Canada's foul play. Now is the time to bring this matter to resolution once and for all. The U.S. negotiators have a meeting with their Canadian counterparts to work out what is a desirable solution.

As I have stated many times before, this solution must completely offset the subsidies and dumping. It must bring true competition to the marketplace and must take into consideration the cross-border and environmental issues with the objective of a truly level playing field.

With that said, the offers of our neighbors to the north have been, to date, short of the mark. If we are serious about resolving the issue, the Canadians need to put something on the table, something that reflects a true, open, competitive market for softwood lumber. Some in Canada would prefer to let international tribunals decide this matter. I think they misjudge both the legal strength of their position and the underlying merits of their case. At no other time in history have the facts been so squarely in favor of the U.S. industry—no other time in the many years this dispute has been ongoing. At no other time have we been so close to a detente. Let's not forget, many of the reforms are beneficial and cost effective to the Canadian softwood industry as well as to Canadian taxpayers.

That said, the clock is ticking. Unfair Canadian lumber imports are hurting our American producers. In a regrettable setback on December 15, the preliminary countervailing duties expired temporarily. It is my understanding that due to a customs reporting loophole, Canada was able to avoid paying payment earlier than the duties' temporary expiration. This is wrong. It emphasizes the need to close the gap from now until final determination.

The statute does not require that this case drag on until next spring. There is simply no reason for further foot dragging. The U.S. lumber industry cannot afford to suffer further injury. Neither can our remanufacturers, who are at the mercy of Canadian blackmail threats to cut off supply if we do not support Canada's position.

Simply put, if a decision cannot be reached in the next few weeks, the Commerce Department should accelerate their final determination.

That said, I would like to begin 2002 with this matter resolved. After two decades of fighting, it is time for a durable solution to the softwood dispute. I hope our administration and my Canadian friends will rise to the occasion.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

FOOTBALL

Mr. GRASSLEY. Mr. President, I compliment the University of Montana. They did, in fact, play well—too well—against the University of Northern Iowa.

Before I had bragged to Senator DASCHLE 2 weeks ago about how we were going to show the University of Montana how to play football, I wish I had researched how they have done so well in the last few years. I probably would not have been so boastful. But we had just come away from a tremendous victory, the UNI Panthers over the University of Maine Black Bears, just the week before. I thought if the Panthers could beat the Black Bears, they could surely beat the Grizzlies. But it did not turn out that way.

You played tremendous football, and I thank you very much for being so temperate in your remarks about the Panthers of the University of Northern Iowa.

Mr. BIDEN. Mr. President, before the Senator begins a more serious discussion, and I will wait my turn, may I intervene to discuss this issue for just a moment, coming from a State that has won Division II championships more than any of you, and one that this year for the first time in a long while did not make it in the playoffs.

I want my friend from Montana to know I warned my seatmate from South Carolina about you all. We understand about the Grizzlies in Delaware. They have been a very powerful Division I–AA team actually the last—almost the last decade, the last 8 years or so. I just want you to know that, even though the Presiding Officer is from a State that has a team called the Spartans—and they only get 100,000 folks or so to show up to their games; they don't understand, as the Presiding Officer prior to this, from the University of Michigan and Michigan State, where they get 110,000 people—they don't understand real football that the three of us understand.

At some point we should have a more far-reaching discussion about football as it is really still played, where there are student athletes who take seriously that undertaking, as they do their football.

I want to say that people who do not follow and understand that—and many

do not because of the media—who do not follow Division II football, should understand there are some very serious ballplayers. It is very good football, high-caliber football. And, in any given year, such as this year, a team such as the Grizzlies is able to compete with Division I teams. They couldn't do it day in and day out. They could not do it 10 games a year. But it is very serious football.

I have been through these bets myself over the last 29 years here because my alma mater has been engaged in this national championship more than once. Delaware this year had a lousy season, relatively speaking—a winning season but a lousy season. But we have a coach who this year made it to the ranks of only 6 coaches in the history of college football to win over 300 football games.

I just want to rise and salute Division II football, where it is not a 40-hour-a-week job to attend school, but it is serious, serious football. I would argue the pressure on some of the fine athletes at Northern Iowa and the University of Montana, the University of Delaware, to play this caliber football and what is also expected of them off the field, is a real strain, a real burden on some of them because they do not get the same opportunities, same scholarships, same treatment, on occasion, that some of the major Division I school athletes do.

I salute the Grizzlies. They are one tough team. When I told my friend from South Carolina about your record, because I was very familiar with it, he blanched and said, as only he could say because he is one of the most humorous guys here: My Lord, if that's the case and they lose, and I have to recite that, they should change that fight song.

Having said that, I yield the floor and wait my turn to speak on a more serious subject.

Mr. BAUCUS. If I may ask the indulgence of my good friend, one of the teams in the home State of the Presiding Officer, of course, is the Badgers. For the previous occupant of the chair, it was the Wolverines, and the Grizzlies of Montana.

The PRESIDING OFFICER (Mr. WELLSTONE). The Chair would observe the team in Minnesota is the Gophers. The Badgers are Wisconsin.

Mr. BAUCUS. So we have the Gophers, Wolverines, Panthers, Grizzlies, and Maine has the Black Bears. I am going to ask my good friend from Delaware, whom do we have in Delaware?

Mr. BIDEN. Mr. President, Delaware has proudly named after the strongest group of revolutionary fighters in the Revolution from the State of Delaware. Back in those days, cock fights were very much in vogue. The toughest of those competitors were the Blue Hens of Delaware. I want the record to show the Blue Hens have taken Panthers, Badgers, and Bears in their stride, including the Black Bears of Maine. We are little, but we are very strong.

I often wish the mascot in the Revolutionary War for the Delaware regiment had been a panther or a lion, but it happened to be a blue hen. So we are the Delaware Blue Hens, and proud to be such.

Mr. BAUCUS. Mr. President, I will bet they are the strongest, toughest Blue Hens that have ever existed on this Earth.

Mr. BIDEN. That is a fact.

Mr. BAUCUS. I look forward to next year when the Senator from Delaware stands in the Chamber and gives a recitation of the Grizzlies' fight song. I hope we can come to that day.

I thank all Senators for indulging me.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa with the good-looking holiday sweater.

THE ECONOMIC STIMULUS PACKAGE

Mr. GRASSLEY. Mr. President, the session is about to end. I would like to call to the attention of colleagues one proposition that I hope comes before the Senate before we adjourn. That is the so-called economic stimulus package. You might call it an economic security package.

Nothing I say is going to in any way detract from the working relationship that I have with Senator BAUCUS as chairman of the Senate Finance Committee.

Maybe in this instance we did not reach an agreement involving he and I having complete agreement on a final product. There were other factors that came into play that maybe kept those negotiations from being one-on-one negotiations where people could freely negotiate and reach an agreement as you should in a conference. But all of this discussion, plus other forums I have been in with Senator BAUCUS as chairman of that committee, have been very cordial and productive sessions, even when they have not come out with a product.

I only wish that when the stimulus package comes to the floor I have the privilege of doing as we did last spring defending that package, along with Senator BAUCUS, with the two of us working together to get it through the Senate. Hopefully that can still happen. It may not happen, but it doesn't mean that Senator BAUCUS has not worked hard to help that happen. Hopefully, we can continue next year to do some things in other areas that fall within the jurisdiction of the Senate Finance Committee that will bring bipartisan bills to the Senate floor for successful passage by the Senate.

Probably what we are ending up with here, instead of what might come out of the conference committee which I was referring to in my work with Senator BAUCUS, is kind of a hybrid that involves some individual negotiations and some people who aren't even on the Senate Finance Committee, which has jurisdiction over most of the product. But this is a bill that is going to be introduced in the House. It is my understanding that it is a bill in which I will have some input, and the White House, and a group in the Senate called the centrists, a bipartisan group of Democrats and Republicans who might call themselves kind of middle-of-the-road types. It is an economic stimulus package presumably passing the House and coming to the Senate. I hope people will see it as a very rich proposal that will help displaced workers and give a boost to the economy.

Since September 11, we have focused on dislocated workers and unemployed people who have been hurt. But there are also a lot of people who are working and who are in anguish over what the future holds for them. Even if they have very good jobs, that might be the case because things aren't the same since September 11.

When we talk about an economic security package, even though we might tend to concentrate on the dislocated workers, we are concerned about all workers because people have some questions about the future. Because of what happened on September 11, they see the future a little differently with a little less security than they did prior to that time.

An economic security package addresses the needs of people who are working as well as people who are dislocated. It does what we can to help those who are dislocated through troubled times. But it also is meant to give some confidence to those who are working and to beef up the economy so we will be able to find jobs for people who are dislocated.

We are in a state of war. We don't know how long that state of war will be there. But it is not going to end when we find the last Taliban in Afghanistan, or the last al-Qaida member. It isn't going to end when we find bin Laden and other leaders responsible for what happened on September 11. How long the war is going to go on I do not know. But it is not over.

We are talking about America being in a state of war since September 11. The Congress of the United States has addressed that and has given the President the backing that our Constitution demands from a partner in a war act, as Congress is a partner in that.

We need to remember that we are in a state of war and that things aren't the same. The Senate ought to respond as if we were in a state of war.

I think one of the ways to responsibly respond is for the Senate to vote on the economic security or economic stimulus package. I hope the Senate majority leader will let his caucus vote

the conscience of the individual Member. I hope there isn't any attempt to put the position of the party ahead of the good of the country in the closing hours of this session so we can pass this bill.

It is time to finish our work, but it is also time to do the people's business. There is nothing more important right now than responding to the needs of the people of our country in a time of war when there is a great deal of anxiety and anguish about the future, not only among the dislocated but among those who are even working.

We are in the position of finishing the last of the appropriations bills. It is time to help the dislocated workers and those who are working and create jobs for the employed to give a shot in the arm to the economy.

I believe the White House centrist agreement is bipartisan and bicameral and is a product that ought to be brought before the Senate after it passes the House.

Remember that this isn't something coming to the Senate just on the spur of the moment in the sense that there is a rude awakening and we ought to do something about the economic situation and pass some stimulus. The President recommended it in early October when he proposed a program of accelerated depreciation, tax reduction, tax rebates for low-income people, enhancement of unemployment compensation, and help for the health care needs of the unemployed. The President did that. It wasn't the President who started it. There were lots of meetings held by Senator BAUCUS with Democrats and Republicans, and maybe meetings with only Democrats. We held separate Republican meetings in early October on whether or not we ought to have a stimulus package. We sought the advice of Chairman Greenspan.

There was some question in late September or early October when these meetings were being held about whether or not we needed an economic stimulus. But it was just a matter of a couple weeks until the President, probably on his own, made a determination and a proposal to Congress.

Parallel with that, there was a growing conclusion within both Houses of Congress and both parties that an economic stimulus package was needed. So we have been working in this direction for a long period of time.

There is a product before us now that is bicameral and bipartisan. Partisanship has been evident in this body, by the Senate Finance Committee voting out a bill on party-line votes, bringing it to the Senate, and finally coming to the determination that that partisan bill could not pass. It is not because everything in it was wrong but just because partisan legislation does not get through this body. You have to have some bipartisanship in order for a product to successfully clear this body.

So we have now a further compromise. It is not the President's proposal. We have gone way beyond what the President wanted to do in some of these areas. It does not have some of the baggage of a bill that previously passed the House of Representatives had, such as, for instance, the retroactive alternative minimum tax, where there is a lot of money just coming out of the Federal Treasury back to corporate America. It has many of the things the Democrats wanted and many of the things the Republicans wanted. But it is going down the same road now because it is bipartisan, bicameral, and it is coming to the Senate.

As to things such as accelerated depreciation, there are some changes in the alternative minimum tax that reflect the realities that accelerated depreciation will not work if there are not some changes in the alternative minimum tax. It speeds up tax brackets for middle-income taxpayers by reducing the 27 percent bracket down to 25 percent, and doing it January 1, 2002, instead of January 1, 2004, and January 1, 2006.

We recognize the needs of stimulating the consumer demand by tax rebates to low-income Americans. We increase unemployment compensation by 13 weeks. We have, for the first time in 70 years, a very dramatic change in the social policy of this country for unemployed people by providing health insurance for unemployed people. That is welcomed by a lot of Republicans. And it ought to be welcomed by a lot of Democrats. So I want to describe that.

I would also like to take an opportunity to clear up the record on press conferences that are being held by my friends in the Democrat leadership. Too often it is said, in a disinformation way, that what is really holding this up is that Republicans do not want health benefits for dislocated workers.

I think I have just now said, in this new policy—the first in 70 years; the biggest social change in the policy for dislocated workers in 70 years—that we support this. It is part of this package. So why would anyone say that Republicans do not care anything about health benefits for dislocated workers?

The President proposed it early on—not in a way I thought was very workable, but he proposed spending money on it. We have a package that has $23 billion of such benefit in it. In fact, it is a package with $2 billion less which helps more people than what some of the Democratic proposals would do.

So if you can help more people for less of the taxpayers' money, isn't that good? And isn't it good, too, that there is agreement that it needs to be done? I do not think it is fair for people in the Democratic leadership to say Republicans are against helping with the health benefits for unemployed workers when it has been in every one of our plans and even the President was the first to propose it.

I think the bipartisan, bicameral provisions that are coming before the House and Senate within the next 48 hours represent a genuine compromise. Not only does it provide an unemployment insurance extension of 13 weeks, but it also has Reed Act transfers—more money—to the States for them to spend for enhancing their own——

The PRESIDING OFFICER. It is the Chair's understanding that the time allocated in morning business to the Senator from Iowa has expired.

Mr. GRASSLEY. I am not sure I was aware of it or I would have asked permission to go beyond that because I know all the previous speakers spoke longer than 5 minutes and the gavel was never rapped. So if that is the case——

Mr. BIDEN. I have no objection to the Senator continuing his speech. I am wondering how long he is likely to speak.

Will the Senator say roughly how long he is going to speak?

Mr. GRASSLEY. I think now that I have spoken this long, I would say about 10 minutes.

Mr. BIDEN. I thank the Senator.

Mr. GRASSLEY. We give more money to the States if they want to improve even more their unemployment benefits. We are giving a 60-percent tax credit for health care tax for unemployed workers, including people who can use it to extend COBRA insurance benefits.

States will have the ability to address problems such as part-time workers. There is a modest proposal to accelerate income tax rate reductions in the 27-percent bracket.

I am sure there are a lot of Members of this body, particularly those who voted against the bipartisan tax bill last spring, who are not going to want to speed up, from 27 percent to 25 percent, the reduction of that tax rate. Somehow there is an insinuation that if you do that, you are helping the wealthy. I want my colleagues to remember that this benefits a single taxpayer earning as little as $27,051 and going up to $65,000. And then, for a married couple, that would kick in at $45,201, going up to $109,000.

For people making $27,000, where this bracket starts, or for married couples making $45,000, these are not rich people or rich families. What we are talking about is a 2-percentage-point tax cut for these folks.

So is there anything wrong with a single person paying $770 less in taxes or a married couple paying $1,281 less in taxes if they fall into this income tax bracket that we would call middle income?

It seems to me it is fair, but, most importantly, it is meant to be a stimulus. This is something that middle-of-the-road Democrats and Republicans

support. This is part of the original centrist package.

We also have a 30-percent bonus depreciation. That is something that was in everybody's package, Republican or Democrat, House or Senate.

We have also a 5-year net operating loss carryback. That was not in the President's package. That was not in the Senate Republican package. That was in the Senate Democratic package.

On corporate alternative minimum tax, there is no repeal, no retroactivity, like was lambasted when it came out of the House that way. There is no corporate AMT repeal, retroactive or otherwise, in the White House-centrist package. There are some well thought out reforms that cost about one-twentieth of what the House bill did on alternative minimum tax. That is a very major movement. That is why the centrists support this compromise.

The White House-centrist package extends expiring tax provisions by 2 years.

Finally, the White House-centrist package includes bipartisan tax relief proposals for victims of terrorism and business in New York City. These are much needed, and they are urgent matters. I believe the Senators from New Jersey, New York, and Connecticut ought to find it inviting that these things are in there for their constituents and support this package.

Let's get the record straight. Let's have a good debate. Let the votes fall where they may. I can't help but ask our distinguished majority leader, Senator DASCHLE, to give the people what they want—a bipartisan economic stimulus bill with the largest aid going to dislocated workers in a generation.

It is clear that the people and the President don't want stalling, don't want muddling, don't want delay and, most important in this state of war we are in, don't want partisanship.

I urge the Senate majority leader to do the right thing: End this session by delivering a bipartisan priority. By doing it, we put the people's business first. If I were the majority leader, I would not know how to explain to the American people, as I returned home to the State of Iowa to enjoy the holiday season there with my family on the farm at New Hartford, why millions of Americans are desperately waiting for the Senate to pass an economic and job security bill that has been in this body for the last 2 months. If I were the majority leader, I don't know how I would explain to the people of Iowa, how I could look my constituents straight in the eye, and all of my taxpayers and all the small business owners of Iowa, and explain, by not passing this bill, how I would choose politics ahead of people.

It is time to get the job done. There is still time to do it. If people are allowed to vote their conscience and not have the restriction of party, we can get the job done, I believe.

I yield the floor.

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, on behalf of Senator DASCHLE, I announce there are no more votes tonight.

UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT TO ACCOMPANY H.R. 3061

Mr. REID. Mr. President, I ask unanimous consent that at 9:30 a.m. on Thursday, December 20, the Senate proceed to the consideration of the conference report to accompany H.R. 3061; that there be 90 minutes for debate equally divided between Senators HARKIN and SPECTER or their designees; that an additional 20 minutes be given to Senators MCCAIN and BROWNBACK—that is 10 minutes for each of them, for a total of 20 minutes—that there be 10 minutes each for Senator DOMENICI and Senator WELLSTONE; that upon the use or yielding back of time, the Senate vote on adoption of the conference report.

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

UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT TO ACCOMPANY H.R. 2506

Mr. REID. Mr. President, I ask unanimous consent that the majority leader, after consultation with the Republican leader, may turn to the consideration of the conference report to accompany H.R. 2506 and that there be 1 hour 5 minutes for debate divided as follows: Senator LEAHY, 10 minutes; Senator BYRD, 45 minutes; Senator MCCONNELL, 10 minutes; that upon the use or yielding back of time, the conference report be agreed to, the motion to reconsider be laid on the table, and any statements related thereto be printed in the RECORD at the appropriate place, with no intervening action or debate.

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

The Senator from Delaware.

Mr. BIDEN. Mr. President, I ask unanimous consent to proceed as in morning business for up to 10 minutes.

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

ECONOMIC STIMULUS

Mr. BIDEN. Mr. President, before I speak on what I came over to the floor to discuss today, I would like to respond in 60 seconds to the Senator from Iowa.

I don't think the stimulus bill is about partisanship. The stimulus bill is about whether we are going to take care of workers and displaced people because of the economy or whether we are going to reward corporate entities that are not going to reinvest instantly in the economy and stimulate the economy. How can we stimulate the economy if what we are going to be ''spending'' through either tax expenditures or direct expenditures doesn't spend out for 2 years or more?

This is about fairness. The stimulus package I have seen so far is not remotely bipartisan and is in fact a serious mistake, based on what I know, unless there is some iteration in the last 12 hours of which I am unaware.

MAINTAIN OUR BALKAN COMMITMENT

Mr. BIDEN. Mr. President, I rise today to take issue with Secretary of Defense Rumsfeld's comments yesterday in Brussels, in which he called for reducing NATO forces in Bosnia by one-third by the end of next year.

I find Secretary Rumsfeld's proposal both faulty in its logic, and dangerous in its implications.

Mr. Rumsfeld based his suggestion upon the allegation that the size of the NATO mission in Bosnia, known as SFOR, is ''putting an increasing strain on both our forces and our resources when they face growing demands from critical missions in the war on terrorism.''

From this assertion, one might think that the United States and NATO have massive numbers of troops in Bosnia. In fact, SFOR's strength is now about 18,400 troops. The U.S. contingent is only 3,100.

According to the Pentagon's new Quadrennial Defense Review, we must be able to ''swiftly defeat aggression in overlapping major conflicts while preserving the option of decisive victory, including regime change or occupation and conduct a limited number of smaller-scale contingency operations.''

By any calculation, therefore, we should have plenty of troops and materiel to handle the smaller-scale operation in Bosnia and still meet our commitments elsewhere in the war on terrorism.

In short, Secretary Rumsfeld's argument that Bosnia is a serious drain on our war-fighting capabilities simply doesn't wash.

I should also point out that we have already greatly reduced the size of the NATO-led operation in Bosnia. The current level of 18,400 troops is down from an original 60,000. The 3,100 Americans are down from an original 20,000.

Moreover, why should we quit a game in the fourth quarter when we're winning? Bosnia and Herzegovina still has many problems, but even the harshest critic of our policy there must admit that significant progress has been made since the Dayton Accords were signed six years ago. For example,

there non-nationalist, multi-ethnic coalitions now govern both the Federation and the national parliaments. All of the political, economic, and social progress has been made possible by the umbrella of SFOR.

But the victory is not complete. In that context, I'm rather surprised that Secretary Rumsfeld juxtaposed Bosnia with the war on terrorism, because al-Qaeda is known to have cells in Bosnia. The Saudi Arabian who co-starred with Osama bin Laden in the grotesque video from Afghanistan, which nauseated the civilized world, had previously fought with the mujahedin in Bosnia.

Mr. President, extirpating al-Qaeda from Bosnia is reason enough to keep the three thousand American troops there.

I have been to Bosnia nearly every year since the outbreak of hostilities in 1992. I have talked with most of the leading politicians of all ethnic groups. I have visited the headquarters of the combined Muslim-Croat Federation Army outside Sarajevo and reviewed the troops there. I have met with local officials from Banja Luka and Brcko in the north to Mostar in the south. No one, Mr. President, no one—thinks that the current peace and progress in Bosnia could survive a premature withdrawal of NATO, especially American, troops.

Rather than setting an artificial date for withdrawal of NATO forces from Bosnia, we should concentrate on finishing the job, and then withdraw victoriously.

Moreover, the United States is sending a totally confusing message to the world, friends and foes alike. The same week that we reopen our embassy in Kabul, and James Dobbins, our envoy to Afghanistan, declares that we are there to stay, we announce that we will leave Bosnia within twelve months!

How seriously can Afghans take Mr. Dobbins' declaration? Can the Afghans possibly think that we will stay the course there when we won't do it in the Balkans?

Or are we perhaps planning to transfer some American troops from Bosnia to peacekeeping duty in Afghanistan? I don't think so. Secretary Rumsfeld and others in the Administration frequently declare that peacekeeping duty is a poor use of the American military.

Unfortunately, however, the Administration's mantra runs afoul of the so-called Strategic Concept, the document which guides overall NATO strategy. The Strategic Concept lists ethnic and religious conflicts like Bosnia among the greatest threats to the Alliance.

If we're going to opt out of NATO peace enforcing missions, and we're going to exclude NATO from our anti-terrorist military campaigns as we have done in Afghanistan, then what does that tell our allies about our commitment to NATO? I suppose we'll agree to keep an American general as Supreme Allied Commander Europe.

Unfortunately, Secretary Rumsfeld's arbitrary deadline-setting in Bosnia fits right into the Administration's announcement that we will withdraw unilaterally from the Anti-Ballistic Missile Treaty with Russia, a decision whose folly I criticized on this floor less than a week ago.

This administration's foreign and defense policy is driven by ideology, not by a realistic threat assessment. A stable Europe is the precondition for our pursuing terrorists in Central Asia, the Far East, or the Middle East. Since we continue to preach ''in together, out together'' in the Balkans, what will we do if our European NATO partners point out twelve months from now—as is likely to be the case—that there is still need for SFOR to remain in Bosnia?

In that case the administration's theory will collide with the hard facts of reality. Whether reality or ideology will win out will be more than an academic question. The future, both of the Balkans, and of NATO, may depend on the answer.

The American people should recognize the risky gamble that Mr. Rumsfeld's rigid ideology asks us to embark upon.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. NELSON of Florida. Mr. President, I wanted to comment to the chairman of the Foreign Relations Committee about how much I appreciate his leadership, how much of a privilege it has been for me to be a member of that committee, along with the distinguished Senator from Connecticut, another leader of the committee, and how much you have taught me and how much you have encouraged me.

With that background, I am going to Afghanistan on January 3, and I am really looking forward to bringing back a report to the committee that might be of value as we discuss the future of the coalition, keeping it together, of all of those countries in the region that we will visit, as well as for the future of Afghanistan.

I commend the chairman of the committee for how he has been so steadfast in his insistence for the role of women in the new Government of Afghanistan. Afghanistan has a history of having very prominent women in the professions. Of course, all that disappeared with the Taliban. It is time to reassert the rights of women and, particularly, in our case, to insist on that as they form the government. It is with a great deal of appreciation I say to my chairman and to the chairman of the subcommittee how much I thank them for their leadership.

TERRORISM INSURANCE

Mr. NELSON of Florida. Mr. President, I wanted to speak briefly on the subject of terrorism insurance because in the closing couple of days of this session, there is some question as to whether or not we will even get a bill. I want to say if we don't, that is a mistake. It is a mistake because to do nothing would leave us in the condition that we are in now, where so many of the businesses and homeowners and automobile owners of America would be in a position of not knowing if they are covered by terrorism or not because a number of companies have already filed with the insurance commissioners of the 50 States, withdrawing terrorism as a risk that would be covered.

The flip side of that is where terrorism may be covered, and with no plan, the opportunity is ripe for the rates to go up considerably. Take, for example, the issue of Giant Stadium in the Meadowlands. I am told that they have upwards of a 400-percent to 500-percent increase in the rates. Is that a fair rate? Only the insurance commissioners of the 50 States would know, but an insurance commissioner has to determine if a rate is fair by looking at data and looking at experience.

In this particular case, we have precious little data or experience. Therefore, the insurance departments of the 50 States are simply not going to know or, even if they thought a rate was excessive and arbitrary, they are not going to be able to deny the rate because they can only deny it if they went into court and proved to a judge in an administrative law court, or in a court of law, that it was excessive. But they don't have those tools.

So what should we do? Well, let me say as a backup, if all else fails, and I hope it doesn't—and I am talking to the Senator from Connecticut, who is a leader; I want to talk about his bill—instead of us doing nothing, we ought to take a period of time and pass a bill that would say that the Federal Government will treat this as an act of war for this short period of time, and assuming the terrorism risk for insurance purposes, that there would be no rate hikes and there would be the guaranteed terrorism coverage on all the insurance policies—in other words, a moratorium on the cancellations that are going on right now on terrorism coverage, and a rate freeze on the rates that are presently being jacked up sky high in many cases.

That is what I would suggest that the Congress consider as a backup, but we should not have to get to the backup.

I want to talk to the Senator from Connecticut and the rest of the Senate to say that if we took a vehicle such as the Dodd-Sarbanes bill—it could be that or it could be the Fritz-Hollings approach but an approach that blends the risk being shared by insurance

companies for the lower amounts, generally in a range of about up to $10 billion of losses from a terrorist event, and above that the Federal Government would share in an 80–20 or 90–10 arrangement, depending on the size of the terrorism loss.

All of these bills have similarities. But what I would urge, and will urge if such a vehicle comes before the Senate by the offering of this amendment, is that there be a limitation on the amount that the rates can be raised for terrorist insurance risk purposes and that part of the premium that would go to the terrorist risk would be set aside in the insurance company for accounting purposes from the rest of the premium so that we would know how much would be there, and if there were no terrorist loss, that could continue to be set aside for a catastrophe, which would include the terrorist loss. And—this is the part I am not sure those sponsors of the bill understand—even though I want to limit the rate increase, because I, indeed, think the rates are being raised using the September 11 horrible tragedy as an excuse to jack up the rates, nevertheless we have a responsibility to act, and we could limit those rate increases and, in the case that another terrorist event occurs and the loss were to occur, there is a portion of my bill on page 2 that would then have a surcharge on the policyholders up to the amount of the loss. That surcharge would be approved by the insurance departments of the 50 States.

In other words, since we would segregate the premium as allocated to the terrorist risk, and that limitation of the rates would be a 3-percent increase only, but if there were a terrorist event that exceeded an industry-wide—we are talking about $6 billion of premium—then the surcharge would kick in. That is the part that I do not think those sponsors understand. They know I am a former insurance commissioner and I am quite concerned about rates being jacked through the roof and the consumer taking it on the chin, and that is why I wanted to come to the Chamber to speak. That is why I am so appreciative that the Senator from Connecticut is here.

I just got off the phone with the general counsel of State Farm, someone whose advice I valued over the 6 years I was insurance commissioner prior to coming to the Senate. I will be talking to several other CEOs and general counsel. This is, in part, what we have been talking about all along, and it is not something that insurance companies should think is an anathema to their position.

What is an anathema to their position is for them to gouge the public, the consumers, because it sets a limitation on the rates, but it is a fair way of approaching it. Clearly, at the end of the day, it is a way of protecting the businesses of America, the homeowners of America, and the automobile owners of America who, if we do nothing, are facing the prospect that insurance companies have withdrawn their coverage for a terrorist attack.

I thank the President for the opportunity to speak on this very important subject that is so important particularly at the eleventh hour of this session of Congress.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

NATO EXPANSION

Mr. WARNER. Mr. President, the Senators were advised by the Foreign Relations Committee through a hotline of the desire of the Senate to act on H.R. 3167. I have objected, and will continue to object, to the Senate considering this bill. It is a very significant bill, and I felt obligated to come to the Chamber and state to the Senate exactly why I object at this time in the few hours remaining in this session—I say a few hours, tonight and tomorrow—to proceeding to consider such an important document as this.

The document is an affirmation of a policy statement by President George W. Bush who said as follows on June 15, 2001, in a speech in Warsaw, Poland:

> All of Europe's new democracies from the Baltic to the Black Sea and all that lie between should have the same chance for security and freedom and the same chance to join the institutions of Europe as Europe's old democracies have. I believe in NATO membership for all of Europe's democracies that seek it and are ready to share the responsibility that NATO brings.

Basically, I share the President's view on that, but this particular document goes on and cites the following. It says:

> Declarations of Policy by the Congress of the United States.
>
> 1. Reaffirms its previous expressions of support for continued enlargement of NATO alliance contained in the NATO Participation Act of 1994, the NATO Enlargement Facilitation Act of 1996, and the European Security Act of 1998.
>
> 2. Supports the commitment to further enlargement of the NATO Alliance expressed by the Alliance in its Madrid Declaration of 1997 and its Washington Summit Communique of 1999.
>
> 3. —

And this perhaps is the more significant declaration of policy.

> The Congress endorses the vision of further enlargement of the NATO Alliance articulated by President George W. Bush on June 15—

That was the statement I just read—

> and by former President William J. Clinton on October 22, 1996, and urges our NATO allies to work with the United States to realize its vision of the Prague Summit of 2002.

My views are as follows. I think NATO—and I think every Member of this body shares this with me—has done a magnificent job for over a half century. It is perhaps the strongest and most effective alliance and accord in terms of security that this Nation has ever entered into.

Last year we had a very significant debate, and that is my basic problem; there is no urgency for this. This Chamber should resonate again with a strong debate on future membership in our NATO.

We had several days of debate last year. I put forward an amendment limiting the number of nations.

My concern is there are nine nations referred to in this particular document, all seeking NATO membership. That would be 9 plus 19, which would come to 28. The debate was in 1998. That is a very significant increase.

This document does not proclaim each is going to be admitted, but it gives a strong inference and overtone that could come to pass. As a matter of fact, it is authorization to the effect that certain sums of money—and I support each and every one of these authorizations for funds going to the nations to enable them to continue their efforts to increase their military, to strengthen that military, to enable that military to become an important part of the overall military collection of the NATO countries.

Before we speak to all nine indirectly and subscribe in whole to the President's policy, this body has a responsibility to examine each nation, to have a formalization from the administration and others as to which of those nations should be considered for inclusion in NATO, presumably in 2002. I see no urgency that we should proceed on a UC, without any Members except myself so far rising to address this.

I respect the chairman of the Foreign Relations Committee. He was in the Chamber, which prompted me to speak, hoping I could engage him.

The distinguished ranking member has communicated his desire to have this passed. I respect both of those fine Senators, but I think this deserves very careful consideration. We had hearings in the Foreign Relations Committee in 1998 regarding those members that desired to join. We had hearings in the Armed Services Committee, on which I am privileged to serve. I certainly encourage my chairman, Senator LEVIN, to have hearings on any thought with regard to increasing the size of NATO and specifically looking at those nations and providing our determination, as the committee, to the Senate as to the contribution they wish to make and the verification of the capabilities to make that contribution, both militarily and politically.

By the way, these authorizations are contained in the foreign operations bill such that they can go forward. It will not impede the distribution of these funds.

From time to time, Members put holds on matters. I take that obligation very seriously and come to state

with some precision exactly why I take that step and will continue to do so for the balance of this session of the Congress, namely that it deserves the full attention of the Senate, preceded by a debate in the chamber with consideration by the two committees that have specific oversight of these matters.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, Senator DODD and Senator MCCONNELL are in the Chamber. I ask unanimous consent to speak for 3 minutes and at the conclusion of my remarks the majority leader be recognized for a statement.

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

CLOSING THE GUN SHOW LOOPHOLE

Mr. REED. Mr. President, today the Brady Center to Prevent Gun Violence issued a very important report on ''Guns and Terror,'' and they pointed out the link between terrorist activity and our lax gun law in the United States. It is a compelling report that should urge us to action. We have seen throughout the last few weeks newspaper reports indicating terrorists are exploiting our lax gun laws, particularly when it comes to gun shows.

When Attorney General Ashcroft testified before the Senate Judiciary Committee on December 6, he held up an al-Qaida manual and talked about how terrorists are instructed to use America's freedom as a weapon against us, and he talked about the way they are urged to lie to deceive our law enforcement authorities.

He neglected to point something else out. These terrorists have been trained to exploit our gun laws. A few weeks ago, I mentioned a terrorist manual was seized in Kabul in which these jihad trainees were urged to obtain an assault rifle legally, enroll in American gun clubs to take courses in sniping, general shooting, and other rifle courses. We have to understand if this is their playbook, using gun shows is one of their plays and we have to stop this loophole.

I introduced legislation last year based upon the Lautenberg legislation this Senate passed. I hoped we could bring this legislation to the Senate very quickly, and we could move to close this gun show loophole, that we could apply the Brady law to every purchase at a gun show, that we could ensure there is a full-time period for law enforcement to evaluate, up to 3 days, the purchase.

These things are necessary. I think it would be a mistake to delay further, and I think also it would be a mistake to take and embrace a weaker version of the law when we have already passed a corrected bill that can make huge progress in closing off this loophole.

We already know individuals on behalf of Hezbollah have used gun shows, that individuals on behalf of the Irish Republican Army have used gun shows, that American militia movements have used gun shows. They do that because they know they can go to the shows, find unlicensed dealers and avoid any type of Brady background check. So I hope we could move very promptly in the next session to close this loophole.

There are 22 cosponsors of my legislation. It is a bill we have already passed in the Senate. It is something I believe is long overdue and I hope indeed we can do it to ensure terrorists do not exploit our laws to do damage to our country and to our people.

I yield the floor.

The PRESIDING OFFICER. The major majority leader.

Mr. DASCHLE. Mr. President, I compliment the distinguished Senator from Rhode Island for his comments now and for the leadership he has shown on this issue now for several years. Our caucus and the Senate owe him a debt of gratitude for the job he has done in sensitizing us to the importance of this legislation and our efforts to address this issue.

As the Senator noted, this legislation has a very favorable history. Senator Lautenberg, our former colleague from New Jersey, has also worked with the Senator from Rhode Island to pass this legislation at some point in the past, and because it has such overwhelming support I am confident this Senate can pass it as well.

The Senator has talked to me on several occasions about the importance of taking this legislation up this session. It is regrettable at least to date we have not had the opportunity to do that. I share the Senator's expressions of urgency with regard to the consideration of this legislation, and as I committed to him privately I will commit as well publicly that we will take this legislation to the Senate, hopefully early in the session next year.

There is no reason why we cannot complete our work. There is no reason why the Senate cannot go on record again, as it has before in passing this bill, and send a clear message, at least when it comes to the gun show loophole, that we can take steps to protect ourselves and protect this population, and find ways in which to do it in a reasonable way. That is what the Senator is asking.

Again, as I say, I thank him for his leadership, his commitment, and I will work with him to assure this legislation can be taken up successfully sometime next year.

Mr. REED. I thank the majority leader for his kind comments.

Mr. DASCHLE. I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. I thank the Chair.

ELECTION REFORM

Mr. DODD. Mr. President, it is after 6 p.m. in the evening and I suspect that many normal people are sitting down having dinner, enjoying a quiet moment with their families. I hope in fact that many of our colleagues are doing that since there are no longer any votes this evening. We are about to make an announcement, my colleague and friend from Kentucky, and, if he can make it, our colleague from Missouri, along with my friends from New York and New Jersey and others who have joined us in crafting an election reform compromise.

Mr. President, the Chamber may be sparse in participation at this late hour and it may be after working hours for most, but may I suggest what we are about to introduce is ''landmark'' legislation. It will have been 36 years, I think, since the last time this body dealt with the issue of voting rights from a Federal perspective. The Voting Rights Act was the last major civil rights legislation dealing with the voting rights of the American public.

I begin these remarks by, first of all, expressing my deep gratitude to my friend from Kentucky who has been my chairman on the Rules Committee, and is now my ranking member on the Rules Committee, for his efforts, and those of his staff and others over these many weeks in putting this proposal together which we now offer to our colleagues as a bipartisan compromise. Our hope is that on our return, at some early date—and again, we will ask leadership for advice and counsel—we might bring this matter before the Senate when we return to the second session of Congress to adopt this election reform proposal.

Everyone is aware of what the world was like a year ago when the major story was not about Afghanistan and terrorism but about the condition of the election system in the country, particularly the events surrounding the Presidential race. I am not here today to talk about what happened. What happened last year was not an occurrence in one State or one election but a wake-up call for everyone about the deteriorating condition of our election system across the country. This does not happen on one night, in one State, in one election. There has been a lot spoken about that race, those particular events.

We have tried with this bill to look forward and not look back as to how we can respond to this in a responsible way so we may live up to our historic obligations in this Chamber to see to it that the rights of all Americans—specifically, the most fundamental of rights, the right to vote—is protected and the votes are counted.

Thomas Paine said very appropriately more than 200 years ago that

the right to vote is ''the primary right by which other rights are protected.''

It is about as basic a statement and basic a right as we can identify.

The very credibility of every other action we take as a people, not to mention as a Congress, but as a people, in this Chamber and elsewhere, depends upon the American people's belief in the integrity of the election system which puts everyone in these seats as well as the seats occupied in every office, from the lowest political body in the country to the most exalted in the Presidency of the United States.

This bipartisan compromise we introduce today is not a condemnation of the past at all but rather a reflection of the promise of the future. The problems faced by voters across the Nation last November served, as I said a moment ago, as a wake-up call that our system of Federal elections was in serious need of reform and help. That is what we tried to do with this bill.

This is landmark legislation. Our task is to provide the necessary Federal leadership and resources to assist State and local officials without in any way usurping their historic responsibility to administer Federal elections. This bipartisan compromise reflects the necessary balance between the Federal interests in assuring the integrity of Federal elections and the authority of State and local officials to determine the best means by which to conduct those very elections.

I am very grateful to my colleagues for their considerable contributions to this compromise. I thank the ranking member of the Rules Committee, Senator MCCONNELL, for his leadership, for his perseverance on this issue, and for his very significant contributions which I will identify shortly. Senator SCHUMER of New York, a member of the Rules Committee, has been active working on election reform since the beginning of this Congress when he became interested in the subject matter. My good friend from the State of Missouri, Senator BOND, early on recognized the need for Federal leadership in this area, particularly the need for Federal antifraud standards. And Senator ROBERT TORRICELLI, along with Senator MCCONNELL, introduced one of the very first election reform measures in the Senate following the elections of last year. There are many others involved in the debates and discussion, but those are the principals who have worked the hardest to craft this package and to present it to this Chamber.

I acknowledge the tireless work of my coauthor in the House, Congressman JOHN CONYERS, the dean of the Congressional Black Caucus. Throughout this long year of hearings, debate, and negotiation, he has been a friend and a stalwart believer in the responsibility of the Federal Government to ensure that every eligible American has an equal opportunity to vote and to have their votes counted. This compromise owes much to his vision and dedication to producing a bipartisan agreement.

Simply put, this bipartisan compromise makes it easier for every eligible American to vote and to have their vote counted while ensuring that protections are in place to prevent fraud. As my colleague and friend from Missouri has said so succinctly, it ought to be easy to vote in America and it ought to be very hard to cheat. We think we have struck that balance. We do not claim perfection, but we believe we put together the provisions which will certainly advance the measure of both goals: to make it easy to vote and hard to cheat in this system and thus devalue the legitimate vote of those who honestly go about the business of counting ballots.

The bipartisan substitute we introduce today represents a strong response to the first civil rights challenge, in our view, of the 21st century and protects the voting rights of every eligible American, regardless of the individual's race, ethnicity, disability, English proficiency, or the level of financial resources available to the community in which he or she lives and votes.

This compromise preserves the fundamental philosophy of the original bill: The Federal Government must set minimum standards for the conduct of Federal elections. We have expanded the original standards to include minimum requirements to defer fraud and have created a new Election Administration Commission to assure that, going forward, expertise and assistance will be available to the States and localities to meet these minimum standards.

Specifically, this compromise sets the following three minimum standards for Federal elections: Beginning in the year 2006, election systems must meet voting system standards providing for acceptable error rates, and provide notification for voters who overvote, while ensuring such systems are accessible to every blind and disabled person, and to language minorities, in a manner that ensures a private and independent vote.

Second, beginning in the year 2004, States must have in place provisional balloting systems so that no registered voter in America can ever be turned away from the polls without the opportunity to cast their ballot.

Third, States must establish a statewide computer voter registration list, and beginning next year, provide for verification for voters who register by mail in order to prevent fraudulent voting.

Those are minimum standards. They do not require a one-size-fits-all approach to Federal elections, nor do they require that any particular voting system be used or discarded, for that matter. Instead, the minimum standards ensure that every voting system—be it electronic machines or paper ballots—meet certain basic standards. And we explicitly guarantee to every State the ability to meet these standards in a way that best serves the unique needs of their communities.

Most importantly, this bipartisan compromise provides the funds to help States meet these requirements. For the first time, the Federal Government will contribute its fair share to the cost of administering elections for Federal office. That, in and of itself, is a historic change.

The compromise authorizes a total of $3.5 billion over 5 years towards this end. A total of $3 billion is authorized to fund the minimum standards, and an additional $400 million is authorized in fiscal year 2002 for incentive grants to allow States to immediately move forward to implement election improvements, particularly in the antifraud area.

There is $100 million in fiscal year 2002 provided for grants to make polling places physically accessible to those with disabilities. Never again should our fellow Americans who are blind or wheelchair bound have to suffer the indignities of being lifted into polling places or held at a curbside waiting for an accessible machine.

This significant commitment of resources underscores the fact that nothing in this bill establishes an unfunded mandate on States or localities. To the contrary, this compromise reflects a commitment on the part of Democrats and Republicans in this Chamber to provide not only the leadership but the resources at the Federal level to ensure the integrity of our Federal elections.

The Senate majority leader, Senator DASCHLE, has publicly committed to bringing S. 565, the Equal Protection of Voting Rights Act to the floor early next year, at which time this bipartisan compromise will be offered as a substitute.

I encourage my colleagues and the leader to make this bill one of the first measures—maybe the first measure—in the second session of the 107th Congress. I can think of no better way to begin the second session of this historic Congress than with a bipartisan measure whose sole purpose is to ensure the integrity of our system of Federal elections and the continued vitality of our democracy.

In the midst of all that has happened since September 11, I couldn't think of a better way to begin the new year than to work together in the Chamber to do something so critically fundamental to the success and soundness of our Nation.

I thank, again, my cosponsors—Senator MCCONNELL, specifically for his crafting of the commission concept, which I think is a wonderful idea, so we will have a permanent venue to begin

to deal with these issues. I am sure he will explain in greater detail how this commission works. But without his contribution we might have only ended up with a temporary commission that would have gone out of existence in a short period of time and allowed, once again, the system to deteriorate.

There is no guarantee it will not. But with a commission in place, we will be in a much stronger position over the years to respond to these issues on a continuing basis.

I thank Senator BOND. His contribution was to the fraud area. Without him coming to the table and adding that element here, we might have left that out. It is a serious issue, one that deserves consideration. He has crafted some very sound provisions in this bill which add a very important leg to this.

With what I have talked about in the area of disabilities and provisional voting in addition to our requirement of statewide voter registration, these minimum standards, the broad provisions and the commission, we have not solved every problem at all. We are not dealing with every single issue that comes up. But that is one of the reasons why the commission can make a significant contribution.

I want to thank specifically our staff: Tam Sommerville and Brian Lewis of Senator MCCONNELL's Rule Committee staff; Julie Dammann and Jack Bartling of Senator BOND's office; Sharon Levin and Polly Trottenberg of Senator SCHUMER's office; Sarah Wills and Jennifer Leach of Senator TORRICELLI's office; and, in my office, Kennie Gill, Veronica Gillesie, and Stacy Beck, along with Shawn Maher and others, for helping put this together.

I look forward, in the early part of the year, to debate and discussion on the subject matter.

Again, I appreciate the wonderful work of my colleagues.

It has been a long road but we think we have produced a very good piece of legislation. I look forward to working with my colleagues when we return.

I see the distinguished leader. I know he probably has other obligations. My colleague from Kentucky is here, but if the leader would care to make a comment on this, we welcome it.

Mr. DASCHLE. Mr. President, I will be very brief. I congratulate the distinguished Senators from Connecticut, Kentucky, and Missouri for their extraordinary work in this regard. I would not have bet we could have gotten to this point when the effort began many, many months ago.

There was a great deal of concern for how the last election was conducted—on both sides. Given the acrimony and difficulty in reaching even some consensus about how to approach this issue, I knew the odds were long. But these leaders overcame the odds. They articulated a vision for how this country ought to perform in every election and worked together, in spite of these difficulties, and have achieved a result that I think is extraordinary.

I do not think the Senator from Connecticut is far off when he talks about this being landmark legislation. Indeed, if it can incorporate the opportunities for millions of voters who have been disenfranchised, it will be landmark legislation. If we can deal with the fraud that has existed on occasion in elections in the past, it will be landmark legislation.

I cannot think of any higher priority. I cannot think of anything for which there is greater cause for excitement than the opportunity to address this issue in the comprehensive and very commendable way the Senators from Connecticut and Kentucky have.

I commit to work with the two Senators to find a time very early in the next session of Congress where we can take this bill up on a bipartisan basis, and maybe even set the tone that could be taken into other legislation as well. I think that would be conducive to bringing about the kind of result we would like as we begin all of our work in the next session. I will work with them. I will commit to them that we will find the time in the schedule to ensure that this legislation can be considered early.

I, again, congratulate both Senators for the extraordinary job they have done getting us to this point tonight.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I thank the distinguished majority leader for his kind comments about the work of the three of us here, and others, on this important piece of legislation. We are grateful that he thinks he will be able to schedule this debate sometime early next year.

Rarely do you get the feeling around here that you are involved in something that is truly unique and has the potential, as the Senator from Connecticut indicated, to be a landmark piece of legislation. We are all working on issues that are important to somebody in the country all the time. But nothing is more fundamental, obviously, than the right to vote.

I say at the outset to my friend from Connecticut, it has been a pleasure working with him. And to my colleague from Missouri, he has been a joy to work with.

We had three areas about which we cared a great deal. Senator DODD is a passionate advocate for the disability community and for reducing, to the maximum extent possible at the Federal level, any barrier to the ability to vote. They may not be intentional, but as a practical matter, barriers still exist. Senator DODD, as we worked through these 13 long months of negotiations, was always looking for a way to strengthen that part of the bill. If there is any hero in America to the disability community, it ought to be the Senator from Connecticut. On this legislation, he was constantly trying to strengthen it to the benefit of that community. I will be happy to testify on his behalf at any time that that was his focus.

The Senator from Missouri was relentless in pursuing the notion that we should, to the maximum extent possible at the Federal level, make it difficult to cheat. It has been a tradition in some parts of the country, including a number of counties in my State, that death not be a permanent disability to continuing to exercise the franchise. I think that practice is disapproved of by all ethical people, but it does go on.

Senator BOND was relentless in pursuing whatever avenues he could pursue to make it possible for this bill to deal with the business of cheating. We want everybody to vote, but only once. It is important that they still be alive when they exercise the franchise. If we were dedicating the various parts of the bill, the fraud part of the bill should be dedicated to the senior Senator from Missouri.

I was interested in the entity, the commission, that would oversee this subject matter down through the years. As the distinguished chairman of our committee indicated, it was my feeling, and I am pleased Senator DODD and Senator BOND agreed, that there be a permanent repository for the best, unbiased, objective evidence States and communities across America could go to for advice about their needs in conducting elections.

Right now the typical county official, or in some States the State official, is besieged by a hoard of vendors who want to sell their product. Where can you get objective advice about what might make sense for a sparsely populated State such as North Dakota versus a teeming mass in the city of New York? This new commission will hopefully be that place.

With this new commission, there will be no equipment to sell. It will be a place where you can get the best advice currently available in America about your particular election needs.

We structured this commission in such a way that it would operate on a bipartisan basis. I believe it is the case that in every precinct in America there is an equal number of Republicans and Democrats in that precinct who conduct the election, usually in a friendly manner. They keep an eye on each other. They insist that the business of administration of elections be fairly done. Occasionally the system malfunctions. But fairness is certainly the intent of the structure in every State in America.

The question of just how much the Federal Government should do in this regard is complicated. None of us

wants to dictate a voting system from Washington to the rest of America. On the other hand, we collectively agreed that there ought to be some standards below which you would not be allowed to fall. If we did that, we were convinced we could improve the administration of elections in this country.

It was a long, tortuous process. We had 13 months of hearings, negotiations, compromises, offers, counter-offers, a bill, a compromise bill, a deal, and a new deal. By the time we finally were able to iron this out, I think we had about all the deliberations we could handle. On the other hand, it was a classic example, it seems to me, of the legislative process working as it should, because what we all have in common is the desire to do this job on a truly bipartisan basis.

What brought us together at the end was the common belief that America would be better off if we did this. None of us was trying to rig the system to the benefit of either side. I wasn't trying to make it easier for Republicans to win. Senator BOND wasn't either. Senators DODD, SCHUMER, and TORRICELLI were not trying to make it easier for the Democrats to win. We were genuinely motivated by the desire to help, to the maximum extent possible at the Federal level, make the system better. And in doing that, for this to mean anything, there had to be some funds attached to it. We realized we needed to be able to spend some money in order to allow these communities to upgrade their systems.

We are here tonight knowing this is only the beginning and there is still a long road ahead of us. Even though the House has acted, we have to get this through the Senate and then through the conference.

I have a belief, which I think my colleagues share, that a lot of the hurdles we could have encountered on the floor we have already encountered, thought through, and worked out. Hopefully, we can convince our colleagues when we get out here on the floor, where it is always potentially a free-for-all, that there is some rational basis for the decisions we reached. And on amendments which may unravel it, hopefully we can make a bipartisan argument that we have been there, we have talked about that, and we have worked our way through that and we can say this is why we think that is not a good idea and why we believe what we came out with is a superior position.

They may or may not take our advice. But at least we have spent a lot of time going into these uncharted waters wrestling with these issues and working them out.

As Senator DODD, the chairman of our committee, pointed out, there are not many people still around tonight. But we feel good about this. We thought we would share it with the Senate. We are pleased to be able to introduce this legislation today with a sense of real pride of accomplishment. We look forward to not only getting it through the Senate early next year, as the majority leader indicated, but getting it through the conference, getting it on the President's desk, and making a difference for America in the most basic thing we do—cast our votes.

The Senate is commonly known as the world's greatest deliberative body. After 13 months of hearings, negotiations, compromises, offers, counter-offers, bills compromise bills, deals, and new deals, I think I speak for all of us by saying: we have had about all of the deliberation we can handle on one issue.

Today's bill introduction is the result of 13 months of work and countless hours of negotiations.

Senator DODD and I began discussions about election reform at the Rules Committee more than one year ago.

Exactly one year ago last week, I introduced an election reform bill with Senator TORRICELLI.

Last winter, Senator DODD and I began a series of hearings on election reform.

Last May, I introduced a new bill with Senator SCHUMER and Senator TORRICELLI—that garnered strong bipartisan support with 71 Senator cosponsors. Although many in the press seem to have forgotten—We were fully prepared to go to the Senate floor and pass that bill last June—but were sidetracked on the way to the Senate floor with a little thing we'll simply call Senate reorganization.

The agreement we announced last week incorporates three key principles that I have been promoting since the original McConnell-Torricelli bill last year.

Those principles are:

No. 1, respect for the primary role of States and localities in election administration;

No. 2, establishment of an independent, bipartisan commission appointed by the President to provide nonpartisan election assistance to the states; and

No. 3, strong antifraud provisions to cleanup voter rolls and reduce fraud. No longer will we have dogs, cats, and dead people registering and voting by mail.

On this last point, I want to tip my hat to Senator BOND, who has been a tireless champion and advocate for strong anti-fraud provisions. His work on this issue has been instrumental in achieving today's agreement.

Today's bill is a classic example of compromise. None of us got everything we asked for, but all of us got what we wanted: a bipartisan bill to dramatically increase the resources for and improve the process of conducting elections in America.

My goal throughout this process has been to ensure that everyone who is legally entitled to vote is able to do so, and that everyone who does vote is legally entitled to do so—and does so only once.

I believe today's agreement will help us achieve this goal.

I thank Senator DODD for his unending and sometimes unrelenting devotion to this issue. I would also like to thank Senators SCHUMER, BOND, and TORRICELLI for their hard work and significant contributions to this legislation.

I thank the staffs of my colleagues who worked tirelessly on this effort over the past months. Specifically Kennie Gill and Veronica Gillespies of Senator DODD's staff, Julie Dammann and Jack Bartling of Senator BOND's staff; Sharon Levin of Senator SCHUMER's staff; Sarah Wills and Jennifer Leach of Senator TORRICELLI's staff; and Tamara Somerville, Brian Lewis, and Leon Sequeira of my staff.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I thank my colleagues, the distinguished Senator from Connecticut and the distinguished Senator from Kentucky. These Senators are experts in laws of elections. Having both served as chairman of the Rules Committee, they are well known as experts in this field. I appreciate their permitting me to join them as we work to craft what I think has rightly been described as a very important piece of legislation.

We are in this joyous holiday season. We hope we have delivered a package that is not only wrapped nicely but contains provisions that will be of significance and a significant improvement in our election system.

As has been said already, truly, voting in elections is the heart of our democracy. If you do not do it, if you exclude some people, and some people do not do it right, then our entire system suffers. One of the great freedoms we enjoy in this country is the freedom to have every qualified person vote.

As Senator DODD has pointed out, even if a person has certain disabilities, we ought to make it easier for that person to vote. People ought not be denied a right to vote where they are otherwise qualified if they are poor or in places where in the past they have not had adequate opportunity.

Senator DODD started to work on this process of reforming elections to make it easier to vote. I had some experiences that suggested to me we ought to add a second part to that; that is, make it easier to vote but tough to cheat. I think both sides of that equation are important if we are to assure the fullest and fairest participation in our electoral system. I think this compromise achieves that.

We need to make it easier to vote. For those who have been confused by machines or confounded by lack of phone lines to get questions answered,

this proposal says we should let the voter know if he or she has made a mistake. If the system has made a mistake, then we set up a new system to give that voter an opportunity to cast the ballot which can be counted after the voter is identified as being a legitimate voter.

As has always been mentioned, we don't try to throw out any particular system. We don't say that ''one size fits all'' and Washington is going to tell every local election official that this is the kind of system you have to use.

Some 23 different States, I believe, use at least in part paper ballots. In some areas that is how they vote. In my hometown we vote by punch cards. I do not know when anybody has challenged the balloting there as having problems. Voter election officials might say check your card to make sure it is punched out. It is a simple thing. But it works. In St. Louis County, the largest voting jurisdiction in Missouri with the most diverse population—from some very wealthy areas to areas in great need which qualify as an enterprise and empowerment zone, a wonderful diversity of people with long-time residents and newly arrived immigrants—they use punch cards. Their error rate is 0.3 percent—one of the lowest in the country. Clearly, it isn't a problem there. We don't say you can't use punch cards.

For disabled voters, as has already been mentioned by Senator DODD, who has been a true champion, we require polling precincts to improve their voting system so voting machines are accessible even for those who are visually disabled. For those new citizens whose English proficiency is still a work in progress, we want to make sure that newly arrived people with different languages are not excluded from the protections of voting laws. If we have a credible population in a jurisdiction that speaks a different language and has literacy problems, we must publish the election information in their language. All of these steps go a long way toward achieving the goal of making it easier to vote.

Senator MCCONNELL's insistence on a commission—which would be a full-time commission, a bipartisan commission, that would help solve these problems—is a tremendous contribution. I think that is going to make a difference.

But let me tell you how my interest and enthusiasm for challenging voter fraud was reignited. You have heard that old story about: Deja vu all over again. Well, on the night of the general election, in November of 2000, we were ready to see the votes start to come in in St. Louis.

But lo and behold, a case was filed in the court in St. Louis City challenging the voting process, saying that people were being illegally excluded. As a matter of fact, the plaintiff who filed the case had been dead for over a year. He alleged that long lines were keeping him from voting. I suggest that the long lines may not have been at the polls that kept him from voting. He probably had other problems that were keeping him from voting.

But we heard wind of this and lawyers went in and went to the court of appeals. And the court of appeals shut down that scheme within about an hour, after a few votes were cast.

I say deja vu all over again because—the funniest thing—I first ran for Governor in 1972. I am from an outstate area. I ran against a candidate who was from St. Louis City. I had a pretty good lead in the outstate area, and on election night we were starting to get ready to see the votes counted and we heard that in St. Louis City they kept the polls open. They kept the polls open hour after hour after hour, and it reached around midnight. The charge was that, in a Democratic-controlled city, in a Democratic-controlled State, the Democratic election officials were making it more difficult for Democratic voters to cast votes for Democratic candidates. Now, if that raises some eyebrows, I think it should.

But we set about cleaning up the system and getting good election boards in place. And we thought that old trick of keeping open the voting machines in areas where they are heavily partisan was over. But, no, it came back on election night 2000. We asked for an inquiry.

As we started kicking over damp rocks, more and more little election frauds crawled out.

We found out that, for example, there was sort of a system of provisional votes. Voters could go before a judge and say: I have been denied the right to vote.

And the judge would say: Here is an order. You can go vote.

Well, they voted. They cast their ballot. And they were not segregated. When we went back to look at them, we were kind of interested.

They said: You have to put down what your reasons for not being able to vote were. And one of them wrote on the line: I'm a convicted felon.

Sounds like a good reason for keeping them from voting. But the judge ordered that person be allowed to vote.

Another one said: I just moved here, and I wanted to vote for Al Gore.

It seemed like a good reason to that judge, so that person was allowed to vote.

The Missouri Secretary of State went back and examined those 1,300 ballots that were cast. Ninety-seven percent of them were illegal, people who were not lawfully registered as required under the Missouri Constitution. They were allowed to cast their votes anyhow.

There were 13,000 of those provisional votes in St. Louis County. We have not even completed an examination of those. But we also went and we started taking a look and doing some research, and we found there was some mess in the city of St. Louis. Some 25,000 voters—10 percent of the voters in St. Louis were double registered. Some voters were registered three times. Some were registered four times. The champions were registered five times.

We have not completed an investigation to find out how many of those people took advantage of their multiple registrations, but we believe there were significant numbers. There are investigations going on by the appropriate authorities. Obviously, if they find specific evidence, we trust they will take appropriate actions.

While I was accused of being partisan in calling attention to the St. Louis City fraud in November of 2000, something happened. There was a partisan primary for the mayor's race in March of this year. And lo and behold, on the last day of registration, 3,000 mail-in registration cards were dumped on the City Election Board. The interesting thing about them was that most of them were in the same handwriting and the same ink. Many people who had accused me of being partisan, though of the other party, now found it to be of great interest to look into the bona fides of these registrants.

Fortunately, we had a very aggressive and inquiring media in St. Louis that went out and started looking. It is amazing how many vacant lots in St. Louis City were teeming with voters. Where they were registered were empty lots.

The secretary of state did a little investigation of multiple registrations at one location. This is not apartment houses; this is supposedly a single family dwelling. They limited their examination to those places where eight or more adults were registered from one single family unit. They found over 250 of them—truly remarkable living conditions, and probably warrants some further investigation.

These drop houses were potential sites for massive voter fraud. Under the current system, mail-in registration allows you to register to vote by mail, motor-voter. When motor-voter passed, most people focused on registering people where you get your motor vehicle licenses. You have to show up. You are buying a car. You have an address. That makes a lot of sense.

But mail-in registrations required the local government to register those voters. Then they said the only way you could get off the rolls was if you showed up on the list of dead people, if you asked to be removed, or if you had not voted in two Federal elections.

The problem with people who were registering from these drop houses is, No. 1, there probably were not any people to die. They are not going to show up on the dead rolls. They certainly

were not going to call in and ask their names be registered. Frankly, if you had gone to the trouble of registering a bunch of phony names, you certainly were not going to fail to vote them. Simple common sense.

Those things kind of heightened my interest. They got me looking at what we could do. We have agreed, in this bill, that, No. 1, one of the most important things we are going to do is have a statewide voter registration base, a database. This is important to make it easier to vote. And it is important to make it tougher to cheat. And that list has to be cleaned up. But it also says, if you are registering by mail, you cannot just send in a ballot with no further identification. We require some identification. Either you show up in person to vote the first time or you send in—either with your registration or with your vote—a photo ID or a bill mailed to you at that location with your name and address on it. If you pay a water bill there, and your name is on it, it is a pretty good indication that you are there. If you are paying bills from there, that is a start.

There are a lot of things that need to be done. I think there are a lot of jurisdictions, given the power that these new statewide databases will give them to check, to cross-check, that will be able to find if there are phony voters and clean up some of these multiple registrations, some of these double, triple, quadruple, quintuple registrations, and maybe begin to shut down on fraud.

There has not been any final determination other than the initial reviews of the secretary of state, but I can tell you, just in St. Louis City and St. Louis County, there was enough evidence of questionable voting that the warning given by the court of appeals in St. Louis should be taken to heart.

That is, that it is a significant denial of the right to vote if you have your vote diluted by multiple votes cast by some other person or by votes cast in the name of a nonexistent person. If people are not registered to vote and they are permitted to vote, that is a denial of the right of franchise. This bill takes very significant steps towards curing that.

One other thing. The Carter-Ford Commission said all people who register to vote must affirm their citizenship. That seems to be reasonable. I understand that one of the al-Qaida members actually voted in Colorado. A couple more illegal immigrants suspected of being involved with the September 11 activities were registered in Michigan. I don't know whether or not they managed to vote.

I guess my favorite, one that was uncovered by the media in St. Louis, was when they looked at the mail-in registrations, they did some groundwork and they focused on Ritzy Mecker. They went to inquire about the whereabouts of Ritzy Mecker. They finally tracked down her owner and found out it was a mixed-breed dog.

I don't know what Ritzy's preference in the election was. I don't know whether Ritzy was a Democrat or a Republican. Maybe she voted a split ticket; I don't know. But the kind of thing that went on there is a kind of Ritzy Mecker-voting system.

We want people who are adults, U.S. citizens, not felons, registered to vote, to be able to cast one vote, but the people who don't fall in that category should not be voting. And the dogs that don't fall in that category should not be voting.

One of my dear friends in State government when I served there, Tom Villa, his father was a legendary alderman, Red Villa, Albert ''Red'' Villa, legendary; he died in the early 1990s. But in this most wonderful of seasons, I can tell you that he came back to register for the 2000 election. Does your heart good to know that, yes, you can come back from the dead and register. We would like to see the photo ID of those people who have registered to make sure they have not departed us. As I said some time ago, I like dogs. I have a great respect for the dearly departed. But I really don't think they ought to vote.

When we talked about the fraud in the city of St. Louis, another good friend of mine, State representative Quincy Troupe, talking about the danger he saw in the primary of illegal registration, said about St. Louis:

> The only way you can win a close election in this town is to beat the cheat.

Time is long gone when we ought to have to ask candidates for office to beat the cheat if they want to hold office. This legislation we have crafted will be worked on in the Chamber. I imagine it will be worked over good, and we may be able to improve on it. But as my colleague from Kentucky said: We have hashed out a lot of these issues. I hope we can explain what we have done to our colleagues on both sides of the aisle so we can get strong support.

It is incumbent on us and the time is now. We have come to this place after a lot of blood, sweat, and tears that we and our staffs have put in, and I thank the staffs of my colleagues, my colleague from New York, Senator SCHUMER; my colleague from New Jersey, Senator TORRICELLI; their staffs. I thank particularly my chief of staff Julie Dammann and my counsel Jack Bartling. I haven't seen them for 3 months. I am looking forward to having them back in the normal office business after the Christmas recess.

I hope that the mutually worked on effort is going to produce something that will be a real present for all Americans in this holy season.

I thank my colleagues. I thank the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I also thank the staffs of all of the Senators involved. I think we couldn't have made it without them.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, this could be a fairly historic moment for our country. I thank my friends from Connecticut and Kentucky and Missouri for their good work. This is an issue that is vital to the people of our country. In fact, in light of September 11, which caused such problems for my city and for our country, if you had to think of the No. 1 reason that those overseas, those terrorists, hate us, it is because we vote, because we don't have a dictator, religious or otherwise. It is because we vote.

We have to make voting as perfect as possible. It is never going to be perfect. But such a sacred right, such a vital right should be made perfect.

This bill comes a lot closer to doing that. It has taken a lot of work. We all know what the bill is. The week after the Florida election I said we had to do something and came out with the idea that we ought to give the States money if they upgrade their machines, and that is at the core of this bill.

We all worked together. I compliment my colleague, particularly from Connecticut, who pulled everybody together, who, as I mentioned earlier, had the patience of Job. And my colleague from Kentucky, he and I had a bill originally. It probably would have been the bill on the floor had Mr. JEFFORDS not switched. But this is a better bill. I am proud to be on it because it not only provides money, but it requires the States to upgrade.

I thank my colleague from Missouri as well. His addition in terms of election fraud is something of which we on this side of the aisle should not be afraid. When there is fraud in elections, it jaundices elections, and elections are sacred.

I am not going to go into the details of the bill. My colleagues have spoken eloquently about the need for the bill. It is a little sad that we came to our agreement only this week of this session, but Senator DODD has mentioned that our leader, the floor leader, the majority leader, Senator DASCHLE, has said we will move this bill early next year. That will give us enough time to make sure the Presidential election in 2004 is not a repeat of the election in 2000.

In New York State, we need help, too. I voted for the first time in 1969. I voted exactly on the same clunky old voting machine in 2001 for mayor a few weeks ago.

I want to share with you something that stays in my mind. You go to a polling place in the early evening. You

find people, all kinds of people, working people in their plaid shirts and jeans, people who have worked in the office towers in their shirts and ties. They are tired. But they know it is their obligation to vote. They go over to the polling place. And in my city and in many parts of my State, because of the oldness of the machines, there are long lines. They wait patiently. Many are studying the ballot and studying the literature that has been given out, particularly these days with so many names on the ballot.

Then you ought to see the looks on their faces when they get up, ready to vote, and they say: You are at the wrong polling place, or we don't have your card here, or you can't vote for some reason. It is a look of complete and utter sadness and almost despondency. In this bill we found ways to avoid it. The number of people who will be turned away who should have the right to vote will be many fewer. We have made provisions for provisional voting so, if you are not on the list, you can vote by a paper ballot, and then they will check. And if your vote should be counted, it will be. If it shouldn't, they will notify you.

I thought that is a very clever and good provision in the bill. They will tell you why so you can correct it. Within a few years of this bill becoming law, not only will voting be modernized but fraud will decline, and the ability of people to vote quickly and easily and correctly will have greatly improved.

So I just again want to say that this could be a fairly historic moment in the history of the Republic. We have had poll taxes, limitations on voting by sex, by property, by income, and by race. Thank God, we have eliminated those. But we have also had limitations on voting just because of the method we vote. On its face, it may not be as pernicious as those others, but it is every bit as detrimental to the Democracy. We are going to end that with this legislation—or at least greatly reduce it.

I hope that when we return, we will move quickly. Again, I thank our leader in the Rules Committee, somebody who really has patiently and diligently tilled the vineyards, improved the product over and over again, and then came to a consensus. One of the reasons I look forward to coming back—and I look forward to coming back for many reasons—is to work to see that New York gets its $20 billion, to get a stimulus bill to move the economy and help the unemployed and those who don't have health insurance. We have so many things to do.

One of the main reasons I want to come back next year—and that is a short time away because it is late in the year—is to get this legislation passed and stop the scene that I mentioned before: People who wait and wait and wait and, through no fault of their own, are denied the right to vote.

I yield the floor.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The Senator from Connecticut.

TERRORISM INSURANCE

Mr. DODD. Mr. President, I thank my colleague from New York. Before he arrived, I thanked him. In his presence, I thank him. The Senator played a very critical role in putting this product together. He is a new Member of the Senate, but he has already demonstrated, as others have pointed out, that he is very much a seasoned legislator. He brings from the New York legislature and from the other body years of experience, and it is a pleasure to do business with my colleague from the neighboring State of New York.

I hesitate to use the word ''landmark'' because we haven't finished it, but you can sense the enthusiasm we all feel about this compromise and at being able to arrive at a moment where we have the names already as cosponsors of a substitute that demonstrates a bipartisan commitment to this issue.

We don't claim perfection with this bill, but we do claim we are going to certainly improve the process immeasurably. My hope is that the leaders will find a time, if not as the first bill, as one of the early proposals we can bring to the floor for consideration.

I didn't want the Senator to leave the floor because I wanted to change the subject briefly. I will leave the record open for others who may want to comment about this bill. The hour is getting late and the time is running short. We all want to depart.

I want to mention the terrorism insurance bill, which is of critical importance to my colleague from New York. It is very important to many people across the country. I don't know what is going to happen with the so-called stimulus bill, but the terrorist insurance proposal is about as important a piece of legislation as this body could consider.

We have been at this now for a couple months trying to craft a proposal that would allow us to bridge this time from the September 11 events to a time when the industry would be able to calculate risk through the reinsurance efforts, and then through competitive pricing, be able to get back into this business.

It is a very complicated and arcane subject. It is not one that is going to be easily understood because the subject matter is complicated. Suffice it to say this: A critical leg of a healthy economy is the insurance industry. You cannot really have a healthy economy without it. People can't buy a home without fire insurance. You can't get loans today without having proper insurance.

The Presiding Officer, of course, brings a wealth of experience in this area because of his previous work in State government, where he dealt with insurance both in the private sector as well as a Governor. We have heard from Senator NELSON of Florida, also.

I know the Senator from New York is running off, but I hope—and it is my fervent plea this evening with a day left—there is still time for us to get this matter up. We are very close. I hope that Members on both sides will allow a motion to proceed to go forward. Give us a day, if that is what we can have, to consider various amendments on this bill. The House already passed one.

Bob Rubin, the former Secretary of the Treasury, when asked how he would calibrate the importance of this issue—and I can paraphrase his remarks and I think my friend from New York may have been there—said that this was as important, if not more important, than the stimulus package we have been considering.

Our failure to address and deal with this issue could mean that small businesses, construction projects, all across America, come January, will cease. Unemployment will go longer—not of CEOs of insurance companies, but of construction workers, small business people, shopkeepers—all of whom need to have this bill if they are going to get the bank loans to continue to operate.

This has to get done. If we don't do it, this body will be held accountable, in my view. We have known about this issue for weeks. Yet, we have not yet brought the matter to the floor. I hope that will change in the next 24 hours, because if we leave here and don't deal with this, more than 70 percent of these contracts are up for renewal, and we will create a further problem for our economy.

So I know it is not at an issue that attracts a lot of support automatically. It is complicated. There is no great affection for the issue of insurance. Those knowledgeable about the importance of this issue for the strength and vitality of our economy, to leave and go home for the holidays and leave this unattended to, I think, is a problem. I think we need to come back over the next day and address this. We may not succeed, but you have to try. I hope this matter will come up on the floor so we can at least debate it and, hopefully, pass it.

I know my colleague has a deep interest in the subject matter because of the facts concerning his own city and State. I wanted to give him an opportunity to comment on this as well. I am happy to yield to him or have him claim the floor in his own right.

Mr. SCHUMER. I thank the Senator for yielding. He is so right. If there was ever a time when the perfect should not be the enemy of the good, it is on this insurance bill. If you think this

doesn't affect you because it is the arcane Dickensian, almost, world of insurance, it does. My colleague is exactly right. If we don't have terrorism insurance, and as of January 1—less than 2 weeks away—no one will write terrorism insurance, then your banks, whether they be in small towns or in large cities, will not lend to new projects. They may not even refinance existing loans, and that means, as my friend has correctly pointed out, new projects come to a halt. No more new jobs. No construction jobs. No jobs that those projects create.

Each of us in the course of these few weeks as we debated this has had a different view as to how to do this better. But no one disputes that we have to do it. I don't know hardly a person in this body—maybe 10 of the 100—who would say we should not do anything. And so if there were ever a time that we all should sort of give in a little bit and say, well, it is not going to be done my way—if I had my druthers, I would have an FDIC for terrorism insurance. That is what I would do.

Warren Buffet, from the State of the Presiding Officer, proposed that. But that is not going to happen. I know there is too much opposition in the other body and in the White House for that.

So the proposal that the Senator from Connecticut and my good friend from Maryland, our chairman of the Banking Committee, and the Senator from Texas, the ranking member from the other side, and I, and the Senator from New Jersey, and so many others have put together, is sort of a grand compromise. Is it perfect? No. Is it a lot better than letting terrorism insurance lapse? You bet.

This is a test, I say to my friend from Connecticut, for this body, this Congress, this Government. If in the post-September 11 world, when we have new necessities and new urgencies, we all cannot pull together a little bit to deal with the problems and instead we let rumor-mongering, egos, or whatever else get in the way, we are going to hurt this country.

This ain't beanbag, as Boss Tweed said in Plunket's book on New York City politics. This ain't beanbag, this is serious stuff. As my friend from Connecticut said, it probably means more to the country, even though it is more esoteric than the stimulus package in terms of the economy heading south. If we do not try to grapple with this difficult, thorny issue, it is at our own peril.

I join my colleague in his heartfelt plea that we make an effort to take this bill up and deal with one of the hidden but very seriously vexing problems facing our economy in the post-September 11 world.

I yield back to my friend.

Mr. DODD. Mr. President, I thank my colleague. I know Senator DASCHLE and others are working on this. Colleagues who are paying attention to this and heard the comments of our colleague from New York and myself, there are matters involved in this that I know are important to some but, in terms of the centerpiece of what we are trying to do, are really extraneous.

We are talking about a brief period of time for this bill to work. I know there are matters others would like to use dealing with other, more profound, long-term issues on this bill, and I urge them to hold up if they can and not allow a larger debate on those questions and not stop the debate on something that needs to be dealt with in the next 24 hours before we recess for the year.

The President has urged us to do this. Every single industry group I know of beyond the insurance industry—the private sector—is calling on us to deal with this issue. Even the Consumer Federation has different ideas but understands our failure to act could create a serious problem. For us to not even try I think would be a huge mistake.

I urge before we recess that we make an effort, starting early tomorrow, to give this body time to hear some of the various ideas my colleagues may have. I may disagree with them on those ideas, but I am prepared to spend the time necessary tomorrow to engage in debate on those ideas, resolve them one way or another, and send this bill from this Chamber to conference with the one adopted in the House and resolve it, so we can finish the business of giving the President a proposal that will avoid the kinds of problems the Senator from New York has very properly described.

Mr. President, 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.

JUDICIAL NOMINATIONS

Mr. HATCH. Mr. President, I understand some of my colleagues were on the floor today trying to make some points about judges, and I would like to set the record straight because I think they protest too much. There is just far too much protesting and far too much misinformation being given out about judges by some in this body.

Having been intimately involved in trying to get as many judges through as I could over the last 7 years, I have to say I find some of the comments that were made were a little unctuous and perhaps to some people who have been involved and have worked so hard to do a good job a little bit irritating and maybe offensive.

As Congress nears the end of its current session, we are beginning to see the end result of the systematic and calculated effort by some Senate Democrats to confirm the absolute minimum number of President Bush's judicial nominees they believe will be acceptable to the American public.

Some of the Senate Democrats want us to believe they have done everything that can be expected because they have confirmed as many judges during President Bush's first year in office as were confirmed in President Clinton's first year 8 years ago. What they are not telling the public is the Senate has purposefully ignored more judicial nominees than in any other President's first year in office in recent history.

Thirty-two of President Bush's nominees have been prohibited from even having a hearing, the first step in the Senate's constitutionally-required process of advice and consent.

Some Senate Democrats want to use an inaccurate measure of performance focused on the end result of 8 years ago rather than exposing the percentage of their work they left uncompleted this year. The percentage is a much more appropriate gauge for the simple reason our current President Bush sent many more judicial nominations to the Senate than the previous President did in his first year.

So let us look at the percentages. The Senate has exercised its advice and consent duty on only 21 percent of President Bush's circuit nominees this year. The other 79 percent of our work remains unfinished. This is despite the fact that President Bush sent his first batch of 11 circuit nominations to the Senate on May 9 of this year, which gave the Judiciary Committee plenty of time to act on them. Even so, only 3 of those 11 have been confirmed. A significant number of those have the highest possible rating from the American Bar Association. Even so, only three, as I say, have been confirmed. President Clinton, on the other hand, did not send his first circuit nominations to the Senate until August 1993, but still saw 60 percent of his circuit court nominees confirmed before the Senate adjourned in November of 1993.

The Senate's record on overall judicial nominations is not much better than our record on circuit nominees. Since some of my colleagues on the other side of the aisle are so fond of comparing their record to the first year of the Clinton and first Bush administrations, let us see how they stack up. President Clinton had nominated 32 judges by October 31 of his first year in office. Eighty-eight percent of those, or 28 nominees, were confirmed by the time Congress went out of session in 1993. The first President Bush had nominated 18 judges by October 31, 1989, of which 89 percent, 16

nominees, were confirmed by the time Congress recessed at the end of that year. In contrast, as of today, the current President Bush has nominated 66 judges and only 27 have been confirmed, a mere 41 percent. (I hope that tomorrow we will confirm the five who are presently on the Senate calendar.)

The importance of this percentage is that the Senate has done only 41 percent of its job this year. In other words, nearly 60 percent of judicial nominees are somewhere in the Senate's black hole. We will conclude our work by leaving nearly 100 vacancies in the judicial branch, which means more than 11 percent of all Federal courtrooms in this country are presided over by an empty chair.

Some of my Democratic colleagues recently asserted the present vacancy crisis is the result of Republican inaction on judicial nominees during the Clinton administration. Incredibly, some have asserted that the vacancy rate increased 60 percent under Republican control of the Senate. That is a wild exaggeration. The truth is that, during the 6 years when I was chairman of the Judiciary Committee, the vacancy rate was never above 8 percent at the end of any session of Congress.

In December 1995, there were 63 vacancies in the Federal courts, which is a vacancy rate of 7.4 percent. In December 1996, after Congress had been out of session for nearly 2 months during which it could not immediately fill any vacancies, there were 75 openings in the Federal judiciary. December 1997, 81 vacancies; December 1998, only 54 vacancies; December 1999, 68 vacancies, and last year, only 67 vacancies. All tolled, the average number of vacancies under my chairmanship in the month of December is 68—a vacancy rate of 8 percent.

Contrast this to 2001: We are about to adjourn with nearly 100 vacancies, a rate of over 11 percent. This year will indeed go down in history as a black hole—and a black mark—for the failure to confirm judicial nominees.

Of course, trying to shift the blame for this present vacancy crisis ignores the end result of how Republicans treated President Clinton's judicial nominees. During the Clinton Administration, the Senate confirmed 377 judicial nominees. This number is only 5 short of the all-time record of 382 judges confirmed during the Reagan administration. And keep in mind, for 6 years of the Reagan administration the Senate was controlled by the President's party. But for 6 of President Clinton's 8 years, the Senate was controlled by Republicans. So the Republican—controlled Senate confirmed essentially the same number of judges for Clinton as it did for Reagan. We have not heard a single Democratic Senator acknowledge this fact because it proves that the Republicans treated Democratic nominees fairly. The fact is, contrary to the assertion that Republicans held up President Clinton's judicial nominees, the Republicans who controlled the Senate during 6 years of the Clinton administration put a near record number of judges on the bench. What is more, those 377 confirmed judges represent nearly 80 percent of all of President Clinton's judicial nominees.

As for the pace of moving nominees, it is worth noting that 20 Clinton judicial nominees received a hearing within 2 weeks of their nomination. Thirty-four Clinton judicial nominees received a hearing within 3 weeks of their nomination, and 66 received a hearing within a month of their nomination.

In contrast to the Republican Senate, the present Democratic-controlled Senate has only contributed to the vacancy crisis. In the first 4 months of Democratic control this year, only six Federal judges were confirmed. At several hearings, the Judiciary Committee considered only one or two judges at a time. The Senate has been behind the curve ever since, and the Federal judiciary continues to suffer for it. The number of judicial emergencies has increased by 17 in the last year.

Now I must pause a moment to talk about the Tenth Circuit since it encompasses my home state of Utah. Several of my Democratic colleagues remarked that the present leadership held the first hearing for a Tenth Circuit nominee since 1995. The implication, of course, is that the Republican-controlled Senate failed to approve Clinton nominees for the Tenth Circuit.

A closer examination of the facts reveals that there were no Tenth Circuit nominees for most of the 6 years the Democrats cite. After the confirmation of three Tenth Circuit Clinton nominees in 1995, there was not another Tenth Circuit nominee until 1999, and that nomination was subsequently withdrawn. The next Clinton Tenth Circuit nominee was not nominated until just before August recess in 2000, which left the Senate little time to act on the nomination given the dynamics of last year's election.

So the suggestion that the Republicans deliberately failed to act on Clinton nominees for the Tenth Circuit for 6 years is inaccurate at best and downright misleading at worst.

Unfortunately, the same cannot be said of the Judiciary Committee's present leadership. We have an eminently well qualified candidate from Utah for the 10th Circuit, Michael McConnell, who has been awaiting a hearing for more than 7 months. He received the highest rating given by the American Bar Association and is considered one of the true legal intellects in the country today.

Not long ago, I talked with one of the leading law deans in the country. He is a very liberal Democrat. I asked him about Michael McConnell. He knows him intimately. He said: I have met two absolute legal geniuses in my lifetime and Michael McConnell is one of them.

In addition, both Timothy Tymkovich of Colorado and Terrence O'Brien of Wyoming are awaiting hearings on their nominations to the Tenth Circuit. So, despite the recent confirmation of one Tenth Circuit nominee, there is still substantial work left undone in the Tenth Circuit.

The Senate's constitutional obligation to provide President Bush advice and consent on his judicial nominations is not a game, as some of my Democratic colleagues seem to believe. This is not football, or baseball, or basketball, where the whole point is to beat the other team. Neither the Senate nor the American public scores a victory when some Senate Democrats execute a deliberate strategy of ignoring more than half of President Bush's picks for the Federal Judiciary.

Any excuse for not moving a nominee that hinges on his or her supposed ideology is just that—an excuse. If we start imposing an ideological litmus test, then we will not get people of substance to sit on the Federal benches in this country. If we start denying hearings to nominees simply because they are personally pro-abortion or pro-life, it would be a tremendous mistake.

We should confirm the President's nominees where we can. Sometimes there are reasons why we cannot. I understand that. I have been there. I have had people on both sides of this floor mad at me, and I was doing everything I could to support President Clinton's nominees through the Senate process. I don't expect the current Judiciary Committee chairman to have an easy time, either. He is a friend. But the fact of the matter is, I don't think the job is getting done.

There are myriad reasons why political ideology has not been, and is not, an appropriate measure of judicial qualifications. A nominee's personal opinions are largely irrelevant so long as a nominee can set those opinions aside and follow the law fairly and impartially as a judge. I am very concerned that the statements made today by some of my Democratic colleagues indicate a renewed intention to subject judicial nominees to a political litmus test, instead of focusing on their intellectual capacity, integrity, temperament, health, and willingness to follow precedent.

Despite the unfortunate decisions made this year, I believe there is some room for hope in 2002. The same results-oriented strategy that led the Judiciary Committee this year to match President Clinton's first year, should lead the committee to equal his second year, as well. During President Clinton's second year in office, the Senate confirmed 100 of his judicial nominees.

The American people should join me in expecting Senate Democrats to do the same for President Bush. In fact, I think we should take this year's systematic and calculated performance as a pledge that the Senate will confirm at least 100 of President Bush's judicial nominees in 2002.

Mr. President, there is another fact that I think ought to be brought up. That is, when the first President Bush left office, there were around 67 vacancies and 54 nominations pending that were never acted upon. But on election day of 2000, only about 42 Clinton nominees were left pending, several of whom were sent here so late in the year that there was no way the Judiciary Committee could have processed them.

I tried to do my best as Judiciary Committee chairman, and I don't think anybody on the other side has a right to complain. Admittedly, there were a few judges that we just couldn't get through, but it wasn't for lack of trying. There are some Senators in each party who may not want to see many of the other party's judges get through, and they make it tough. But those Members are very much in the minority. I think most Members in both parties would like to see a better job done.

Now, I have great hope we will do a better job next year. It is an absolute disgrace to allow 79 percent of President Bush's circuit court nominees to languish. In particular, I will mention three of them.

Michael McConnell is one of the greatest minds in the field of law today. He has all kinds of Democrat support, but one or more single-issue special interest groups are mouthing off against him. He has wide bipartisan support and everybody that knows him knows he would make a great circuit court of appeals judge. I would like to see him on the Tenth Circuit Court of Appeals because I think he would help that court a great deal.

Another one is Miguel Estrada. Here is one of the leading minorities in the country today, an immigrant who graduated from Columbia University and Harvard Law School. But the Senate leadership has been sitting on his nomination for 7 months, preventing him from having a hearing. He received the American Bar Association's highest rating, which some Democrats have touted as the gold standard for nominees, but still cannot get the time of day from the Judiciary Committee.

John Roberts is another excellent nominee. He is considered one of the greatest appellate lawyers in the country today. My friends on the other side left him languishing as a nominee of the first President Bush, back in 1992. Here he is, languishing for another 7 months, not even being given a chance to have a vote up or down.

Now let me just say a few words about two executive branch nominees who also have been mistreated. One is Eugene Scalia, the nominee for Solicitor of Labor. Listening to his critics, you might think the plan is to turn OSHA over to Eugene Scalia, who disagrees with the efficacy of some of the rules on ergonomics. But he will have nothing to do with that. And besides, both Houses rejected those rules by a majority vote. The Solicitor of Labor basically has no power other than to issue legal opinions, and Scalia is one of the brightest young legal minds in the country today.

I suggested last week that Mr. Scalia's nomination is being stopped for two reasons—at least these are the ones that keep cropping up. And I hope these are not the true reasons why any Senator would stop an executive branch nominee. I would be tremendously disappointed at our Senate if they were the true reasons.

The first is that he is a pro-life Catholic. This is not a persuasive argument for voting against Eugene Scalia's nomination. It is offensive to me if anyone in this body would actually vote against someone for that reason. The fact that he is a pro-life Catholic has nothing to do with whether or not he can do a good job as Solicitor of Labor. Everybody knows he is an excellent lawyer. He has said he will abide by the law, whatever it is. Whether he agrees or disagrees with it, he will enforce the law. What more can you ask of a nominee? And he is the President's choice for this position. He deserves to have a vote.

If people feel so strongly against him that they want to vote him down, let them vote against him. But at least let this man, and the President, have a vote on this nomination.

The second reason that Eugene Scalia's nomination is being stopped, is that some may hold it against him that his father happens to be Justice Antonin Scalia on the U.S. Supreme Court. I hope nobody in this body would hold it against a son, the fact that they might disagree with the father. I do not have to speak in favor of Antonin Scalia. He is one of the greatest men in this country. He is a strong, morally upright, decent, honorable, intellectually sound, brilliant jurist—just the type we ought to have in the Federal courts. The fact that he may be more conservative than some in this body is irrelevant.

But even if there were some good reason to criticize Justice Scalia, there is no basis at all for using such a criticism against his son, who is a decent, honorable, intelligent, intellectual, brilliant young attorney who deserves the opportunity to serve his Government, and who has already said that as Solicitor of Labor he will abide by the law whether he agrees with it or not. Knowing how honorable he is, I know he will do exactly that.

The second executive branch nomination I want to mention is Joseph Schmitz for Inspector General of the Department of Defense. I happen to know a lot about him; he is one of the brightest people I have ever met. He is not even getting a committee vote. At least Mr. Scalia got a vote in committee—he received a majority vote in his favor in the HELP Committee. But Mr. Schmitz isn't even getting a vote in committee. That is no way to treat a nominee, or the President who nominated him.

Frankly, these jobs—solicitor and inspector general—are not politically sensitive positions. And both of these men I know personally to be honest, decent, honorable men. They deserve votes in this body. If they lose, then I can live with that result. I do not believe they will lose.

The purposeful delay on all of these nominations bother me a great deal, and I hope we do something about it. If we can't do anything before the end of the current session, then I hope we will do it shortly after we get back.

I will continue to do my very best to work as closely as I can with Senator LEAHY. We are friends, and I respect him. I want to support him in every way. But some of the comments I have heard in this Chamber today are nothing more than a distortion of the facts, a distortion of the numbers, and a distortion of the record. I personally resent it.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ADMINISTRATIVE SIMPLIFICATION COMPLIANCE ACT

Mr. BINGAMAN. Mr. President, on December 12, 2001, the Senate passed the Administrative Simplification Compliance Act, by unanimous consent. As the title states, this is a bill about compliance with the ''Administrative Simplification Act'' and not a proposal to delay enforcement of it.

This bill permits healthcare organizations, health plans, providers and clearinghouses, which cannot meet the current deadline for compliance with the transactions and code sets rule, to seek and obtain a one-year delay. Such flexibility was necessary due to the complexity and novel nature of the changes mandated under the Administrative Simplification Act. At the same time, certain provisions were built into the rule to allay concerns that entitles that request the delay may merely continue to avoid preparing for compliance. The first of the provisions designed to provide compliance impetus is the requirement to

submit a plan no later than October 16, 2002, stating, among other things, how the covered entity will come into compliance by October 16, 2003.

These plans must include: (1) an analysis reflecting the extent to which, and the reasons, why, the person is not in compliance; (2) a budget, schedule, work plan, and implementation strategy for achieving compliance; (3) whether the person plans to use or might use a contractor or other vendor to assist the person in achieving compliance; and (4) a timeframe for testing that begins not later than April 15, 2003.

I am concerned that there will be a year in which some covered entities are using compliant standard transactions, as prescribed by the Administrative Simplification Act, and others who are not compliant and sought the delay according to them by H.R. 3323. For those in compliance, it is important that they are not penalized for using a compliant standard transaction format, as prescribed by the Administrative Simplification Act, after the original compliance date of October 15, 2002. That is, transactions should not be rejected, burdened, or penalized with additional costs, for being in conformity to the standard transaction format.

In order to avoid burdening complying health care entities, those entities seeking delay should also set forth how they will accept and not unduly burden conforming transactions from compliant health care entities between October 16, 2002, and October 16, 2003.

I look forward to working with my colleagues to ensure that Administrative Simplification Act accomplishes what it was set out to do, which is to save money for covered entities on transactions costs, provided administrative efficiency, and protect the privacy of personally identifiable health information.

HOLD ON S. 1803

Mr. GRASSLEY. Mr. President, in keeping with my policy on public disclosure of holds, today I placed a hold on further action on S. 1803, legislation reported out by the Senate Foreign Relations Committee to authorize appropriations under the Arms Export Control Act and the Foreign Assistance Act of 1961.

I am particularly concerned with Section 602 of this legislation.

Section 602(a) expresses the sense of Congress that the United States Trade Representative should seek to ensure that Free Trade Agreements are accompanied by specific commitments relating to nonproliferation and export controls.

Section 602(b) specifically directs the United States Trade Representative to ensure that any Free Trade Agreement with Singapore contains or is accompanied by a variety of specific nonproliferation and export control commitments.

Both of these matters—what sort of commitments Free Trade Agreements should contain, and specific negotiating instructions to USTR relating to the United States-Singapore FTA negotiations—are matters under the jurisdiction of the Senate Finance Committee.

Apart from the fact that Section 602 deals with matters that pertain to the jurisdiction of the Finance Committee, I have an additional practical concern as well.

According to the Trade Act of 1974, the United States Trade Representative is required to consult with and report to Members of the Senate Finance Committee and the House Committee on Ways and Means on the status of trade negotiations. This includes ongoing negotiations, like the US-Singapore FTA talks, and future FTAs in general.

If enacted into law, Section 602 would likely result in a confusing situation in which the Senate Foreign Relations Committee is advancing negotiating instructions to USTR on behalf of Congress, even though the oversight responsibility for such negotiations lies with the Finance Committee. USTR would have to consult with the Finance Committee about its implementation of negotiating instructions developed by the Foreign Relations Committee, instructions Finance Committee Members had no role in developing, and are not familiar with.

As far as I know, no Member of the Finance Committee has even seen Section 602 before.

Just a few days ago, the Finance Committee approved a bipartisan Trade Promotion Authority bill by a vote of 18–3. This bill contains specific and detailed negotiating instructions relating to multilateral, regional, and bilateral trade negotiations. The issues raised in Section 602, especially those framed as negotiating instructions, should have been considered by the Finance Committee in the context of the mark-up of TPA legislation, not on the floor in the context of legislation authorizing appropriations under the Arms Export Control Act.

For these reasons, Mr. President, I will continue to hold this legislation until the concerns I have raised here are addressed.

CAMBODIA KILLINGS

Mr. MCCONNELL. Mr. President, an article in last week's New York Times highlighting the continued problem of wildlife poaching in Cambodia. A conservation expert predicted that within the next 3 to 5 years several species will cease to be biologically viable. Without a doubt, this is a legitimate concern and I applaud efforts to protect these endangered species.

But there are other species which may be endangered that the New York Times did not cite—these species are called ''Cambodian democrats''.

The killing of democracy activists in Cambodia deserve increase attention from the press and the international community. A total of 11 political activists and candidates from the royalist FUNCINPEC party and the opposition Sam Rainsy Party have been killed in the runup to local election scheduled for February, 2002.

Officials from the ruling Cambodian People's Party (CPP) have blamed these murders on witchcraft and business deals gone sour. This is poppycock. Diplomats in Phnom Penh must show some spine in demanding the CPP to cease the killings and to hold credible and competitive elections—something they did not do prior to the 1998 parliamentary elections. I hope that the importance of free and fair commune elections in 2002 and parliamentary elections in 2003 is not lost on this crowd, who seem more willing to embrace ''stability'' at the expense of democracy and the rule of law. Long term development in Cambodia is possible only under new and dynamic leadership.

There will come a day when the CPP is held accountable for its extrajudicial and corrupt activities. This Senator has not forgotten those killed and injured in the horrific grenade attack against the democratic opposition in March 1997—nor American Ron Abney, injured by shrapnel and who continues to bear physical reminders of that awful day. I have not forgotten the 100 FUNCINPEC supporters killed during the July 1997 coup d'etat organized and executed by CPP Prime Minister Hun Sen. Nor have I forgotten those killed and injured during the July 1998 elections. I ask Hun Sen: what kind of government kills Buddhist monks?

The international community can be part of the problem or part of the solution. It is past time they held the CPP and Prime Minister Hun Sen accountable for their repressive actions. Failure to do so will ensure that ''Cambodian democrats'' will join the list of species facing extinction in this Southeast Asian nation.

EMERGENCY SMALL BUSINESS LOAN ASSISTANCE

Mr. KYL. Mr. President, I rise today to share concerns raised by the Bush administration and some of my colleagues regarding S. 1499, authored by my colleague from Massachusetts, Mr. KERRY.

I strongly believe that we must come to the aid of small businesses hurt hard by the September 11 attacks. That is why I have enthusiastically endorsed the Bush administration's ongoing, active, and aggressive efforts to provide emergency small-business loan assistance.

Unfortunately, S. 1499 came to the Senate floor without debate, without committee hearings, and without an opportunity for concerns about the bill to be raised and addressed. No CBO score was released, depriving those who are fiscally-responsible of a cost estimate of this legislation. Yet the Senate leadership attempted to pass this bill without affording us any opportunity to offer amendments.

Scarcely any explanation of this bill's provisions was ever offered before it was moved to the Senate floor—and that is extremely troubling.

We do know now that the costs of this bill—as much as $815 million—would actually exceed the entire 2002 budget for the Small Business Administration, nearly doubling it, at a time of a economic slowdown.

Additionally, the agency responsible for carrying out this legislation—the Small Business Administration (SBA)—has raised a number of concerns about this bill that have not been adequately addressed.

First, some of the provisions of the Kerry bill duplicate efforts already underway by the Bush administration. After the terrorist attacks, the SBA established the September 11 Emergency Injury Disaster Loan, EIDL, assistance program to make loans available to small businesses throughout the United States, who could demonstrate economic injury as a result of the terrorist attacks.

This was an appropriate and necessary response. I emphasize, Mr. President: these loans already are being made available.

In addition to duplication of ongoing efforts, the SBA also expressed the concern that provisions of the Kerry bill would actually increase the number of small-business loan defaults, at the expense of the American taxpayer.

As the SBA wrote in a letter to the sponsors of this measure:

> By relaxing credit requirements, reducing interest rates, eliminating fees, increasing the government guarantee, deferring principal payments, forgiving interest and increasing government liability, S. 1499 could make government-guaranteed small business loans more attractive than conventional loans, potentially displacing private sector options. In addition, S. 1499 significantly reduces lender and borrower stakes in a loan, thereby increasing the likelihood of default.

Certainly the sponsors of this measure do not want to promote defaults. After all, the goal of small-business assistance is to help entrepreneurs build, sustain and grow small businesses, with sound and fiscally-responsible loan assistance programs.

The existing EIDL assistance program provides a reasonable mechanism for needed aid by offering up to $1.5 million in emergency loans to small businesses at four percent interest over 30 years. Loans are not intended purely as a means of disaster relief.

Additionally, S. 1499's language is so broad that loan assistance could be provided to any small business that have ''been, or, that (are) likely to be directly or indirectly adversely affected'' by the terrorist attacks. Obviously, such language is ripe for abuse and could lead to exorbitant costs for the American taxpayer. Surely, this is not what the bill sponsors intended from this provision.

Lastly, the Small Business Administration expresses concerns regarding S. 1499's provisions providing emergency relief for Federal contractors. The provisions would allow an increase in the price of a federal contract that is performed by a small business in order to offset losses resulting from increased security measures taken by the Federal government at Federal facilities. As the SBA points out: ''providing equitable relief through SBA acting as a central clearing house would prove inefficient, costly, and burdensome on the Federal acquisition process.''

All of us want to come to the aid of small businesses adversely affected by the September 11 attacks and their aftermath. But we can do so in a cost-effective and responsible way, instead of a rushed, haphazard process designed to thwart compromise.

I am confident that a bipartisan compromise on this issue can be found in the near-term, so that the concerns raised by the administration can be taken into account, and we can pass something the President will support.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of this 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 October 7, 1998 in Traverse City, MI. A gay man was attacked by two men yelling anti-gay epithets. The assailants, Jeremy Jamrog, 21, and James Johnson, 24, were charged with aggravated assault in connection with the incident.

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, we can change hearts and minds as well.

LEGISLATIVE BRANCH EMERGENCY PREPAREDNESS TASK FORCE

Ms. LANDRIEU. Mr. President, I stand here today to pay tribute to a group of Americans who have worked tirelessly to protect all of us. Following the tragic events of September 11, Al Lenhardt, the Senate Sergeant at Arms and Chairman of the U.S. Capitol Police Board recognized the value of bringing together a group of experts from outside the legislative branch to provide the expertise necessary to respond to this unprecedented attack on America. He brought in a team of experts and created the Legislative Branch Emergency Preparedness Task Force to conduct a comprehensive assessment of the Capitol Complex and provide recommendations that would enhance our security.

This extraordinary group of experts could quite easily have taken a simplistic approach and recommended turning the Capitol into an armed camp. Fortunately, they recognized that this building, known throughout the world as a symbol of freedom and democracy, is first and foremost the public's domain and must remain so. Instead of taking the easy route, they developed a carefully crafted series of measures which enhanced the security of everyone who walks through these doors Members of Congress, staff and visitors alike without denying the American people their right to see and meet with their elected representatives. They ensured that the Capitol remained ''the People's House.''

Mr. Gary Quay of the Department of Defense, Colonel Richard Majauskas, Lieutenant Colonel Donald Salo and Lieutenant Colonel Stanley Tunstall of the Army, Lieutenant Commander David Klain of the Navy, Deputy Chief Chris McGaffin and Captain Edward Bailor of the U.S. Capitol Police, Mr. Michael DiSilvestro of the Office of Senate Security, Mr. Michael Johnson of the Senate Sergeant at Arms, Mr. Kevin Brennan of the House Sergeant at Arms, and Mr. Bill Weidemeyer and Mr. Jim Powers of the Architect of the Capitol dedicated themselves to the task of looking at every aspect of emergency preparedness on Capitol Hill.

All of us remember the confusion that reigned on September 11. In light of what happened, that confusion was perfectly understandable. After all, never before had someone turned one commercial airliner into a weapon of mass destruction, let alone four. I am convinced that the rapid implementation of the Task Force's recommendations by Jeri Thomson, the Secretary of the Senate, Alan Hantman, the Architect of the Capitol, and Jim Varey, Chief of the U.S. Capitol Police, has significantly enhanced our ability to respond to emergencies and will prevent a repeat of that day's confusion.

In a world where cynicism and selfishness rule the day for some, I am proud to say this is not the case for these dedicated Americans. The safety of our nation's Capitol, and all who work in and visit it, is enhanced by their efforts. On behalf of Americans

everywhere and the 107th Congress in particular, I am proud to stand here today and say ''Thank you—job well done!''

PRESIDENTIAL COMMISSION TO ESTABLISH AN AFRICAN AMERICAN HISTORY AND CULTURE MUSEUM

Mr. BROWNBACK. Mr. President, one of the most important chapters in our national story of human freedom and dignity is the history and legacy of the African American march toward freedom, legal equality and full participation in American society. Yet in our Nation's front yard, the national mall, there is no museum set aside to honor this legacy.

Yesterday, the Senate began the very important step toward establishing a national museum in Washington, DC to honor the rich history of African Americans.

With the passage of H.R. 3442, a bill that creates a Presidential commission that will develop a plan to establish and maintain the National Museum of African American History and Culture, the Senate has taken a tremendous step closer to honoring those African Americans who not only fought for their own freedom but fought for the freedoms in this country that we enjoy today.

I thank my colleague Senator MAX CLELAND for his leadership in the Senate on this issue. Senator CLELAND worked diligently with me to draft a bill that would properly honor the history of African Americans. This legislation will enable our Nation to start the process that will honor this important aspect of American history.

Specifically, the legislation creates a 19-member commission made up of individuals who specialize in African American history, education and museum professionals. The commission has 9 months to present its recommendations to the President and Congress regarding an action plan for creating a national museum honoring African Americans.

The commission will decide the structure and makeup of the museum, devise a governing board for the museum, and among other action items, will consider planning the museum within the Smithsonian's arts and industries building, which is the last existing space on the national mall.

As a Kansan, I feel a special connection to honoring the legacy of African Americans. The State of Kansas not only played a significant role in the civil war but also was chosen by many African American families as a place to begin their new life of freedom and prosperity in the ''exodus'' to Kansas.

I believe that it is long over due that we properly honor African American history by establishing a world class museum that showcases the achievements of African Americans in this country. I look forward to the commission's recommendations for establishing this museum on the national mall in Washington, DC, where African American history belongs.

I do not pretend that this legislation is a cure-all for the problem of racial division, it is, however, an important and productive step toward healing our nation's racial wounds. This museum will both celebrate African American achievement and serve as a landmark of national conscience on the historical facts of slavery, the reconstruction, the civil rights struggle and beyond.

Dr. King expressed his hope for national reconciliation. I too hope ''That the dark clouds of [misconceptions] will soon pass away and the deep fog of misunderstanding will be lifted from our fear-drenched communities and in some not too distant tomorrow the radiant stars of love and brotherhood will shine over our great nation with all their scintillating beauty.''

Today, we are one step closer to fulfilling this goal. I am proud to be a part of honoring this magnificent history. As a nation we have an extraordinary opportunity before us—a chance to learn, understand and remember together our nation's history and to honor the significant contribution of African Americans to our history and culture.

Mr. SMITH of New Hampshire. Mr. President, the gas additive MTBE has become a huge concern for millions across the nation because of the contamination that it has caused.

That is certainly true of many communities throughout New Hampshire where it has become a crisis, and the crisis will continue to escalate unless it is dealt with.

I have been fighting for the past two years to get the Senate to act on legislation that will solve this problem and up to now, unfortunate roadblocks have prevented this from happening.

I was pleased last week when the majority leader made a commitment to me that the Senate will vote on MTBE legislation before the end of February and I know that the majority leader will honor that commitment and I want to express my appreciation to him for working with me.

Until the day that vote arrives, I will continue to come to the floor to remind Senators of the terrible impact that MTBE is having on the nation and remind them why it is important that we act now.

Make no mistake about it—cleaning up MTBE contamination and preventing further contamination is something that the residents of New Hampshire are demanding and I will do all that I can to solve this problem.

Let me step back and provide some background on how we got where we are and why this legislation is so important to those many States that have suffered from MTBE contamination.

MTBE has been a component of our fuel supply for two decades.

In 1990, the Clean Air Act was amended to include a clean gasoline program.

That program mandated the use of an oxygenate in our fuel—MTBE was one of two options to be used.

The problem with MTBE is its ability to migrate through the ground very quickly and into the water table.

Several States have had gasoline leaks or spills lead to the closure of wells because of MTBE.

MTBE is only a suspected carcinogen, but its smell and taste do render water unusable.

Many homes in New Hampshire and across the nation have lost use of their water supply because of MTBE contamination.

According to the New Hampshire Department of Environmental Services, there may be up to 40,000 private wells with some MTBE contamination and of those, up to 8,000 may have MTBE contamination over State health standards.

Because of MTBE, New Hampshire has been left with no option but to divert funds from other programs in order to pay for safe water for residents with contaminated wells, in many instances, the State has had to provide bottled water.

They are also installing and maintaining extremely expensive treatment equipment and these costs are so expensive that an average family could not afford to have clean drinking water without assistance.

Yesterday, I came to the Senate floor to talk about the hardships faced by many in the Western part of New Hampshire and I focused on the plight a small business owner and two families in the Richmond area.

Today I want to talk about those in the Southern part of New Hampshire that have faced similar problems.

This past spring, as chairman of the Environment and Public Works Committee, I held a hearing in Salem, NH, at the hearing, the committee heard about the nightmares caused by MTBE.

I want to take a moment to tell you about one particular witness who lives in Derry, NH, Mrs. Christina Miller shared with the committee the experience that her family and neighbors have been dealing with because of MTBE.

Mrs. Miller, her husband Greg, and their infant son Nathan live in the Frost Road community in Derry, the area has been particularly hard hit by MTBE.

The gas additive was first detected there a little over three years ago and the concentration of MTBE in the well water was over ten times higher than the level where a person can smell it and taste it.

Since the discovery of MTBE in the wells, testing in the neighborhood has been on-going.

Currently, some 40 homes in the Frost Road community are being monitored for MTBE and so far, seven treatment systems, including one in the Miller home, have been installed in homes on and around Frost Road.

In April of last year, while Mrs. Miller was pregnant with Nathan, a water sample from the Miller well showed a high MTBE contamination level, and due to this discovery, the Millers began receiving bottled water from the State to replace the contaminated drinking water.

But while bottled water is fine for drinking, Mrs. Miller pointed out that it doesn't help with other daily needs such as: bathing; washing fruits and vegetables; and cooking.

There is also the potential health concerns associated with the contamination and not much is known about the health affects of MTBE—but when you have a new born, as the Miller's do with Nathan, the health uncertainties add to the already existing anxiety.

The State has installed a treatment system in their basement and it is a large, cumbersome intrusion in their house—it is also expensive.

This system consists of a residential air stripper and two carbon filter units and while the State is currently paying for the system, there is the concern about how long this will last and whether they will pay for any upgrades as well.

Needless to say, with the MTBE contamination and the presence of a large treatment system in their home, the Millers' are quite concerned with impact on the home's resale value.

What adds to the concerns is that the State still has not been able to determine the source of the MTBE.

It is a bad situation—one that begs for a remedy and the people of Derry are looking for help and relief from this federally mandated gas additive that has caused so much pain.

This problem is not unique to new Hampshire, it exists in Maine California, Nevada, Texas, New York, and on and on.

In fact, in Maine, one single car accident rendered 12 drinking wells unusable—just like that—we must do something.

I have a bill that has been reported out of committee two years in a tow—briefly, the bill will: Authorize $400 million out of the Leaking Underground Storage Tank Fund (LUST Fund) to help the states clean up MTBE contamination; Ban MTBE four years after enactment of this bill; Allow Governors to waive the gasoline oxygenate requirement of the Clean Air Act; Preserve environmental benefits on air toxics, and; Provide funds to help transition from MTBE to other clean, safe fuels.

Also, I am very pleased to be joining our subcommittee ranking member, Senator CHAFEE in introducing a new underground storage tank bill that includes MTBE cleanup funding.

The time to act is now—Just as I said yesterday, I will continue to come to the floor until the Senate acts on this issue. It is time to help out the families who have fallen victim to a Federal mandate.

PORT AND MARITIME SECURITY ACT

Mr. HOLLINGS. Mr. President, we worked hard with the administration to incorporate many of their suggested changes in this bill to sharpen the policy and create a better legislative product. I had intended to work with Chairman LEAHY of the Judiciary Committee to modernize and update some of our maritime criminal laws to reflect the realities following the attacks of September 11th, and to strengthen our laws to protect against maritime terrorism. Unfortunately, the administration did not consult or share with the Judiciary Committee the changes in criminal laws and other matters within the Judiciary Committee's jurisdiction that were provided to me. I ask the chairman of the Judiciary Committee if he would be willing to work to work with me and Senator MCCAIN next year to consider whether new criminal provisions are necessary to enhance seaport security?

Mr. LEAHY. Mr. President, I am also very concerned that we develop policies to more adequately protect our maritime vulnerabilities and protect the public from the threats emerging as a result of maritime trade. I would be happy to work with Chairman HOLLINGS and Ranking Member MCCAIN next year to evaluate whether any gaps in our criminal laws to protect our maritime safety and seaport security exist and the appropriate steps we should take to close those gaps.

Additionally, I have expressed to Chairman HOLLINGS my concerns that we properly limit access to and use of sensitive law enforcement information relating to background checks which are provided for in this bill. Chairman HOLLINGS has assured me that the bill sets strict and appropriate limits as to both when such access will be required and how the information will be used once obtained. I would like to ask Chairman HOLLINGS if he could explain those provisions?

Mr. HOLLINGS. Mr. President, I share Chairman LEAHY's concern that we provide adequate safeguards for both access to and use of this sensitive information. That is why we have included important protections and limitations for such use and access in the bill. Background checks will be limited to those employees who have access to sensitive cargo information or unrestricted access to segregated ''controlled access areas,'' that is defined areas within ports, terminals, or affiliated maritime infrastructure which present a demonstrable security concern. In addition, under this bill the use of such material, once it is obtained, will be restricted to the minimum necessary to disqualify an ineligible employee. In other words, only the minimum amount of law enforcement information necessary to make eligibility decisions will be shared with port authorities or maritime terminal operators.

ADDITIONAL STATEMENTS

CHARLES KRAUTHAMMER ON PRESIDENTIAL LEADERSHIP IN FOREIGN POLICY

• Mr. KYL. Mr. President, I commend to my colleagues a recent column by Charles Krauthammer entitled ''Unilateral? Yes, Indeed.'' It ran in the December 14 issue of the Washington Post.

Once again, Krauthammer has done a fine job of articulating sentiments shared by many of us regarding the President's conduct of foreign policy. The essence of the issue can be summarized in one word: leadership. Since the start of his presidency, George W. Bush has been the target of innumerable criticisms emanating from his approach to the conduct of foreign policy. Greatly exaggerated fears of isolationism have been voiced by the president's critics, both at home and abroad. With the conduct of the war against terrorism and the decision to withdraw from the Anti-Ballistic Missile Treaty, however, the President has demonstrated not isolationism, but leadership. Leadership, as defined by the willingness to make unpopular decisions and accept the consequences out of a conviction that the decisions in question are in the best interests of the United States.

Pre-war concerns that the entire Muslim world would rise up against us if we went after Al Qaeda and its Taleban protectors have proven unfounded. Worst-case scenarios surrounding the President's decision to withdraw from the ABM Treaty have similarly failed to materialize. There are consequences to both decisions, but they were the right decisions and the consequences are far less than the benefits accruing to the United States from their having been implemented.

I urge my colleagues to take a minute to read the article by Charles Krauthammer. It articulates better than could I the importance of leadership in international affairs, and I highly recommend it.

I ask that the article be printed in the RECORD.

The article follows.

[From the Washington Post, Dec. 14, 2001]

UNILATERAL? YES, INDEED

(By Charles Krauthammer)

Last month's Putin-Bush summit at Crawford was deemed an arms control failure

because the rumored deal—Russia agrees to let us partially test, but not deploy, defenses that violate the 1972 Anti-Ballistic Missile Treaty—never came off.

In fact, it was a triumph. Like Reagan at the famous 1986 Reykjavik summit, at which he would not give up the Strategic Defense Initiative to Gorbachev, Bush was not about to allow Putin to lock the United States into any deal that would prevent us from building ABM defenses.

Bush proved that yesterday when he dropped the bombshell and unilaterally withdrew the United States from the treaty, and thus from all its absurd restrictions on ABM technology.

This is deeply significant, not just because it marks a return to strategic sanity, formally recognizing that the ballistic missile will be to the 21st century what the tank and the bomber were to the 20th, but because it unashamedly reasserts the major theme of the Bush foreign policy: unilateralism.

After Sept. 11, the critics (the usual troika: liberal media, foreign policy establishment, Democratic ex-officials) were clucking about how the Bush administration has beaten a hasty retreat from reckless unilateralism. President Bush ''is strongly supported by the American people,'' explained former Senate leader George Mitchell, ''in part because he has simply discarded almost everything he said on foreign policy prior to Sept. 11.''

Bush had wanted to go it alone in the world, said the critics. But he dare not. ''It's hard to see the President restoring the unilateralist tinge that colored so many of his early foreign policy choices,'' wrote columnist E. J. Dionne just two months ago. ''Winning the battle against terror required an end to unilateralism.''

We need friends, they said. We need allies. We need coalition partners. We cannot alienate them again and again. We cannot have a president who kills the Kyoto Protocol on greenhouse gases, summarily rejects the ''enforcement provisions'' of the bioweapons treaty, trashes the ABM Treaty—and expect to build the coalition we need to fight the war on terrorism.

We cannot? We did.

Three months is all it took to make nonsense of these multilateralist protests. Coalition? The whole idea that the Afghan war is being fought by a ''coalition'' is comical. What exactly has Egypt contributed? France sent troops into Mazar-e Sharif after the fighting had stopped, noted that renowned military analyst Jay Leno. (''Their mission?'' asked Leno. ''To teach the Taliban how to surrender.'') There is a coalition office somewhere in Islamabad. Can anyone even name the coalition spokesman who makes announcements about the war?

The ''coalition'' consists of little more than U.S. aircraft, U.S. special forces, and Afghan friends-of-the-moments on the ground. Like the Gulf War, the Afghan war is unilateralism dressed up as multilateralism. We made it plain that even if no one followed us, we would go it alone. Surprise: Others followed.

A unilateralist does not object to people joining our fight. He only objects when the multilateralists, like Clinton in Kosovo, give 18 countries veto power over bombing targets.

The Afghan war is not a war run by committee. We made tough bilateral deals with useful neighbors. Pakistan, Uzbekistan, Tajikistan, Russia. The Brits and the Australians added a sprinkling of guys on the ground risking their lives, and we will always be grateful for their solidarity. But everyone knows whose war it is.

The result? The Taliban are destroyed. Al Qaeda is on the run. Pakistan has made a historic pro-American strategic pivot, as have the former Soviet republics, even Russia itself. The Europeans are cooperating on prosecutions. Even the Arab states have muted their anti-American and anti-Israeli rhetoric, with the Egyptian foreign minister traveling to Jerusalem for the first time in three years.

Not because they love us. Not because we have embraced multilateralism. But because we have demonstrated astonishing military power and the will to defend vital American interests, unilaterally if necessary.

Where is the great Bush retreat from unilateralism? The ABM Treaty is dead. Kyoto is dead. The new provisions of the totally useless biological weapons treaty are even deader: Just six days before pulling out of the ABM Treaty, the administration broke up six years of absurd word-mongering over a bio treaty so worthless that Iraq is a signatory in good standing.

And the world has not risen up against us—no more than did the ''Arab street'' (over the Afghan war), as another set of foreign policy experts were warning just weeks ago.

The essence of unilateralism is that we do not allow others, no matter how well-meaning, to deter us from pursuing the fundamental security interests of the United States and the free world. It is the driving motif of the Bush foreign policy. And that is the reason it has been so successful.●

RUSSIA AND ENERGY SECURITY

● Mr. BIDEN. Mr. President, I rise to point out that while the attention of the world is now rightly focused on Afghanistan and the war against terrorism there, we should not forget that a large part of the oil and gas consumed by the United States and the rest of the industrialized world comes from the conflict-ridden Middle East.

In addition to addressing the issue of energy independence through new domestic sources of supply, conservation, and the development of renewable energy resources, it is imperative for us to be thinking abut the best possible way of protecting the security of alternative sources of oil and gas outside the United States. The Caspian Sea is also on Russia's doorstep, and we should encourage development that will foster positive political as well as economic relations with the world's second largest oil exporter.

Russia's recent refusal to follow OPEC's lead in slashing production is one more example of its ability to play a positive role on world oil markets, and the recently opened $2.5 billion Caspian oil pipeline, Russia's largest joint investment to date, and one in which U.S. firms hold more than a one-third interest, is an example of the kind of project that will encourage Moscow to continue to look westward.

Akezhan Kazhegeldin, an economist, businessman, and former prime minister of oil-rich Kazakhstan, has written a thoughtful article on these subjects that appeared in the Russian journal Vremya Novostei on October 15, 2001. In his article, Dr. Kazhegeldin states that oil and gas from Kazakhstan and the other energy producing nations of the former Soviet Union could provide an important backup source of energy, complementing what now comes from the Persian Gulf countries.

Moreover, referring to the debate surrounding the route of future, additional pipelines carrying oil to consuming countries, Dr. Kazhegeldin asserts that there is no reason for the West and Russia to be at loggerheads now that the Cold War is over. He goes on to describe how the West and Russia could, in his view, work together on a comprehensive pipeline solution that would benefit everyone.

Some of Dr. Kazhegeldin's ideas will undoubtedly elicit healthy debate. I urge my colleagues to read his provocative article, and I ask that the text be printed in the RECORD.

The article follows.

[From Vremya Novostei, Oct. 15, 2001]

''GLOBAL ARC OF STABILITY: THE WAY RUSSIA AND THE CASPIAN CAN MAKE THE WORLD STABLE''

(By Akezhan Kazhegeldin)

The September 11 tragic events and launching of the Afghan campaign, seen as the first stage in ''the global war against terror'', have changed the world dramatically. Protection of peaceful citizens from possible terror acts appears as just a tip of the huge pyramid of new problems. We are facing an acute and more global problem, the problem of ensuring the industrial world's economic safety.

The supply of the developed nations' energy, above all, oil and gas, is a critical and vulnerable element in the world's economic relations. A great part of the developed oil fields are concentrated in the highly insecure and conflict-ridden Middle Eastern region, which makes the threat of oil blockade and energy crisis for the industrial countries, the main oil and gas consumers, a perpetual nightmare. Unpredictable dictators are no less dangerous than terrorist groups. Should the interests of both in the region coincide, the rest of the world would find itself in an impasse.

Even if everything goes very well and the antiterrorist campaign ends quickly, the community of industrial countries will have to make sure that the threat of energy blackmail is ruled out in principle. In the global energy system, it is necessary to use reserve and back-up methods in order to ensure safety. Caspian oil reserves can play a major role here.

For the past decade, politicians and journalists have been debating about the problem of Caspian oil perhaps more heatedly than the industry professionals. It has almost been made into a stake in the new Great Game, the U.S-Russian rivalry over the control of the region and its riches. This confrontation has become the legacy of the old ''bloc'' model of the world. Wayne Merry, a former U.S. State Department and Pentagon official, now a senior associate at the American Foreign Policy Council in Washington, describes its sources: ''. . . Washington concentrated its efforts on one great strategic project to assure US primacy in the region. . . . The idea was to bypass existing pipelines in Russia, squeeze out Iran, bring energy supplies from the Caspian region to a

transhipment point in a NATO country, and thereby assure the independent futures of the producing and transit countries.''

Understandably, Moscow clearly saw the threat to its interests and resisted U.S. plans. However, both sides played their parts by force of habit, without their usual passion. The reason is that the interests of Russia and the West (not only the U.S.) in the region are actually not conflicting. Some regional leaders tried to artificially keep alive the conflict between them as they hoped to secure foreign support for their authoritarian regimes.

Now that many old patterns have been left behind in the 20th century for good, the common interests of the industrial and democratic countries allow them to work out joint approaches to ensure their energy independence. Owing to this, Kazakhstan, Azerbaijan and Turkmenistan have a historic opportunity to become stable partners of both Russia and the West, and to be integrated into the world economy.

Naturally, this integration should entail bringing their political systems in line with the international democratic and market economy standards. ''A glance at other post-colonial regions in Africa and Asia shows that the first generation of 'Big Man' leaders often does as much harm to their countries as did the departing imperial powers, creating a painful legacy for future generations to sort out,'' concludes Wayne Merry. ''American long-term interests in Central Asia are best served by seeking to engage tomorrow's leaders and assuring that, when the region's energy reserves do become important to the outside world, these leaders will look to the United States as a friend and not as yet another external exploiter.''

Setting aside the controversial definition of the Central Asian countries as post-colonial ones, one should admit that the time when the region's energy reserves do become important to the outside world is nearing. Though geological exploration of the Caspian shelf is far from being completed, and many experts are not inclined to share the fanciful expectations of ''dozens of new Kuwaits'', it is clear that the region's oil and gas reserves are extremely large. However, energy projects can't become global automatically, thanks only to rich oilfields. Stable export routes are required to deliver oil and gas to the global markets. Even all the reserves of the Caspian states put together won't make the Caspian project global. It is necessary to select and develop the routes to transport oil and gas to the global markets—to the consumers in Europe, U.S., and Asian countries.

The most politically and economically viable option is to transport the Caspian ''big oil'' up to the north, into Russia and further on into Eastern and Western Europe, to the consumers and transshipment ports. Economically, this option seems much more attractive, since the construction is to take place on a plain, in populated areas with a developed infrastructure. Russia's European region has enough qualified manpower and electricity for oil pumping. Russian plants produce pipes and other equipment. Stability in Russia and the neighboring countries guarantees safety of the route and its uninterrupted operation.

If chosen, the Russian option would mean turning the energy flow from south to north. It will permit the in-depth integration of Russia and Central Asia into a united Europe and simultaneously charge Europe and Russia with a common political mission of ensuring energy independence for the industrial countries. It will allow oil-producing countries of the Caspian region to play a major role in the global energy market. Russia, Kazakhstan, Azerbaijan, and—in the long term, Turkmenistan, could, along with the North Sea oil producing countries, become a real alternative to OPEC and get significant political benefits.

The main advantage of the northern export route for Caspian oil consists in the availability of a branched pipeline network in Russia. It is much easier and cheaper to improve and develop the existing system than to construct a new one. I mean the pipelines owned by the Transneft company and the recently constructed CPC line from Western Kazakhstan to the Black Sea. The CPC alone cannot provide exporters with access to the global market. For natural reasons, the Bosporus and Dardanelles have a limited carrying capacity. The Black Sea ecosystem is vulnerable, as this sea is warm and almost closed. Turkey has already announced its intention to limit the number of giant tankers passing through its straits. Instead of forcing Turkey to agree by means of political pressure, we should respect its fundamental interests and seek other solutions in addition to the CPC capacities.

The pipeline would enable Russia to solve several of its specific problems. For instance, to strengthen the special status of the Kaliningrad region as Russia's outpost in Western Europe. If the pipeline goes via the Kaliningrad region, the region could not only solve some of its economic problems, but also get additional security guarantees in case of NATO's expansion to the East. A place of its own in the EU economy would be the best guarantee for the region.

In any case, with any combination of routes, Russia would be the main player in a Caspian-European project. Moreover, Russia should initiate its realization. Technological and economic calculations will give optimal solutions. However, political will and vision are still primary considerations. History teaches us that it is they rather than mathematical and economic calculations that have brought into existence such giant projects as the Suez and Panama Canals that formed the global markets of those days.

Looking into the future and putting aside the required political decisions, I would like to stress that the Russian route could give an incredibly promising opportunity of opening up global markets for Eurasian oil and gas. This opportunity includes building an oil-carrier port in the Murmansk region on the Barents Sea. The non-freezing, deep-sea port would become the gateway to the global market for Caspian, Siberian and, prospectively, for Timanoperchersk oil as well, as the northern oil will require outlets to world markets. In the Murmansk region, some former military ports can reportedly be used right now by tankers. From there, they can quickly and safely reach not only Western European ports, but also the U.S. and Canada's eastern coast.

If gas-liquefying installations are built there, it would be hard to imagine a more natural route for a pipeline which will transport gas from the Russian polar regions and the Arctic Ocean's shelf.

In addition to the oil pipeline, a parallel gas pipeline should be built to provide Kazakh and Turkmen gas access to global markets that will not compete with the existing Russian gas routes to Western Europe. Constructing gas and oil pipelines simultaneously will make it possible to significantly cut capital expenditures and make transportation for long distances economically viable. By the way, the length of this route can be compared to the gas export line running from Tyumen's north to Western Europe.

Today's situation on the gas market is such that the Central Asian countries will long sit on their riches waiting for investors hindered by the lack of access to global markets. I am speaking not only about the Turkmen gas. The share of gas in the Caspian hydrocarbon reserves can be much higher than those suggested by the most optimistic forecasts. On the one hand, Caspian gas should be available when the industrial world needs it badly. On the other hand, Caspian gas won't be a rival for Russian gas and a source of contention between Russia and its neighbors in Central Asia.

Where the two huge pipelines run side by side, where a joint exploitation system exists, one will naturally expect to have a transcontinental highway and info-highway—a powerful communication line originating from Europe and going further to the south.

These prospects are both exciting and distant. However, they should be taken into account when addressing today's problems. No doubt, the global economy does have enough investment resources for such a large-scale project. The U.S. Congress has given $40 billion for primary measures to safeguard national security. Much less investment is needed to ensure energy security of the industrial states. Especially as it is much more reasonable and profitable to invest in crisis prevention than in recovering from them.

A pipeline bridge between the Caspian region and Western Europe, Central Asia and the world's oceans will help solve the problem of the globalization of Eurasian energy resources. It could become a basis for an ''arc of stability'' in Europe. It not only shifts the so-called arc of tension running close to Russia from the Balkans via the Caucasus, Central Asia, Iran, and Afghanistan, but will also exclude the Caspian states—the critical link—from this chain. When involved in the global economy, these countries could turn into strongholds of stability in a part of Asia that today poses major threats to the world.●

IN HONOR OF LUCY S. CICILLINE ON HER 90TH BIRTHDAY

● Mr. REED. Mr. President. I would like to take a moment to recognize a dear friend on her 90th birthday.

Lucy Cicilline, the daughter of Italian immigrants, was born Lucy Miragliuolo on December 26, 1911 in Providence, RI.

Lucy is the mother of four, the grandmother of twenty-one and the great grandmother of twenty-five. But more than this, Lucy is a vital, active personality who has always lent a helping hand to others.

When I was a boy, Lucy lived close to our family's summer home at Scarborough Beach in Narragansett, RI. Together with her husband, John, and her children, she was a wonderful friend to me and to my family. Always a kind and caring person, she showered her affection and attention on all her neighbors. As a nurse, it was Lucy who tended to my injured elbows and knees, and sometimes bruised spirit, during all the times I fell down and encountered the other mishaps of childhood.

As a Registered Nurse, employed at St. Joseph's Hospital in Providence, Lucy shared her kind and giving personality with her patients until her retirement.

But retirement did not stop her either. In 1980, at the age of sixty-nine and after the death of her husband of forty-seven years, Lucy decided it was time for her to learn how to drive.

Lucy approached this task with the same dogged determination and positive attitude that she has with everything in her life. She took driving lessons, received her license and continued to drive for the next ten years until her declining eyesight took her off the road.

Still, despite her eyesight and her getting on in years, Lucy is an important member of her community. For over fifty years, she has been contributing to the St. Joseph's Indian Tribe and has been named an honorary member of their community.

Now at the Village at Waterman Lake in Smithfield, RI, Lucy is an active adult who exercises and socializes with her fellow residents.

When I think of Lucy Cicilline, I recall the magic days of youth when I was surrounded and protected by adults like my parents and the Cicillines who set an extraordinary example of kindness and commitment to faith and family and country. At many moments in my life, I drew on those memories for inspiration and strength. Her example is with me today.

So today, I would like to thank Lucy for her kindness and her friendship and also wish her the happiest of birthdays.●

THE URGENT NEED FOR BALLISTIC MISSILE DEFENSE

● Mr. KYL. Mr. President, I rise to submit for the RECORD an article written by Brian T. Kennedy, vice president of the Claremont Institute, entitled ''The Urgent Need for Ballistic Missile Defense.'' Published in the Imprimis publication of Hillsdale College, Mr. Kennedy persuasively argues that ''the United States is defenseless against [the] mortal danger . . . of a ballistic missile attack.''

In view of the events of September 11, I commend this article to the Senate for review as a cautionary warning to the U.S. Government of the potential danger of failing to meet its fundamental constitutional obligation to ''provide for the common defense.''

The article follows.

[From Imprimis, Nov. 2001]

THE URGENT NEED FOR BALLISTIC MISSILE DEFENSE

(By Brian T. Kennedy)

On September 11, our nation's enemies attacked us using hijacked airliners. Next time, the vehicles of death and destruction might well be ballistic missiles armed with nuclear, chemical, or biological warheads. And let us be clear: The United States is defenseless against this mortal danger. We would today have to suffer helplessly a ballistic missile attack, just as we suffered helplessly on September 11. But the dead would number in the millions and a constitutional crisis would likely ensue, because the survivors would wonder—with good reason—if their government were capable of carrying out its primary constitutional duty to ''provide for the common defense.''

THE THREAT IS REAL

The attack of September 11 should not be seen as a fanatical act of individuals like Osama Bin Laden, but as deliberate act of a consortium of nations who hope to remove the U.S. from its strategic positions in the Middle East, in Asia and the Pacific, and in Europe. It is the belief of such nations that the U.S. can be made to abandon its allies, such as Israel, if the cost of standing by them becomes too high. It is not altogether unreasonable for our enemies to act on such a belief. The failure of U.S. political leadership, over a period of two decades, to respond proportionately to terrorist attacks on Americans in Lebanon, to the first World Trade Center bombing, to the attack on the Khobar Towers in Saudi Arabia, to the bombings of U.S. embassies abroad, and most recently to the attack on the USS Cole in Yemen, likely emboldened them. They may also have been encouraged by observing our government's unwillingness to defend Americans against ballistic missiles. For all of the intelligence failures leading up to September 11, we know with absolute certainty that various nations are spending billions of dollars to build or acquire strategic ballistic missiles with which to attack and blackmail the United States. Yet even now, under a president who supports it, missile defense advances at a glacial pace.

Who are these enemy nations, in whose interest it is to press the U.S. into retreating from the world stage? Despite the kind words of Russian President Vladimir Putin, encouraging a ''tough response'' to the terrorist attack of September 11, we know that it is the Russian and Chinese governments that are supplying our enemies in Iraq. Iran, Libya, and North Korea with the ballistic missile technology to terrorize our nation. Is it possible that Russia and China don't understand the consequences of transferring this technology? Are Vladimir Putin and Jiang Zemin unaware that countries like Iran and Iraq are known sponsors of terrorism? In light of the absurdity of these questions, it is reasonable to assume that Russia and China transfer this technology as a matter of high government policy, using these rogue states as proxies to destabilize the West because they have an interest in expanding their power, and because they know that only the U.S. can stand in their way.

We should also note that ballistic missiles can be used not only to kill and destroy, but to commit geopolitical blackmail. In February of 1996, during a confrontation between mainland China and our democratic ally on Taiwan, Lt. Gen. Xiong Guang Kai, a senior Chinese official, made an implicit nuclear threat against the U.S., warning our government not to interfere because Americans ''care more about Los Angeles than they do Taipei.'' With a minimum of 20 Chinese intercontinental ballistic missiles (ICBMs) currently aimed at the U.S., such threats must be taken seriously.

THE STRATEGIC TERROR OF BALLISTIC MISSILES

China possesses the DF–5 ballistic missile with a single, four-megaton warhead. Such a warhead could destroy an area of 87.5 square miles, or roughly all of Manhattan, with its daily population of three million people. Even more devastating is the Russian SS–18, which has a range of 7,500 miles and is capable of carrying a single, 24-megaton warhead or multiple warheads ranging from 550 to 750 kilotons.

Imagine a ballistic missile attack on New York or Los Angeles, resulting in the death of three to eight million Americans. Beyond the staggering loss of human life, this would take a devastating political and economic toll. Americans' faith in their government—a government that allowed such an attack—would be shaken to its core. As for the economic shock, consider that damages from the September 11 attack, minor by comparison, are estimated by some economists to be nearly 1.3 trillion dollars, roughly one-fifth of GNP.

Missile defense critics insist that such an attack could never happen, based on the expectation that the U.S. would immediately strike back at whomever launched it with an equal fury. They point to the success of the Cold War theory of Mutually Assured Destruction (MAD). But even MAD is premised on the idea that the U.S. would ''absorb'' a nuclear strike, much like we ''absorbed'' the attack of September 11. Afterwards the President, or surviving political leadership, would estimate the losses and then employ our submarines, bombers, and remaining land-based ICBMs to launch a counterattack. This would fulfill the premise of MAD, but it would also almost certainly guarantee additional ballistic missile attacks from elsewhere.

Consider another scenario. What if a president, in order to avoid the complete annihilation of the nation, came to terms with our enemies? What rational leader wouldn't consider such an option, given the unprecedented horror of the alternative? Considering how Americans value human life, would a Bill Clinton or a George Bush order the unthinkable? Would any president launch a retaliatory nuclear strike against a country, even one as small as Iraq, if it meant further massive casualties to American citizens? Should we not agree that an American president ought not to have to make such a decision? President Reagan expressed this simply when he said that it would be better to prevent a nuclear attack than to suffer one and retaliate.

Then there is the blackmail scenario. What if Osama Bin Laden were to obtain a nuclear ballistic missile from Pakistan (which, after all, helped to install the Taliban regime), place it on a ship somewhere off our coast, and demand that the U.S. not intervene in the destruction of Israel? Would we trade Los Angeles or New York for Tel Aviv or Jerusalem? Looked at this way, nuclear blackmail would be as devastating politically as nuclear war would be physically.

ROADBLOCK TO DEFENSE: THE ABM TREATY

Signed by the Soviet Union and the United States in 1972, the Anti-Ballistic Missile Treaty forbids a national missile defense. Article I, Section II reads: ''Each Party undertakes not to deploy ABM systems for a defense of the territory of its country and not to provide a base for such a defense, and not to deploy ABM systems for defense of an individual region except as provided for in Article III of this Treaty.'' Article III allows each side to build a defense for an individual region that contains an offensive nuclear force. in other words, the ABM Treaty prohibits our government from defending the American people, while allowing it to defend missiles to destroy other peoples.

Although legal scholars believe that this treaty no longer has legal standing, given that the Soviet Union no longer exists, it has been upheld as law by successive administrations—especially the Clinton administration—and by powerful opponents of American missile defense in the U.S. Senate.

As a side note, we now know that the Soviets violated the ABM Treaty almost immediately. Thus the Russians possess today the world's only operable missile defense system. Retired CIA Analyst William Lee, in the ABM Treaty Charade, describes a 9,000-interceptor system around Moscow that is capable of protecting 75 percent of the Russian population. In other words, the Russians did not share the belief of U.S. arms-control experts in the moral superiority of purposefully remaining vulnerable to missile attack.

HOW TO STOP BALLISTIC MISSILES

For all the bad news about the ballistic missile threat to the U.S., there is the good news that missile defense is well within our technological capabilities. As far back as 1962, a test missile fired from the Kwajaleen Atoll was intercepted (within 500 yards) by an anti-ballistic missile launched from Vanderberg Air Force Base. The idea at the time was to use a small nuclear warhead in the upper atmosphere to destroy incoming enemy warheads. But it was deemed politically incorrect—as it is still today—to use a nuclear explosion to destroy a nuclear warhead, even if that warhead is racing toward an American city. (Again, only we seem to be squeamish in this regard: Russia's aforementioned 9,000 interceptors bear nuclear warheads.) So U.S. research since President Reagan reintroduced the idea of missile defense in 1983 has been aimed primarily at developing the means to destroy enemy missiles through direct impact or ''hit-to-kill'' methods.

American missile defense research has included ground-based, sea-based and space-based interceptors, and air-based and space-based lasers. Each of these systems has undergone successful, if limited, testing. The space-based systems are especially effective since they seek to destroy enemy missiles in their first minutes of flight, known also as the boost phase. During this phase, missiles are easily detectible, have yet to deploy any so-called decoys or countermeasures, and are especially vulnerable to space-based interceptors and lasers.

The best near-term option for ballistic missile defense, recommended by former Reagan administration defense strategist Frank Gaffney, is to place a new generation of interceptors, currently in research, aboard U.S. Navy Aegis Cruisers. These ships could then provide at least some missile defense while more effective systems are built. Also under consideration is a ground-based system in the strategically important state of Alaska, at Fort Greely and Kodiak Island. This would represent another key component in a comprehensive ''layered'' missile defense that will include land, sea, air and space.

ARGUMENTS AGAINST MISSILE DEFENSE

Opponents of missile defense present four basic arguments. The first is that ABM systems are technologically unrealistic, since ''hitting bullets with bullets'' leaves no room for error. They point to recent tests of ground-based interceptors that have had mixed results. Two things are important to note about these tests: First, many of the problems stem from the fact that the tests are being conducted under ABM Treaty restrictions on the speed of interceptors, and on their interface with satellites and radar. Second, some recent test failures involve science and technology that the U.S. perfected 30 years ago, such as rocket separation. But putting all this aside, as President Reagan's former science advisor William Graham points out, the difficulty of ''hitting bullets with bullets'' could be simply overcome by placing small nuclear charges on ''hit-to-kill'' vehicles as a ''fail safe'' for when they miss their targets. This would result in small nuclear explosions in space, but that is surely more acceptable than the alternative of enemy warheads detonating over American cities.

The second argument against missile defense is that no enemy would dare launch a missile attack at the U.S., for fear of swift retaliation. But as the CIA pointed out two years ago—and as Secretary of Defense Rumsfeld reiterated recently in Russia—an enemy could launch a ballistic missile from a ship off one of our coasts, scuttle the ship, and leave us wondering, as on September 11, who was responsible.

The third argument is that missile defense can't work against ship-launched missiles. But over a decade ago U.S. nuclear laboratories, with the help of scientists like Greg Canavan and Lowell Wood, conducted successful tests on space-based interceptors that could stop ballistic missiles in their boost phase from whatever location they were launched.

Finally, missile defense opponents argue that building a defense will ignite an expensive arms race. But the production cost of a space-based interceptor is roughly one to two million dollars. A constellation of 5,000 such interceptors might then cost ten billion dollars, a fraction of America's defense budget. By contrast, a single Russian SS–18 costs approximately $100 million, a North Korean Taepo Dong II missile close to $10 million, and an Iraqi Scud B missile about $2 million. In other words, if we get into an arms race, our enemies will go broke. The soviet Union found it could not compete with us in such a race in the 1980s. Nor will the Russians or the Chinese or their proxies be able to compete today.

TIME FOR LEADERSHIP

Building a missile defense is not possible as long as the U.S. remains bound by the ABM Treaty of 1972. President Bush has said that he will give the Russian government notice of our withdrawal from that treaty when his testing program comes into conflict with it. But given the severity of the ballistic missile threat, it is cause for concern that we have not done so already.

Our greatest near-term potential attacker, Iraq, is expected to have ballistic missile capability in the next three years. Only direct military intervention will prevent it from deploying this capability before the U.S. can deploy a missile defense. This should be undertaken as soon as possible.

Our longer-term potential attackers, Russia and China, possess today the means to destroy us. We must work and hope for peaceful relations, but we must also be mindful of the possibility that they have other plans. Secretary Powell has invited Russia and China to join the coalition to defeat terrorism. This is ironic, since both countries have been active supporters of the regimes that sponsor terrorism. And one wonders what they might demand in exchange. Might they ask us to delay building a missile defense? Or to renegotiate the ABM Treaty?

So far the Bush administration has not demonstrated the urgency that the ballistic missile threat warrants. It is also troublesome that the President's newly appointed director of Homeland Security, Pennsylvania Governor Tom Ridge, has consistently opposed missile defense—a fact surely noted with approval in Moscow and Beijing. On the other hand, President Bush has consistently supported missile defense, both in the 2000 campaign and since taking office, and he has the power to carry through with his promises.

Had the September 11 attack been visited by ballistic missiles, resulting in the deaths of three to six million Americans, a massive effort would have immediately been launched to build and deploy a ballistic missile defense. America, thankfully, has a window of opportunity—however narrow—to do so now, before it is too late.

Let us begin in earnest.●

MARGARET MEAD'S 100TH BIRTHDAY

● Mrs. CLINTON. Mr. President, I ask that the following statement, and the excerpt from the Mead Centennial press release, be printed in the RECORD in honor of Margaret Mead's 100th birthday:

On December 16, Margaret Mead would have celebrated her 100th birthday. As one of New York's Senators, I am proud that Margaret Mead called New York home for so many years. New York State has such a rich history of women who have made a difference at home and throughout the world.

As my colleague Senator CHUCK HAGEL stated so well, Margaret Mead ''was an American patriot who dedicated her life to understanding the people and nations of our world. She respected the distinctiveness of various cultures . . . Margaret Mead took her responsibilities of citizenship seriously by sharing her knowledge with those engaged in public service.''

On the occasion of the Margaret Mead centennial, I hope that more of today's youth will be exposed to the lifework of this great woman, and will be inspired to learn about cultures around the world. She devoted her life to studying other cultures, and to encouraging Americans to develop a desire to learn about other cultures.

The following excerpt from a Mead Centennial 2001 press release captures Margaret Mead's accomplishments, and their relevance to our country today:

HAPPY BIRTHDAY, MARGARET MEAD: IN THE 21ST CENTURY HER IDEAS RING TRUE

''How to describe Margaret Mead? Physically, she was short and pudgy, walked with a light, firm step, wore a distinctive cape and carried a tall, forked walking stick. As an American icon, anthropologist, futurologist, environmentalist, feminist, curmudgeon, and 'grandmother to the world,' she stood for many different things in people's mind. Above all she stood for the need for Americans to understand other cultures. Since September 11, it has become clear that this is an idea that urgently needs to be reinforced.

As a young scientist, Mead traveled to Samoa, New Guinea, and Bali in the

1920s and '30s to study more 'primitive' societies, wanting to see what she, as an American and a westerner, could learn from cultures that were so different from our own. Mead's theories about adolescence, sexuality, aggression, gender roles, and education opened up new ways of thinking about our own society. In later years, she studied more contemporary cultures, but always with an eye toward learning about how better to understand ourselves and to interact in what was rapidly becoming a multicultural world. Mead's ideas and thoughts are inextricably interwoven in our fabric today, many decades after her first studies of cultures, and nearly a quarter century after her death. While some still attract lively controversy, many of the concepts we take for granted today in any discussion of cultural difference, community, peace, gender, or human rights—were brought to the forefront by Mead in the '30s, '40s, and '50s.

More than thirty books, dozens of films, and thousands of articles later, her ideas continue to thrive and inspire. Her famous admonition, 'Never doubt that a small group of thoughtful, committed citizens can change the world,' has become the motto of hundreds of community action groups. For the Centennial, more than a dozen of her books have been reissued with new and timely introductions. Many organizations and individuals across this country and around the world are taking time to remember Mead and reacquaint themselves with what she stood for, her work, and its implications for the future. The Institute for Intercultural Studies (IIS), founded by Mead in 1944, continues under the guidance of Mary Catherine Bateson, author, cultural anthropologist and Mead's only child. The Institute's mission, an increasingly important one, is to advance knowledge by creating and funding projects that are likely to affect contemporary intercultural and international relations. The IIS maintains a website, www.mead2001.org.

'If my mother were alive today, I know she would be on-line, using the internet to communicate rapidly, to gather and discuss ideas, to bring people together,' says Bateson. 'It is the continued interchange around her ideas that we hope to foster in commemorating her 100th birthday.' Happy birthday, Margaret Mead—and let intercultural and international understanding reign in this new century.''●

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 Committee on the Judiciary.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON AERONAUTICS AND SPACE ACTIVITIES FOR FISCAL YEAR 2000—MESSAGE FROM THE PRESIDENT—PM 62

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation.

To the Congress of the United States:

I am pleased to transmit this report on the Nation's achievements in aeronautics and space during Fiscal Year (FY) 2000, as required under section 206 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2476). Aeronautics and space activities involved 11 contributing departments and agencies of the Federal Government, and the results of their ongoing research and development affect the Nation in many ways.

A wide variety of aeronautics and space developments took place during FY 2000. The National Aeronautics and Space Administration (NASA) successfully completed four Space shuttle flights. In terms of robotic space flights, there were 24 U.S. expendable launch vehicle launches in FY 2000. Five of these launches were NASA-managed missions, nine were Department of Defense (DOD)—managed missions, and eight were FAA-licensed commercial launches. In addition, NASA flew on payload as a secondary payload on one of the FAA licensed commercial launches. This year, two new launch vehicles debuted: the Lockheed Martin Atlas IIIA and the Boeing Delta III, each serving as transition vehicles leading the way for the new generation of evolved expendable launch vehicles.

Scientists also made some dramatic new discoveries in various space-related fields such as space science, Earth science and remote sensing, and life and microgravity science. In aerospace, achievements included the demonstration of technologies that will reduce the environmental impact of aircraft operations, reinvigorate the general aviation industry, improve the safety and efficiency of U.S. commercial airlines and air traffic control system, and reduce the future cost of access to space.

The United States also entered into many new agreements for cooperation with its international partners around the world in many areas of space activity.

Thus, FY 2000 was a very successful one for U.S. aeronautics and space programs. Efforts in their areas have contributed significantly to the Nation's scientific and technical knowledge, international cooperation, a healthier environment, and a more competitive economy.

GEORGE W. BUSH.

THE WHITE HOUSE, *December 19, 2001*.

MESSAGES FROM THE HOUSE

At 11:33 a.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 bills, in which it requests the concurrence of the Senate:

H.R. 107. An act to require that the Secretary of the Interior conduct a study to identify sites and resources, to recommend alternatives for commemorating and interpreting the Cold War, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 2187. An act to amend title 10, United States Code, to make receipts collected from mineral leasing activities on certain naval oil shale reserves available to cover environmental restoration, waste management, and environmental compliance cots incurred by the United States with respect to the reserves; to the Committee on Armed Services.

H.R. 3054. An act to award congressional gold medals on behalf of government workers who responded to the attacks on the World Trade Center and perished and on behalf of people aboard United States Airlines Flight 93 who helped resist the hijackers and caused the plane to crash.

H.R. 3072. An act to designate the facility of the United States Postal Service located at 125 Main Street in Forest City, North Carolina, as the ''Vernon Tarlton Post Office Building''; to the Committee on Governmental Affairs.

H.R. 3178. An act to authorize the Environmental Protection Agency to provide funding to support research and development projects for the security of water infrastructure.

H.R. 3334. An act to designate the Richard J. Guadagno Headquarters and Visitors Center at Humboldt Bay National Wildlife Refuge, California.

H.R. 3379. An act to designate the facility of the United States Postal Service located at 375 Carlls Path in Deer Park, New York, as the ''Raymond M. Downey Post Office Building''; to the Committee on Governmental Affairs.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 273. Concurrent resolution reaffirming the special relationship between the United States and the Republic of the Philippines; to the Committee on Foreign Relations.

The message further announced that the House has passed the following bill with an amendment, in which it requests the concurrence of the Senate:

S. 1389. An act to provide for the conveyance of certain real property in South Dakota to the state of South Dakota with indemnification by the United States government, and for other purposes.

The message also announced that the House has passed the following bill, without amendment:

S. 1789. An act to amend the Federal Food, Drug, and Cosmetic Act to improve the safety and efficacy of pharmaceuticals for children.

At 3:54 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. 3343. An act to amend title X of the Energy Policy Act of 1992, and for other purposes.

The message also announced that the House has agreed 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. 3061) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2002, and for other purposes.

The message further announced that pursuant to section 205(a) of the Vietnam Education Foundation Act of 2000 (Public Law 106–552), and upon the recommendation of the majority leader, the Speaker appoints the following Member of the House of Representatives to the Board of Directors of the Vietnam Education Foundation: Mr. SMITH of New Jersey.

At 5:21 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has agreed 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. 2506) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 107. An act to require that the Secretary of the Interior conduct a study to identify sites and resources, to recommend alternatives for commemorating and interpreting the Cold War, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 2187. An act to amend title, 10 United States Code, to make receipts collected from mineral leasing activities on certain naval oil shale reserves available to cover environmental restoration, waste management, and environmental compliance costs incurred by the United States with respect to the reserves; to the Committee on Armed Services.

H.R. 3054. An act to award congressional gold medals on behalf of government workers who responded to the attacks on the World Trade Center and perished and on behalf of people aboard United States Airlines Flight 93 who helped resist the hijackers and caused the plane to crash; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 3072. An act to designate the facility of the United States Postal Service located at 125 Main Street in Forest City, North Carolina, as the ''Vernon Tarlton Post Office Building''; to the Committee on Governmental Affairs.

H.R. 3379. An act to designate the facility of the United States Postal Service located at 375 Carlls Path in Deer Park, New York, as the ''Raymond M. Downey Post Office Building''; to the Committee on Governmental Affairs.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 273. Concurrent resolution reaffirming the special relationship between the United States and the Republic of the Philippines; 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. 3178. An act to authorize the Environmental Protection Agency to provide funding to support research, development, and demonstration projects for the security of water infrastructure.

MEASURES READ THE FIRST TIME

The following bill was read the first time:

H.R. 3343. An act to amend title X of the Energy Policy Act of 1992, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–4939. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, the report of a rule entitled ''Amendment to the List of Proscribed Destinations'' (22 CFR Part 126) received on December 18, 2001; to the Committee on Foreign Relations.

EC–4940. A communication from the General Counsel of the Department of the Treasury, transmitting, a draft of proposed legislation to provide for direct billing for water and sanitary sewer usage by the District of Columbia to Federal agencies, and direct payment by those agencies in the District of Columbia; to the Committee on Governmental Affairs.

EC–4941. A communication from the Executive Director of the Federal Retirement Thrift Investment Board, transmitting, a draft of proposed legislation to clarify the authority of the Executive Director of the Federal Retirement Thrift Investment Board to bring suit on behalf of the Thrift Saving Fund in the District Courts of the United States; to the Committee on Governmental Affairs.

EC–4942. A communication from the Special Assistant to the President and Director of the Office of Administration, Executive Office of the President, transmitting, pursuant to law, a Aggregate Report on Personnel for Fiscal Year 2001; to the Committee on Governmental Affairs.

EC–4943. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Sodium thiosulfate; Exemption from the Requirement of a Tolerance'' (FRL6811–6) received on December 18, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4944. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Imazapic; Pesticide Tolerance'' (FRL6816–2) received on December 18, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4945. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Fluthiacet-methy; Pesticide Tolerance'' (FRL6806–7) received on December 18, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4946. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Flightcrew Compartment Access and Door Designs'' ((RIN2120–AH52)(2001–0002)) received on December 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4947. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Rolls-Royce plc. RB211 535 Turbofan Engines, Correction'' ((RIN2120–AA64)(2001–0578)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4948. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Raytheon Model Beech 400, 400A, and 400T Series Airplanes, Model Mitsubishi MU–300 Airplanes, and Model Beech MU–300–10 Airplanes'' ((RIN2120–AA64)(2001–0577)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4949. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Dassault Model Mystere-Falcon 50 Series Airplanes'' ((RIN2120–AA64)(2001–0575)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4950. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 757 Series Airplanes'' ((RIN2120–AA64)(2001–0573)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4951. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Aeromat-Industria Mecanico Metalurgica Itda. Models AMT–100 and AMT–200 Powered Sailplanes'' ((RIN2120–AA64)(2001–0574)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4952. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Modification of the Dimensions of the Grand Canyon National Park Special Flight Rules Area and Flight Free Zones'' ((RIN2120–AG74)(2001–0004)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4953. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (72); Amdt. No. 2078'' ((RIN2120–AA65)(2001–0061)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4954. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Fokker Model F.28 Mark 0100 Series Airplanes'' ((RIN2120–AA64)(2001–0570)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4955. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 737 Series Airplanes'' ((RIN2120–AA64)(2001–0571)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4956. A communication from the Attorney-Advisor of the National Highway Traffic Safety Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Hybrid III Type 3-Year-Old Size Test Dummy (Response to Petitions for Reconsideration)'' (RIN2127–AI02) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4957. A communication from the Acting Director of the Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Listing the Tumbling Creek Cavesnail as Endangered (Emergency Rule)'' (RIN1018–AI19) received on December 17, 2001; to the Committee on Environment and Public Works.

EC–4958. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a letter clarifying how revisions to the Mixture and Derived-From rules apply to the 40CFR 261.3(g) exclusion; to the Committee on Environment and Public Works.

EC–4959. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a letter addressing the Regulatory Determination on the Status of CAtoxid Units; to the Committee on Environment and Public Works.

EC–4960. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans and Designation of Areas for Air Quality Planning Purposes; State of Louisiana; Redesignation of Lafourche Parish Ozone Nonattainment Area to Attainment for Ozone'' (FRL7121–4) received on December 18, 2001; to the Committee on Environment and Public Works.

EC–4961. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of State Plans for Designated Facilities and Pollutants; Control of Emissions From Hospital/Medical/Infectious Waste Incinerators; State of Kansas'' (FRL7120–2) received on December 18, 2001; to the Committee on Environment and Public Works.

EC–4962. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval of Section 112(1) Authority for Hazardous Air Pollutants; District of Columbia; Department of Health'' (FRL7121–7) received on December 18, 2001; to the Committee on Environment and Public Works.

EC–4963. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Kentucky: Final Authorization of State Hazardous Waste Management Program Revision'' (FRL7120–8) received on December 18, 2001; to the Committee on Environment and Public Works.

EC–4964. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Tennessee: Final Authorization of State Hazardous Waste Management Program Revision'' (FRL7121–1) received on December 18, 2001; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 415: A bill to amend title 49, United States Code, to require that air carriers meet public convenience and necessity requirements by ensuring competitive access by commercial air carriers to major cities, and for other purposes. (Rept. No. 107–130).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. SARBANES for the Committee on Banking, Housing, and Urban Affairs.

*Vickers B. Meadows, of Virginia, to be an Assistant Secretary of Housing and Urban Development.

*Diane Leneghan Tomb, of Virginia, to be an Assistant Secretary of Housing and Urban Development.

By Mr. HOLLINGS for the Committee on Commerce, Science, and Transportation.

*Emil H. Frankel, of Connecticut, to be an Assistant Secretary of Transportation.

*Jeffrey Shane, of the District of Columbia, to be Associate Deputy Secretary of Transportation.

*Sean O'Keefe, of New York, to be Administrator of the National Aeronautics and Space Administration.

*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 Mr. ALLEN:

S. 1848. A bill to provide mortgage payment assistance for employees who are separated from employment; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SCHUMER (for himself and Mrs. CLINTON):

S. 1849. A bill for the relief of Thomas J. Sansone, Jr; to the Committee on Health, Education, Labor, and Pensions.

By Mr. CHAFEE (for himself, Mr. CARPER, Mr. SMITH of New Hampshire, Mr. JEFFORDS, and Mr. INHOFE):

S. 1850. A bill 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, to provide sufficient resources for such compliance and cleanup, and for other purposes; to the Committee on Environment and Public Works.

By Mr. BINGAMAN (for himself, Mr. CHAFEE, Mr. ROCKEFELLER, Mr. KENNEDY, Mr. FEINGOLD, Mr. CORZINE, Mr. REED, Mrs. CLINTON, Mr. KERRY, and Mr. KOHL):

S. 1851. A bill to amend part C of title XVIII of the Social Security Act to provide for continuous open enrollment and disenrollment in Medicare+Choice plans and for other purposes; to the Committee on Finance.

By Mr. THOMAS:

S. 1852. A bill to extend the deadline for commencement of construction of a hydroelectric project in the State of Wyoming; to the Committee on Energy and Natural Resources.

By Mr. DODD (for himself and Mr. ROCKEFELLER):

S. 1853. A bill to authorize the President of the United States, on behalf of the Congress, to present a gold medal to Sargent Shriver; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. JOHNSON:

S. 1854. A bill to authorize the President to present congressional gold medals to the Native American Code Talkers in recognition of their contributions to the Nation during World War I and World War II; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. ALLEN (for himself and Mr. MCCAIN):

S. 1855. A bill to amend title 38, United States Code, to enact into law eligibility of certain veterans and their dependents for burial in Arlington National Cemetery; to the Committee on Veterans' Affairs.

By Mr. KERRY (for himself, Mr. BURNS, Mr. CORZINE, and Mr. BAUCUS):

S. 1856. A bill to amend the Internal Revenue Code of 1986 to promote employer and

employee participation in telework arrangements, and for other purposes; to the Committee on Finance.

By Mr. CAMPBELL (for himself and Mr. INOUYE):

S. 1857. A bill to Encourage the Negotiated Settlement of Tribal Claims; to the Committee on Indian Affairs.

By Mr. ALLEN (for himself and Mr. KERRY):

S. 1858. A bill to permit the closed circuit televising of the criminal trial of Zacarias Moussaoui for the victims of September 11th; to the Committee on the Judiciary.

By Mr. SCHUMER (for himself and Mr. CHAFEE):

S. 1859. A bill to extend the deadline for granting posthumous citizenship to individuals who die while on active-duty service in the Armed Forces; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DASCHLE (for himself and Mr. LOTT):

S. Res. 193. A resolution authorizing certain employees of the Senate who perform service in the uniformed services to be placed in a leave without pay status, and for other purposes; considered and agreed to.

ADDITIONAL COSPONSORS

S. 94

At the request of Mr. DORGAN, the names of the Senator from Washington (Ms. CANTWELL) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. 94, a bill to amend the Internal Revenue Code of 1986 to provide a 5-year extension of the credit for electricity produced form wind.

S. 267

At the request of Mr. DASCHLE, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 267, a bill to amend the Packers and Stockyards Act of 1921, to make it unlawful for any stockyard owner, market agency, or dealer to transfer or market nonambulatory livestock, and for other purposes.

S. 321

At the request of Mr. GRASSLEY, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 321, a bill to amend title XIX of the Social Security Act to provide families of disabled children with the opportunity to purchase coverage under the medicaid program for such children, and for other purposes.

S. 351

At the request of Ms. COLLINS, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 351, a bill to amend the Solid Waste Disposal Act to reduce the quantity of mercury in the environment by limiting use of mercury fever thermometers and improving collection, recycling, and disposal of mercury, and for other purposes.

S. 683

At the request of Mr. SANTORUM, the name of the Senator from Alabama (Mr. SHELBY) 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. 990

At the request of Mr. JOHNSON, his name was added as a cosponsor of S. 990, a bill to amend the Pittman-Robertson Wildlife Restoration Act to improve the provisions relating to wildlife conservation and restoration programs, and for other purposes.

S. 1209

At the request of Mr. BINGAMAN, the names of the Senator from Michigan (Mr. LEVIN) and the Senator from North Carolina (Mr. EDWARDS) were added as cosponsors of S. 1209, a bill to amend the Trade Act of 1974 to consolidate and improve the trade adjustment assistance programs, to provide community-based economic development assistance for trade-affected communities, and for other purposes.

S. 1317

At the request of Mr. SCHUMER, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 1317, a bill to amend title XVIII of the Social Security Act to provide for equitable reimbursement rates under the medicare program to Medicare+Choice organizations.

S. 1335

At the request of Mr. KENNEDY, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 1335, a bill to support business incubation in academic settings.

S. 1478

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 1478, a bill to amend the Animal Welfare Act to improve the treatment of certain animals, and for other purposes.

S. 1626

At the request of Mr. BINGAMAN, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 1626, a bill to provide disadvantaged children with access to dental services.

S. 1707

At the request of Mr. JEFFORDS, the names of the Senator from Oregon (Mr. WYDEN) and the Senator from Rhode Island (Mr. REED) were added as cosponsors of S. 1707, a bill to amend title XVIII of the Social Security Act to specify the update for payments under the medicare physician fee schedule for 2002 and to direct the Medicare Payment Advisory Commission to conduct a study on replacing the use of the sustainable growth rate as a factor in determining such update in subsequent years.

S. 1749

At the request of Mr. KENNEDY, the names of the Senator from Michigan (Mr. LEVIN), the Senator from Florida (Mr. NELSON), and the Senator from Oklahoma (Mr. NICKLES) were added as cosponsors of S. 1749, a bill to enhance the border security of the United States, and for other purposes.

S. 1754

At the request of Mr. LEAHY, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 1754, a bill to authorize appropriations for the United States Patent and Trademark Office for fiscal years 2002 through 2007, and for other purposes.

S. 1842

At the request of Mr. CLELAND, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 1842, a bill to modify the project for beach erosion control, Tybee Island, Georgia.

AMENDMENT NO. 2533

At the request of Mr. CRAPO, the names of the Senator from New Mexico (Mr. DOMENICI), the Senator from Wyoming (Mr. THOMAS), the Senator from Nevada (Mr. ENSIGN), the Senator from Colorado (Mr. ALLARD), the Senator from Colorado (Mr. CAMPBELL), and the Senator from Nebraska (Mr. HAGEL) were added as cosponsors of amendment No. 2533 intended to be proposed to S. 1731, an original bill to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ALLEN:

S. 1848. A bill to provide mortgage payment assistance for employees who are separated from employment; to the Committee on Health, Education, Labor, and Pensions.

Mr. ALLEN. Mr. President, today I rise to introduce the Homestead Preservation Act.

It is a bill to provide displaced workers with access to low-interest loans to help cover monthly home mortgage payments while they are looking for a new job. This is commonsense, compassionate legislation designed to help working families, who through no fault of their own, are adversely affected by international competition.

During the past months, all Americans have been deluged with grim news of recessions, plummeting consumer confidence and rising unemployment. Since October of last year, unemployment has jumped 1.8 percent, bringing the unemployment rate to 5.7 percent, the highest in over 6 years. This is

more than just a statistic. The 5.7 percent represents 8.2 million people who are now without a job, a paycheck, and the means by which to provide their family with a sense of economic security, knowing that the bills will be paid, food is on the table, gifts will be under the Christmas tree.

Virginia has not escaped the effects of the recession. While the unemployment is not as high as the national average, we have seen a 1.4 percent increase in unemployment from October 2000 to October 2001. There were 20 mass layoffs in October, an increase of 8 from the year before. And there have been 2,713 new claims for unemployment benefits in October—almost double from October 2000.

While these are uneasy times for everyone, regions such as Southwest Virginia and Southside, with heavy concentrations in manufacturing—especially the textile and apparel industries—have been especially hard hit. Nationwide, employment in apparel manufacturing lost more than 10,000 jobs just last month. Factory employment has plummeted in the past year and a half. One of every three layoffs in Virginia is from the manufacturing industry, although only one in six jobs throughout the Commonwealth are in this sector. In Virginia, October was the 15th consecutive month of factory job losses.

Virginia's Southside and Southwest regions are already suffering from the economic effects of international competition, such as NAFTA. Nationwide, an average of 37,500 Americans lose their jobs because of NAFTA-related competition each year. During the 1990s, Virginians saw the loss of 15,400 apparel jobs—a decline of 54.3 percent—and 15,300 textile jobs—a decline of 36 percent.

Fair and free trade is necessary if American businesses are to have the opportunity to promote their goods and services and continue to expand through growth abroad. NAFTA has created a net increase in employment. As Governor of Virginia, I led several trade missions abroad to promote our products. We brought back agreements that initially meant half a billion dollars in new investment and sales for Virginia, investments made possible only through fair and free trade.

But, while trade is helping our economy as a whole, there are many good, hard working families, who have been adversely affected by international competition—especially in the textile and apparel industries. Anytime a factory closes, it is a devastating blow to all of the families and businesses in the community and region.

While I was proud of the outstanding way the close-knit Southside and Southwest communities in Virginia came together to help those who lost their jobs, when companies like Pluma and Tultex closed their doors, they should not be forced to go through these times alone. After the Tultex plant closing in Martinsville in early December of 1999, people donated toys to the Salvation Army to make sure that Christmas came to the homes of the thousands of laid off workers.

I am proposing that the Federal Government do its part to help people through these tough times. There are already thoughtful programs in place, such as the NAFTA Transitional Adjustment Assistance program, that helps workers get additional job skills training and employment assistance, and, provides extended unemployment benefits during job training. These programs are the result of the commonsense, logical conclusion that good, working people can lose their jobs because of trade—not because they did anything wrong or because they don't want to work.

We ought to find a way to ease the stress and turmoil for people whose lives are unexpectedly thrown into transition after years of steady employment with a company that suddenly disappears. While these hard-working folks are finding appropriate employment, they should not fear losing their homes. For most people and families, their home is the largest investment they make in life. Many have considerable equity build up.

Government agencies already have low-interest loan programs in place to help families who have met with unexpected economic disaster, such as a natural disaster like a hurricane, flood or tornado.

When a factory closes, it is an economic disaster to these families and their communities. The effects are just as far reaching and certainly as economically devastating. Like a natural disaster, families displaced by international competition are not responsible for the events leading to the factory closings. The Federal Government ought to make the same disaster loan assistance programs available to our displaced workers.

This is my rationale for introducing the Homestead Preservation Act. This legislation will provide temporary home mortgage assistance to displaced workers, helping them make ends meet during their search for a new job.

Specifically, the Homestead Preservation Act authorizes the Department of Labor to administer a low-interest loan program—4 percent—for workers displaced due to international competition. The loan is for up to the amount of 12 monthly home mortgage payments. The program is authorized at $10 million per year, for 5 years. It distributes the loan through an account, providing monthly allocations to cover the amount of the worker's home mortgage payment. The loans could be paid off or repaid over a period of 5 years. No payments would be required until 6 months after the borrower has returned to work full-time. The loan is available only for the cost of a monthly home mortgage payment and covers only those workers displaced due to international competition and those who qualify for benefits under the NAFTA–TAAP and TAA benefits programs.

Like the NAFTA–TAAP and TAA benefits programs, the Homestead Preservation Act recognizes that some temporary assistance is needed as workers take the time to become retrained and reeducated, expand upon their skills and search for new employment.

As Governor, there was nothing I enjoyed more than being able to recruit and land investment from new or expanding enterprises in Virginia. By recruiting businesses, we brought new and better jobs for the hard-working, caring people of Virginia. One example is Drake Extrusion from the United Kingdom, which chose Martinsville Industrial Park for its new carpet and bedding fiber manufacturing plant. It was announced as a $12 million investment. It doubled in value at the official opening in 1996. It brought in additional small businesses. As of last year, Drake employed over 180 people.

Unfortunately, it can take time to bring in new companies and industries to a region, just as it takes time to learn a new skill or earn a degree. Displaced families do not have time; they have monthly bills that must be paid, in full, no excuses. The Homestead Preservation Act provides the financial assistance necessary to bridge the time it takes to find employment. Without this bridge, many working families would not be able to take advantage of the opportunities our there for them. They would be denied the necessary tools to help them succeed in the changing economy.

The current recession has made it even more vital that the Federal Government do what is right by our workers in the textile and apparel industries—in all industries suffering high rates of job losses due to international competition. Because of international competition, textile and apparel workers are even more vulnerable to the current economic situation making them ill-equipped to weather an economic downturn. For example, in 1999, the average wage rates in Virginia for a textile or apparel worker were 77 percent and 57 percent, respectively, of the overall average wage rate for Virginians. This provides for less money in the family's ''rainy day'' savings account. And right now, it is storming for these families. These jobs are not coming back. Only about 70 percent of displaced factory workers find reemployment, well below the access-industry average.

Losses are expected to continue accumulating as the industries brace for

worldwide open trade, which is scheduled to begin in 2005. When these workers are displaced, meager savings and temporary unemployment benefits are frequently not enough to cover expenses that had previously fit within the family budget. Without immediate help, these families, at the minimum, risk ruining their credit ratings and, in the worst-case scenario, could lose their home or car.

The Homestead Preservation Act would provide families vital temporary financial assistance, enabling them to keep them to keep their homes and to protect their credit ratings as they work toward strengthening and updating their skills and continue their search for a new job. Hard-working Americans, facing such a harrowing situation, ought to have a response to help them. People need transitional help now.

The Homestead Preservation Act provides the temporary financial tools necessary for displaced workers to get back on their feet and succeed. It is a caring, logical and responsible response.

Mr. President, as I said, I rise today to introduce the Homestead Preservation Act. This is a commonsense, compassionate place of legislation that is designed to help working families who, through no fault of their own, lose their jobs as a result of international competition.

It is a bill to provide displaced workers with access to low-interest loans to help cover monthly home mortgage payments while they are out looking for a job.

During the past few months, all Americans have been deluged with grim news of recessions, plummeting consumer confidence, and rising unemployment

Clearly, these are uneasy times for everyone in all regions of the country, whether in the South, the Midwest, the Northeast, and out West as well, but particularly in the areas where there are heavy concentrations of manufacturing. The textile and apparel industries have been especially hard hit. That industry is generally in the South and, to some extent, in the Midwest.

Nationwide, employment in apparel manufacturing lost more than 10,000 jobs just last month. That is in Virginia, North Carolina, South Carolina, Mississippi, Alabama, Georgia, Arkansas, Missouri, and various other States.

Factory employment has plummeted in the past year and a half. In Virginia alone, about one out of every six jobs is in manufacturing. But as far as the layoffs, one out of every three layoffs in Virginia is from the manufacturing industry.

I am a supporter of fair and free trade. I think trade is good for American consumers. It is good for our retailers and our farmers. I think it is necessary for our businesses and farmers to have opportunities to promote their goods, their products, their services abroad. That allows them to expand and grow.

I think NAFTA has created a net increase in employment. As Governor of Virginia, I led several trade missions abroad, whether to Canada, Mexico, various countries in Western and Central Europe, as well as East Asia. We brought back agreements that initially meant over a half a billion dollars in new investment and sales for Virginia products. These investments and sales in Virginia were only made possible by fair and free trade.

But while trade is helping our economy as a whole, there are many good, hard-working people and families who have been adversely affected by international competition, particularly in the textile and apparel industries.

Any time a factory closes, it is a devastating blow to all of the families and, indeed, all of the businesses in the communities in that region. You can see, with great pride, how communities come together—close knit communities—and try to help out if a major manufacturer shuts down.

I remember back in December 2 years ago—in early December, 1999—when Tultex shut down. Thousands of jobs were lost. People donated toys to the Salvation Army, though, to make sure Christmas would come to every family.

What I am proposing is that the Federal Government does its part to help people through these tough times, so that people and communities are not alone during these transitions.

There are already thoughtful programs in place. The NAFTA Transitional Adjustment Assistance Program helps workers get additional job skills in training and employment assistance, as well as provides extended unemployment benefits during job training.

These programs are the result of the good, commonsense, logical conclusion that working people can lose their jobs because of trade, not because they did anything wrong or because they did not want to work. They do want to work.

We ought to find a way to help ease the stress and turmoil for people whose lives are unexpectedly thrown into transition after years of steady employment with a company that suddenly disappears. Especially in textile areas, you see folks who have worked there for decades; some of their parents may have worked at that same mill or facility.

These are hard-working people. They are trying to find employment. But while they are doing so, they should not have to worry about or fear losing their homes.

For most people, and most families, their home is the largest investment they will make in their lives. Many have considerable equity built up in their homes that could be lost.

Government agencies already have low-interest loan programs in place to help families who have been hit with unexpected disasters—such as a natural disaster, such as a hurricane or a tornado or a flood.

Whan a factory closes, it is truly an economic disaster to these families and communities. The effects are just as far reaching and certainly as economically devastating. Like a natural disaster, families displaced by international competition are not responsible for the events leading to those factory closings.

The Federal Government ought to make similar disaster loan assistance programs available to our displaced workers. That is the rationale of my introduction of the Homestead Preservation Act.

This legislation would provide temporary mortgage assistance to displaced workers, helping them make ends meet during the search for a new job.

Specifically, the Homestead Preservation Act authorizes the Department of Labor to administer a low-interest loan program—4 percent—for workers displaced due to international competition.

The loan is for up to the amount of 12 monthly home mortgage payments. The program is authorized at $10 million per year for 5 years. It distributes the loan through an account providing a monthly allocation to cover the amount of the worker's home mortgage payment. The loans would be paid or repaid and paid off over 5 years, but no payments would be required until 6 months after the worker has gotten back on his or her feet in gainful employment. The loan would be available only for the cost of the monthly home mortgage payment and covers only those workers displaced due to international competition and who would qualify for the benefits under the NAFTA–TAAP and the transitional adjustment assistance benefits programs.

Working within the parameters and the certification and qualifications of the NAFTA–TAAP and the TAA benefits programs, the Homestead Preservation Act recognizes some temporary assistance is needed as workers take time to retrain and be reeducated and expand upon their skills and search for new employment.

This will provide, in effect, a bridge loan assistance to these displaced workers. If you look at it, the unemployment benefits are fine, but usually they are not enough to cover the expenses which previously fit within a family budget.

Without immediate help, these families, at a minimum, risk ruining their credit ratings and, in the worst case scenario, could lose their car or even their home. The Homestead Preservation Act would provide families with vital temporary financial assistance,

enabling them to keep their homes, protect their credit ratings, and, as they work toward strengthening and improving their skills, to continue to be able to search for a job without worrying about losing their homes. They are under a harrowing situation. We ought to have a response to help them.

There are many people who need transitional help right away. As we move forward to expand trade opportunities, let's also improve the transitional adjustment assistance programs. The Homestead Preservation Act provides the temporary financial tools necessary for displaced workers to get them back on their feet and to succeed. In my view, it is a very caring, logical and responsible response.

I trust my colleagues will agree and support this reasonable, balanced idea.

I ask unanimous consent that the text of the bill and the section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1848

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Homestead Preservation Act''.

SEC. 2. MORTGAGE PAYMENT ASSISTANCE.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary of Labor (referred to in this section as the ''Secretary'') shall establish a program under which the Secretary shall award low-interest loans to eligible individuals to enable such individuals to continue to make mortgage payments with respect to the primary residences of such individuals.

(b) ELIGIBILITY.—To be eligible to receive a loan under the program established under subsection (a), an individual shall—

(1) be—

(A) an adversely affected worker with respect to whom a certification of eligibility has been issued by the Secretary of Labor under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.); or

(B) an individual who would be an individual described in subparagraph (A) but who resides in a State that has not entered into an agreement under section 239 of such Act (19 U.S.C. 2311);

(2) be a borrower under a loan which requires the individual to make monthly mortgage payments with respect to the primary place of residence of the individual; and

(3) be enrolled in a job training or job assistance program.

(c) LOAN REQUIREMENTS.—

(1) IN GENERAL.—A loan provided to an eligible individual under this section shall—

(A) be for a period of not to exceed 12 months;

(B) be for an amount that does not exceed the sum of—

(i) the amount of the monthly mortgage payment owed by the individual; and

(ii) the number of months for which the loan is provided;

(C) have an applicable rate of interest that equals 4 percent;

(D) require repayment as provided for in subsection (d); and

(E) be subject to such other terms and conditions as the Secretary determines appropriate.

(2) ACCOUNT.—A loan awarded to an individual under this section shall be deposited into an account from which a monthly mortgage payment will be made in accordance with the terms and conditions of such loan.

(d) REPAYMENT.—

(1) IN GENERAL.—An individual to which a loan has been awarded under this section shall be required to begin making repayments on the loan on the earlier of—

(A) the date on which the individual has been employed on a full-time basis for 6 consecutive months; or

(B) the date that is 1 year after the date on which the loan has been approved under this section.

(2) REPAYMENT PERIOD AND AMOUNT.—

(A) REPAYMENT PERIOD.—A loan awarded under this section shall be repaid on a monthly basis over the 5-year period beginning on the date determined under paragraph (1).

(B) AMOUNT.—The amount of the monthly payment described in subparagraph (A) shall be determined by dividing the total amount provided under the loan (plus interest) by 60.

(C) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to prohibit an individual from—

(i) paying off a loan awarded under this section in less than 5 years; or

(ii) from paying a monthly amount under such loan in excess of the monthly amount determined under subparagraph (B) with respect to the loan.

(e) REGULATIONS.—Not later than 6 weeks after the date of enactment of this Act, the Secretary shall promulgate regulations necessary to carry out this section, including regulations that permit an individual to certify that the individual is an eligible individual under subsection (b).

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $10,000,000 for each of fiscal years 2003 through 2007.

THE HOMESTEAD PRESERVATION ACT—SECTION-BY-SECTION ANALYSIS

A bill to provide mortgage payment assistance for employees who are separated from employment.

SECTION I. SHORT TITLE

This Act may be cited as the ''Homestead Preservation Act''.

SECTION II. MORTGAGE PAYMENT ASSISTANCE

This section establishes the program, sets program perimeters, and defines eligibility for program participation.

The Secretary of Labor (Secretary) is authorized to establish a low-interest loan program to cover the cost of mortgage payments of the borrower's primary residence.

Eligibility for participation is defined as a displaced worker who has received a certification of eligibility by the Secretary under chapter 2, title II of the Trade Act of 1974 (NAFTA–TAAP; TAA) or would be qualified if his or her State of residence had entered into an agreement allowing for NAFTA–TAAP and TAA participation. The borrower must be enrolled in a job training or job assistance program.

The terms of the loan must require the borrower to use the loan to make monthly payments on the mortgage of his or her primary residence.

The loan perimeters are established to limit the life of the loan to a period of one year and to an amount that does not exceed amount of the mortgage payments due over the number of months for which the loan is provided. The interest rate on the loans is capped at 4 percent.

The loan shall be deposited into an account from which the monthly mortgage payment will be made.

Loan repayment begins one year from the date of loan approval or the date on which the borrower has been employed full-time, for six months.

Loan repayment shall be completed within five years with a monthly payment determined by dividing the total amount of the loan, plus interest, by 60. Borrowers may pay the loan early or pay more than the per-month amount required without penalty.

The Secretary has six weeks to promulgate the regulations necessary to implement this Act, including regulations that permit a resident of a non-participating State in NAFTA–TAAP or TAA, to certify that he or she is qualified for loan participation as a displaced worker.

There is authorized to be appropriated, $10 million, per year, for five years.

Mr. WELLSTONE. Mr. President, I thank the Senator from Virginia. His proposal sounds very interesting and very important. I look forward to looking at the specifics of it. I appreciate his words. I appreciate what he is talking about. It may be legislation that provides people with that temporary assistance because people want to get the jobs on which they can support their families. I think it is an important endeavor. I thank my colleague.

By Mr. CHAFEE (for himself, Mr. CARPER, Mr. SMITH of New Hampshire, Mr. JEFFORDS, and Mr. INHOFE):

S. 1850. A bill 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, to provide sufficient resources for such compliance and cleanup, and for other purposes; to the Committee on Environment and Public Works.

Mr. CHAFEE. Mr. President, today I introduce the Underground Storage Tank Compliance Act of 2001. This legislation will bring all underground storage tanks, USTs, into compliance with Federal law and finish the work begun seventeen years ago with enactment of the UST provisions of the Solid Waste Disposal Act. The legislation will emphasize leak prevention and compliance with existing statutes. In addition, this bipartisan bill will assist communities in coping with the contamination of groundwater and oil by methl tertiary butyl ether, MTBE.

In 1984, Congress enacted as Subtitle I of the Solid Waste Disposal Act a comprehensive program to address the problem of leaking underground storage tanks. With the goal of protecting the Nation's groundwater from leaking tanks, the 1984 law imposed minimum Federal requirements for leak detection and prevention standards for USTs. In 1988, owners and operators of existing underground storage tank systems were given a ten-year window to upgrade, replace, or close tanks that didn't meet minimum federal requirements for spill, overfill, and corrosion

protection. As the deadline passed on December 22, 1988, many underground storage tanks failed to meet the federal standards.

To assess the situation, Senator SMITH of New Hampshire and I commissioned the U.S. General Accounting Office, GAO, to examine compliance of USTs with Federal requirements. GAO concluded in May 2001 that only 89 percent of tanks were meeting Federal equipment standards. In addition, it also discovered that only 71 percent were being operated and maintained properly. GAO cited infrequent tank inspections and limited funding among the contributing factors.

Communities across the Nation have borne the brunt of our failure to prevent tank releases. Gasoline and fuel additives, such as MTBE, have contaminated groundwater and rendered it undrinkable. The Village of Pascoag, RI is just one community that has suffered from MTBE contamination that can be traced to leaking underground storage tanks. For months, residents of Pascoag have been unable to use the water supply for drinking, bathing, or cooking. Hundreds of thousands of dollars are being spent to dilute the water with a neighboring communities' supply, to install water filtration systems, and to bring new wells on-line. Additional money will be spent to remediate the contamination and to take enforcement action against the owners of the leaking tanks. Unfortunately, this is not an isolated incident. A similar story can be told in countless communities from New Hampshire, to New York, to California.

To address these issues, the legislation that I introduce today, together with Senators CARPER, SMITH of New Hampshire, JEFFORDS, and INHOFE, requires the inspection of all tanks every two years and increases Federal emphasis on the training tank operators. It simply does not make sense to install modern, protective equipment if the people who operate them do so improperly. Enforcement of existing requirements, rather than creating new requirements, is an important element of our bill. In addition, the legislation emphasizes compliance of tanks owned by Federal, State, and local governments, and provides $200 million for cleanup of sites contaminated by MTBE. Finally, the legislation provides increased funding to carry out the program, which the GAO has identified as critical to the success of the UST program.

Since its inception in 1984, the UST program has been largely successful. More than one million outdated tanks have successfully been closed or removed, and countless cleanups have been undertaken. We have come a long way, but we must go further. Our legislation will build upon the successes of yesterday, so that we may enjoy the successes of tomorrow. I look forward to working with all of my colleagues to move this important bipartisan legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1850

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Underground Storage Tank Compliance Act of 2001''.

SEC. 2. LEAKING UNDERGROUND STORAGE TANKS.

Section 9004 of the Solid Waste Disposal Act (42 U.S.C. 6991c) is amended by adding at the end the following:

''(f) TRUST FUND DISTRIBUTION.—

''(1) IN GENERAL.—

''(A) AMOUNT AND PERMITTED USES OF DISTRIBUTION.—The Administrator shall distribute to States not less than 80 percent of the funds from the Trust Fund that are made available to the Administrator under section 9013(2)(A) for each fiscal year for use in paying the reasonable costs, incurred under a cooperative agreement with any State, of—

''(i) actions taken by the State under section 9003(h)(7)(A);

''(ii) necessary administrative expenses, as determined by the Administrator, that are directly related to corrective action and compensation programs under subsection (c)(1);

''(iii) any corrective action and compensation program carried out under subsection (c)(1) for a release from an underground storage tank regulated under this subtitle to the extent that, as determined by the State in accordance with guidelines developed jointly by the Administrator and the State, the financial resources of the owner or operator of the underground storage tank (including resources provided by a program in accordance with subsection (c)(1)) are not adequate to pay the cost of a corrective action without significantly impairing the ability of the owner or operator to continue in business;

''(iv) enforcement by the State or a local government of—

''(I) the State program approved under this section; or

''(II) State or local requirements concerning underground storage tanks that are similar or identical to the requirements of this subtitle; or

''(v) State or local corrective actions carried out under regulations promulgated under section 9003(c)(4).

''(B) USE OF FUNDS FOR ENFORCEMENT.—In addition to the uses of funds authorized under subparagraph (A), the Administrator may use funds from the Trust Fund that are not distributed to States under subparagraph (A) for enforcement of any regulation promulgated by the Administrator under this subtitle.

''(C) PROHIBITED USES.—Except as provided in subparagraph (A)(iii), under any similar requirement of a State program approved under this section, or in any similar State or local provision as determined by the Administrator, funds provided to a State by the Administrator under subparagraph (A) shall not be used by the State to provide financial assistance to an owner or operator to meet any requirement relating to underground storage tanks under part 280 of title 40, Code of Federal Regulations (as in effect on the date of enactment of this subsection).

''(2) ALLOCATION.—

''(A) PROCESS.—Subject to subparagraph (B), in the case of a State with which the Administrator has entered into a cooperative agreement under section 9003(h)(7)(A), the Administrator shall distribute funds from the Trust Fund to the State using the allocation process developed by the Administrator under the cooperative agreement.

''(B) REVISIONS TO PROCESS.—The Administrator may revise the allocation process referred to in subparagraph (A) with respect to a State only after—

''(i) consulting with—

''(I) State agencies responsible for overseeing corrective action for releases from underground storage tanks;

''(II) owners; and

''(III) operators; and

''(ii) taking into consideration, at a minimum—

''(I) the total tax revenue contributed to the Trust Fund from all sources within the State;

''(II) the number of confirmed releases from leaking underground storage tanks in the State;

''(III) the number of petroleum storage tanks in the State;

''(IV) the percentage of the population of the State that uses groundwater for any beneficial purpose;

''(V) the performance of the State in implementing and enforcing the program;

''(VI) the financial needs of the State; and

''(VII) the ability of the State to use the funds referred to in subparagraph (A) in any year.

''(3) DISTRIBUTIONS TO STATE AGENCIES.—

''(A) IN GENERAL.—Distributions from the Trust Fund under this subsection shall be made directly to a State agency that—

''(i) enters into a cooperative agreement referred to in paragraph (2)(A); or

''(ii) is enforcing a State program approved under this section.

''(B) ADMINISTRATIVE EXPENSES.—A State agency that receives funds under this subsection shall limit the proportion of those funds that are used to pay administrative expenses to such percentage as the State may establish by law.

''(4) COST RECOVERY PROHIBITION.—Funds from the Trust Fund provided by States to owners or operators for programs under subsection (c)(1) relating to releases from underground storage tanks shall not be subject to cost recovery by the Administrator under section 9003(h)(6).''.

SEC. 3. INSPECTION OF UNDERGROUND STORAGE TANKS.

Section 9005 of the Solid Waste Disposal Act (42 U.S.C. 6991d) is amended—

(1) by redesignating subsections (a) and (b) as subsections (b) and (c), respectively; and

(2) by inserting before subsection (b) (as redesignated by paragraph (1)) the following:

''(a) INSPECTION REQUIREMENTS.—Not later than 2 years after the date of enactment of the Underground Storage Tank Compliance Act of 2001, and at least once every 2 years thereafter, the Administrator or a State with a program approved under section 9004, as appropriate, shall require that all underground storage tanks regulated under this subtitle be inspected for compliance with regulations promulgated under section 9003(c).''.

SEC. 4. OPERATOR TRAINING.

Subtitle I of the Solid Waste Disposal Act (42 U.S.C. 6991 et seq.) is amended by striking section 9010 and inserting the following:

"SEC. 9010. OPERATOR TRAINING.

''(a) GUIDELINES.—

''(1) IN GENERAL.—Not later than 18 months after the date of enactment of the Underground Storage Tank Compliance Act of 2001, in cooperation with States, owners, and operators, the Administrator shall publish in the Federal Register, after public notice and opportunity for comment, guidelines that specify methods for training operators of underground storage tanks.

''(2) CONSIDERATIONS.—The guidelines described in paragraph (1) shall take into account—

''(A) State training programs in existence as of the date of publication of the guidelines;

''(B) training programs that are being employed by owners and operators as of the date of enactment of this paragraph;

''(C) the high turnover rate of operators;

''(D) the frequency of improvement in underground storage tank equipment technology;

''(E) the nature of the businesses in which the operators are engaged; and

''(F) such other factors as the Administrator determines to be necessary to carry out this section.

''(b) STATE PROGRAMS.—

''(1) IN GENERAL.—Not later than 2 years after the date on which the Administrator publishes the guidelines under subsection (a)(1), each State shall develop and implement a strategy for the training of operators of underground storage tanks that is consistent with paragraph (2).

''(2) REQUIREMENTS.—A State strategy described in paragraph (1) shall—

''(A) be consistent with subsection (a);

''(B) be developed in cooperation with owners and operators; and

''(C) take into consideration training programs implemented by owners and operators as of the date of enactment of this subsection.

''(3) FINANCIAL INCENTIVE.—The Administrator may award to a State that develops and implements a strategy described in paragraph (1), in addition to any funds that the State is entitled to receive under this subtitle, not more than $50,000, to be used to carry out the strategy.''.

SEC. 5. REMEDIATION OF MTBE CONTAMINATION.

Section 9003(h) of the Solid Waste Disposal Act (42 U.S.C. 6991b(h)) is amended—

(1) in paragraph (7)(A)—

(A) by striking ''paragraphs (1) and (2) of this subsection'' and inserting ''paragraphs (1), (2), and (12)''; and

(B) by striking '', and including the authorities of paragraphs (4), (6), and (8) of this subsection'' and inserting ''and the authority under section 9011 and paragraphs (4), (6), and (8),''; and

(2) by adding at the end the following:

''(12) REMEDIATION OF MTBE CONTAMINATION.—

''(A) IN GENERAL.—The Administrator and the States may use funds made available under section 9013(2)(B) to carry out corrective actions with respect to a release of methyl tertiary butyl ether that presents a threat to human health or welfare or the environment.

''(B) APPLICABLE AUTHORITY.—The Administrator or a State shall carry out subparagraph (A)—

''(i) in accordance with paragraph (2); and

''(ii) in the case of a State, in accordance with a cooperative agreement entered into by the Administrator and the State under paragraph (7).''.

SEC. 6. RELEASE PREVENTION, COMPLIANCE, AND ENFORCEMENT.

(a) RELEASE PREVENTION AND COMPLIANCE.—Subtitle I of the Solid Waste Disposal Act (42 U.S.C. 6991 et seq.) (as amended by section 4) is amended by adding at the end the following:

"SEC. 9011. RELEASE PREVENTION AND COMPLIANCE.

''Funds made available under section 9013(2)(D) from the Trust Fund may be used to conduct inspections, issue orders, or bring actions under this subtitle—

''(1) by a State, in accordance with section 9003(h)(7), acting under—

''(A) a program approved under section 9004; or

''(B) any State requirement concerning the regulation of underground storage tanks that is similar or identical to a requirement under this subtitle, as determined by the Administrator; and

''(2) by the Administrator, under this subtitle (including under a State program approved under section 9004).''.

(b) GOVERNMENT-OWNED TANKS.—Section 9003 of the Solid Waste Disposal Act (42 U.S.C. 6991b) is amended by adding at the end the following:

''(i) GOVERNMENT-OWNED TANKS.—

''(1) COMPLIANCE STRATEGY.—Not later than 2 years after the date of enactment of this subsection, each State shall submit to the Administrator a strategy to ensure compliance with regulations promulgated under subsection (c) of any underground storage tank that is—

''(A) regulated under this subtitle; and

''(B) owned or operated by the State government or any local government.

''(2) FINANCIAL INCENTIVE.—The Administrator may award to a State that develops and implements a strategy described in paragraph (1), in addition to any funds that the State is entitled to receive under this subtitle, not more than $50,000, to be used to carry out the strategy.''.

(c) INCENTIVES FOR PERFORMANCE.—Section 9006 of the Solid Waste Disposal Act (42 U.S.C. 6991e) is amended by adding at the end the following:

''(e) INCENTIVES FOR PERFORMANCE.—In determining the terms of, or whether to issue, a compliance order under subsection (a), or the amount of, or whether to impose, a civil penalty under subsection (d), the Administrator, or a State under a program approved under section 9004, shall take into consideration whether an owner or operator has—

''(1) a history of operating underground storage tanks of the owner or operator in accordance with—

''(A) this subtitle; or

''(B) a State program approved under section 9004; or

''(2) implemented a program, consistent with guidelines published under section 9010, that provides training to persons responsible for operating any underground storage tank of the owner or operator.''.

(d) AUTHORITY TO PROHIBIT CERTAIN DELIVERIES.—Section 9006 of the Solid Waste Disposal Act (42 U.S.C. 6991e) (as amended by subsection (c)) is amended by adding at the end the following:

''(f) AUTHORITY TO PROHIBIT CERTAIN DELIVERIES.—

''(1) IN GENERAL.—After the date on which the Administrator promulgates regulations under paragraph (2), the Administrator, or a State with a program approved under section 9004, may prohibit the delivery of regulated substances to underground storage tanks that are not in compliance with—

''(A) a requirement or standard promulgated by the Administrator under section 9003; or

''(B) a requirement or standard of a State program approved under section 9004.

''(2) AUTHORITY.—Not later than 2 years after the date of enactment of this subsection, the Administrator, after consultation with States, shall promulgate regulations that specify—

''(A) the circumstances under which the authority provided by paragraph (1) may be used;

''(B) the process by which the authority provided by paragraph (1) will be used consistently and fairly; and

''(C) such other factors as the Administrator, in cooperation with States, determines to be necessary to carry out this subsection.''.

(e) PUBLIC RECORD.—Section 9002 of the Solid Waste Disposal Act (42 U.S.C. 6991a) is amended by adding at the end the following:

''(d) PUBLIC RECORD.—

''(1) IN GENERAL.—The Administrator shall require each State and Indian tribe that receives funds under this subtitle to maintain, update at least annually, and make available to the public, in such manner and form as the Administrator shall prescribe (after consultation with States and Indian tribes), a record of underground storage tanks regulated under this subtitle.

''(2) CONSIDERATIONS.—To the maximum extent practicable, the public record of a State or Indian tribe, respectively, shall include, for each year—

''(A) the number, sources, and causes of underground storage tank releases in the State or on tribal land;

''(B) the record of compliance by underground storage tanks in the State or on tribal land with—

''(i) this subtitle; or

''(ii) an applicable State program approved under section 9004; and

''(C) data on the number of underground storage tank equipment failures in the State or on tribal land.

''(3) AVAILABILITY.—The Administrator shall make the public record of each State and Indian tribe under this section available to the public electronically.''.

SEC. 7. FEDERAL FACILITIES.

Section 9007 of the Solid Waste Disposal Act (42 U.S.C. 6991f) is amended by adding at the end the following:

''(c) REVIEW OF FEDERAL UNDERGROUND STORAGE TANKS.—Not later than 1 year after the date of enactment of this subsection, the Administrator, in cooperation with each Federal agency that owns or operates 1 or more underground storage tanks or that manages land on which 1 or more underground storage tanks are located, shall review the status of compliance of those underground storage tanks with this subtitle.

''(d) COMPLIANCE STRATEGIES.—Not later than 2 years after the date of enactment of this subsection, each Federal agency described in subsection (c) shall submit to the Administrator and to each State in which an underground storage tank described in subsection (c) is located, a strategy to ensure the compliance of those underground storage tanks with this subtitle.''.

SEC. 8. TANKS UNDER THE JURISDICTION OF INDIAN TRIBES.

Subtitle I of the Solid Waste Disposal Act (42 U.S.C. 6991 et seq.) is amended by inserting after section 9011 (as added by section 6(a)) the following:

"SEC. 9012. TANKS UNDER THE JURISDICTION OF INDIAN TRIBES.

''The Administrator, in coordination with Indian tribes, shall—

''(1) not later than 1 year after the date of enactment of this section, develop and implement a strategy—

''(A) giving priority to releases that present the greatest threat to human health or the environment, to take necessary corrective action in response to releases from leaking underground storage tanks located wholly within the boundaries of—

''(i) an Indian reservation; or

''(ii) any other area under the jurisdiction of an Indian tribe; and

''(B) to implement and enforce requirements concerning underground storage tanks located wholly within the boundaries of—

''(i) an Indian reservation; or

''(ii) any other area under the jurisdiction of an Indian tribe; and

''(2) not later than 2 years after the date of enactment of this section and every 2 years thereafter, submit to Congress a report that summarizes the status of implementation and enforcement of the leaking underground storage tank program in areas located wholly within—

''(A) the boundaries of Indian reservations; and

''(B) any other areas under the jurisdiction of an Indian tribe.''.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

Subtitle I of the Solid Waste Disposal Act (42 U.S.C. 6991 et seq.) (as amended by section 8) is amended by adding at the end the following:

"SEC. 9013. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to the Administrator—

''(1) to carry out subtitle I (except sections 9003(h), 9005(a), and 9011) $25,000,000 for each of fiscal years 2003 through 2007; and

''(2) from the Trust Fund, notwithstanding section 9508(c)(1) of the Internal Revenue Code of 1986—

''(A) to carry out section 9003(h) (except section 9003(h)(12)) $100,000,000 for each of fiscal years 2003 through 2007;

''(B) to carry out section 9003(h)(12), $200,000,000 for fiscal year 2003, to remain available until expended;

''(C) to carry out section 9005(a)—

''(i) $35,000,000 for each of fiscal years 2003 and 2004; and

''(ii) $20,000,000 for each of fiscal years 2005 through 2008; and

''(D) to carry out section 9011—

''(i) $50,000,000 for fiscal year 2003; and

''(ii) $30,000,000 for each of fiscal years 2004 through 2008.''.

SEC. 10. CONFORMING AMENDMENTS.

(a) IN GENERAL.—Section 9001 of the Solid Waste Disposal Act (42 U.S.C. 6991) is amended—

(1) by striking ''For the purposes of this subtitle—'' and inserting ''In this subtitle:'';

(2) by redesignating paragraphs (1), (2), (3), (4), (5), (6), (7), and (8) as paragraphs (10), (7), (4), (3), (8), (5), (2), and (6), respectively;

(3) by inserting before paragraph (2) (as redesignated by paragraph (2)) the following:

''(1) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).''; and

(4) by inserting after paragraph (8) (as redesignated by paragraph (2)) the following:

''(9) TRUST FUND.—The term 'Trust Fund' means the Leaking Underground Storage Tank Trust Fund established by section 9508 of the Internal Revenue Code of 1986.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 9003(f) of the Solid Waste Disposal Act (42 U.S.C. 6991b(f)) is amended—

(A) in paragraph (1), by striking ''9001(2)(B)'' and inserting ''9001(7)(B)''; and

(B) in paragraphs (2) and (3), by striking ''9001(2)(A)'' each place it appears and inserting ''9001(7)(A)''.

(2) Section 9003(h) of the Solid Waste Disposal Act (42 U.S.C. 6991b(h)) is amended in paragraphs (1), (2)(C), (7)(A), and (11) by striking ''Leaking Underground Storage Tank Trust Fund'' each place it appears and inserting ''Trust Fund''.

(3) Section 9009 of the Solid Waste Disposal Act (42 U.S.C. 6991h) is amended—

(A) in subsection (a), by striking ''9001(2)(B)'' and inserting ''9001(7)(B)''; and

(B) in subsection (d), by striking ''section 9001(1) (A) and (B)'' and inserting ''subparagraphs (A) and (B) of section 9001(10)''.

SEC. 11. TECHNICAL AMENDMENTS.

(a) Section 9001(4)(A) of the Solid Waste Disposal Act (42 U.S.C. 6991(4)(A)) (as amended by section 9(a)(2)) is amended by striking ''sustances'' and inserting ''substances''.

(b) Section 9003(f)(1) of the Solid Waste Disposal Act (42 U.S.C. 6991b(f)(1)) is amended by striking ''subsection (c) and (d) of this section'' and inserting ''subsections (c) and (d)''.

(c) Section 9004(a) of the Solid Waste Disposal Act (42 U.S.C. 6991c(a)) is amended by striking ''in 9001(2) (A) or (B) or both'' and inserting ''in subparagraph (A) or (B) of section 9001(7)''.

(d) Section 9005 of the Solid Waste Disposal Act (42 U.S.C. 6991d) (as amended by section 3) is amended—

(1) in subsection (b), by striking ''study taking'' and inserting ''study, taking'';

(2) in subsection (c)(1), by striking ''relevent'' and inserting ''relevant''; and

(3) in subsection (c)(4), by striking ''Evironmental'' and inserting ''Environmental''.

By Mr. BINGAMAN (for himself, Mr. CHAFEE, Mr. ROCKEFELLER, Mr. KENNEDY, Mr. FEINGOLD, Mr. CORZINE, Mr. REED, Mrs. CLINTON, Mr. KERRY, and Mr. KOHL):

S. 1851. A bill to amend part C of title XVIII, of the Social Security Act to provide for continuous open enrollment and disenrollment in Medicare+Choice plans and for other purposes; to the Committee on Finance.

Mr. BINGAMAN. Mr. President, the legislation I am introducing today with Senators CHAFEE, ROCKEFELLER, KENNEDY, FEINGOLD, CORZINE, REED, CLINTON, KERRY, and KOHL entitled the Medicare+Choice Consumer Protection Act is designed to ensure protections for Medicare+Choice beneficiaries that are witnessing increased costs, decreased benefits, and fewer options to obtain affordable supplemental coverage for Medicare.

This legislation is a companion bill to H.R. 3267, legislation introduced by Representative PETE STARK.

The Medicare+Choice program is an important option for many seniors and the disabled in this country, including 15 percent of seniors in the State of New Mexico. This option must remain a viable one in the Medicare program, but due to the recent rounds of plan withdrawals, benefit reductions, and cost increases that plans have undertaken within the program, there has been a growing level of insecurity among Medicare beneficiaries with respect to their health coverage.

Last year, I sponsored legislation, S. 2905, the Medicare+Choice Program Improvement Act of 2000, to increase payments, including the minimum payment amount to Medicare+Choice plans. However, despite payment increases approved by the Congress last year, including some substantial increases in certain more rural areas of the country, we have witnessed over 530,000 people recently lose their Medicare+Choice coverage as a result of HMO pull-outs from the Medicare program, including some in areas that received these much higher payments.

Many others have also experienced increases in their costs through the HMO or benefit reductions, including the elimination or substantial reduction of prescription drug coverage.

Therefore, while we must continue to explore mechanisms to ensure that the Medicare+Choice program remains a viable one, it is clear that even if their push for higher payments is met that the plans may still choose to pull-out of areas, decrease benefits, or increase costs to seniors. Despite ads being run by some Medicare+Choice plans that they will provide ''health care for life,'' Medicare beneficiaries are seeing constant turmoil and change on a yearly basis. Some Medicare Beneficiaries have been dropped to have seen their benefits reduced or costs increased by HMO's on yearly basis since the creation of the Medicare+Choice program in 1997.

In New Mexico, the result of last year's payment increases have resulted in a mixed outcome. Presbyterian's Medicare+Choice plan has reported that they are on track to achieve a profit margin of 3 to 4 percent on its M+C product in 2001 compared to a loss of around 15 percent in the prior year. In contrast, St. Joseph's M+C plan received the substantial increase in its Medicare payment, and yet, eliminated prescription drug coverage to seniors through its HMO without notice to some seniors this past March and still reports the system is up for sale and may completely change this coming year.

Beneficiaries are often left confused and uncertain. As 96 year-old Beulah Torrez of Espanola, New Mexico, said after the last round of Medicare+Choice plan changes, ''I just finally gave up. I couldn't afford anything. I couldn't afford the HMOs.''

As we continue to seek ways to improve Medicare+Choice coverage, we should take immediate action to extend important consumer protections to Medicare beneficiaries who find themselves in a plan that no longer

meets their needs. To achieve these goals, the bill we are introducing today would.

(1) Eliminate the Medicare+Choice lock-in scheduled to go into effect in January 2002.

(2) Extend the existing Medigap protections that apply to people whose Medicare+Choice plan withdraws from the program to anyone whose Medicare+Choice plan changes benefits or whose doctor or hospital leaves the plan.

(3) Prevent Medicare+Choice plans from charging higher cost-sharing for a service than Medicare charges in the fee-for-service program.

Eliminating the lock-in would ensure that seniors and people with disabilities continue to be allowed to leave a health plan that is not meeting their needs. When St. Joseph's health plan eliminated prescription drug coverage from its Medicare plan earlier this year, Medicare beneficiaries were left without drug coverage but were at least able to change their health plan at the end of the month. This flexibility will end in January 2002 unless this legislation is passed. It is important that Medicare beneficiaries, often our nation's most vulnerable citizens, know that if they test an HMO and do not like its system, arrangements and rules that they will be able to leave and choose a Medicare option that better suits their specific needs. Both advocates and the managed care industry support this provision.

In addition, if a Medicare+Choice plan withdraws from a community or Medicare entirely, you can under current law move into a select category of Medigap plans, (A, B, C and F, without any individual health underwriting. this provision ensures that Medicare beneficiaries have affordable supplemental Medicare options available to them when, through no fault of their own, their Medicare+Choice plan withdrawals.

However, these protections for Medicare beneficiaries currently do not apply with Medicare+Choice plans that make significant changes, such as eliminating benefits, increasing cost sharing, or changing available providers, within the HMO but stop short of completely withdrawing from the Medicare program. In the St. Joseph's case I mentioned above, seniors were unable to receive important Medigap or supplemental Medicare coverage since the plan did not completely withdraw from the service area.

For Medicare beneficiaries whose needs no longer are met by the HMO due to such changes, a Medigap supplemental policy and a return to Medicare fee-for-service may often make better sense. Therefore, it is critical to extend the current Medigap protections for when a plan terminates Medicare participation to beneficiaries in plans that have made important changes to the benefits, cost sharing, or provider options.

And finally, the third provision of the bill would prevent Medicare+Choice plans from charging higher cost-sharing for individual services than occurs in the Medicare fee-for-service program. According to testimony before the House Ways and Means Health Subcommittee by Thomas Scully, Administrator for the Centers for Medicare and Medicaid Services, CMS, on December 4, 2001,

> . . . this year we have found that some plans proposed charging beneficiaries what we believed were unreasonably high copays for particular services . . . Thus, we have a new challenge balancing the need for plans to make decisions about their benefit packages and cost sharing amounts with the important requirement that plan designs do not discourage enrollment. The concern is always that high cost sharing could discourage beneficiaries, who have greater health care needs, from enrolling in or remaining a member of these particular plans.

In the case of UnitedHealth Group's Medicare Complete option in Wisconsin, that plan will begin charging a deductible of $295 a day for a hospital stay up to a cap of $4,800 compared to a similar stay under fee-for-service Medicare which has a deductible of $812. While CMS did require the plan to reduce their proposed deductible from $350 to $295 per day, overall out-of-pocket costs can far exceed those that would occur in fee-for-service for many beneficiaries.

As Stephanie Sue Stein, Director of the Milwaukee County Department on Aging, said at the same House Ways and Means Health Subcommittee hearing on December 4, 2001,

> Beneficiaries will still be expected to pay up to $4,800 out-of-pocket in addition to the $55 monthly premium for United's coverage and the $54 monthly premium for Medicare Part B. The excessive cost-sharing proposed by United raises questions about the value of this so-called insurance. It is now clear that many of the 16,000 seniors who have previously relied on UnitedHealthcare to provide access to affordable health care can no longer do so. It looks to us as though the benefit changes for 2002 are designed to discourage enrollment to beneficiaries who have health needs.

The question arises why we would allow Medicare+Choice plans to effectively diminish the value of Medicare benefits in this manner. While the Secretary has the authority under current law to prohibit or reduce some of the new cost-sharing arrangements that plans are preparing to impose, the change proposed by this legislation makes it clear that Medicare+Choice plans cannot charge patients more for a service than the patient would face under the Medicare fee-for-service plan.

In fact, the ability of Medicare+Choice plans to charge higher cost-sharing for benefits or services than in fee-for-service results in further risk avoidance, or what is referred to as ''cherry picking,'' as plans seek to avoid or deny services to the chronically or severely ill. This can have an adverse consequence for the health of people with disabilities, limit their choices, and result in higher costs for the Medicare program. For all of these reasons, we should enact this provision in short order.

While we are undertaking efforts to ensure that Medicare-Choice remains a viable option for Medicare beneficiaries, we must also ensure additional protections for beneficiaries.

As Ms. Stein said in her testimony,

> These plans now call themselves new things, complete and secure and healthy, but they are not complete or secure or healthy. They are radically different. These Medicare+Choice policies are not the same ones people bought when they took advantage of what they perceived to be the value-added benefits sold to them as Medicare+Choice. In fact, they are left with Medicare minus protection, Medicare minus the ability to buy a Medigap policy, Medicare minus the ability to choose different insurance.

In fact, according to a report by the Commonwealth Fund in April 2001, ''31 percent of Medicare+Choice enrollees are in contracts where the basic plan has a copayment requirement for hospital admissions, compared with just 13 percent in 2000. Outpatient hospital copayments are being required of 45 percent of Medicare+Choice enrollees in 2001, compared with only 29 percent in 2000.'' This will only increase further in 2002.

Therefore, to improve fundamental financial protections and health care options for our nation's Medicare seniors and disabled enrollees, I urge the swift passage of this legislation.

The following organizations have expressed their support for this legislation: AFSCME Retiree Program, Alliance for Retired Americans, American Association of Homes and Service for the Aging, American Association for International Aging, American Federation of Teachers Program on Retirement and Retirees, American Society of Consultant Pharmacists, Association for Gerontology and Human Development in Historically Black Colleges and Universities, B'nai B'rith Center for Senior Housing and Services, California Health Advocates, Center for Medicare Advocacy, Congress of California Seniors, Eldercare America, Families USA, International Union—UAW, National Academy of Elder Law Attorneys, National Association of Area Agencies on Aging, National Association of Professional Geriatric Care Managers, National Association of Retired and Senior Volunteer Program Directors, National Association of Retired Federal Employees, National Association of Senior Companion Program Directors, National Association of State Units on Aging, National Committee to Preserve Social Security and Medicare, National Council on the

Aging, National Renal Administrators Association, National Senior Citizens Law Center, and OWL—Voice for Midlife and Older Women.

I request unanimous consent that a fact sheet and the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1851

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Medicare+Choice Consumer Protection Act of 2001''.

SEC. 2. CONTINUOUS OPEN ENROLLMENT AND DISENROLLMENT.

(a) IN GENERAL.—Section 1851(e)(2) of the Social Security Act (42 U.S.C. 1395w–21(e)(2)) is amended to read as follows:

''(2) CONTINUOUS OPEN ENROLLMENT AND DISENROLLMENT.—Subject to paragraph (5), a Medicare+Choice eligible individual may change the election under subsection (a)(1) at any time.''.

(b) CONFORMING AMENDMENTS.—

(1) MEDICARE+CHOICE.—Section 1851(e) of such Act (42 U.S.C. 1395w–21(e)) is amended—

(A) in paragraph (4)—

(i) by striking ''Effective as of January 1, 2002, an'' and inserting ''An'';

(ii) by striking ''other than during an annual, coordinated election period'';

(iii) by inserting ''in a special election period for such purpose'' after ''make a new election under this section''; and

(iv) by striking the second sentence; and

(B) in paragraphs (5)(B) and (6)(A), by striking ''the first sentence of''.

(2) PERMITTING ENROLLMENT IN MEDIGAP WHEN M+C PLANS REDUCE BENEFITS OR WHEN PROVIDER LEAVES A M+C PLAN.—

(A) IN GENERAL.—Clause (ii) of section 1882(s)(3)(B) of such Act (42 U.S.C. 1395ss(s)(3)(B)) is amended—

(i) by inserting ''(I)'' after ''(ii)'';

(ii) by striking ''under the first sentence of'' each place it appears and inserting ''during a special election period provided for under'';

(iii) by inserting ''the circumstances described in subclause (II) are present or'' before ''there are circumstances''; and

(iv) by adding at the end the following new subclause:

''(II) The circumstances described in this subclause are, with respect to an individual enrolled in a Medicare+Choice plan, a reduction in benefits (including an increase in cost-sharing) offered under the Medicare+Choice plan from the previous year or a provider of services or physician who serves the individual no longer participating in the plan (other than because of good cause relating to quality of care under the plan).''.

(B) CONFORMING AMENDMENT.—Clause (iii) of such section is amended—

(i) by inserting ''the circumstances described in clause (ii)(II) are met or'' after ''policy described in subsection (t), and''; and

(ii) by striking ''under the first sentence of'' and inserting ''during a special election period provided for under''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2002, and shall apply to reductions in benefits and changes in provider participation occurring on or after such date.

SEC. 3. LIMITATION ON MEDICARE+CHOICE COST-SHARING.

(a) IN GENERAL.—Section 1852(a) (42 U.S.C. 1395w–22(a)) is amended by adding at the end the following new paragraph:

''(6) LIMITATION ON COST-SHARING.—

''(A) IN GENERAL.—Subject to subparagraph (B), in no case shall the cost-sharing with respect to an item or service under a Medicare+Choice plan exceed the cost-sharing otherwise applicable under parts A and B to an individual who is not enrolled in a Medicare+Choice plan under this part.

''(B) PERMITTING FLAT COPAYMENTS.—Subparagraph (A) shall not be construed as preventing the application of flat dollar copayment amounts (in place of a percentage coinsurance), such as a fixed copayment for a doctor's visit, so long as such amounts are reasonable and appropriate and do not adversely affect access to items and services (as determined by the Secretary).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply as of January 1, 2003.

MEDICARE+CHOICE CONSUMER PROTECTION ACT OF 2001—FACT SHEET

Senators Jeff Bingaman (D–NM), Lincoln Chafee (R–RI), John D. Rockefeller, IV (D–WV), Edward M. Kennedy (D–MA), Russ Feingold (D–WI), Jon Corzine (D–NJ), Jack Reed (D–RI), Hillary Rodham Clinton (D–NY), John Kerry (D–MA) and Herb Kohl (D–WI) are preparing to introduce the ''Medicare+Choice Consumer Protection Act of 2001.'' This legislation is a companion bill to H.R. 3267, which was introduced by Representative Pete Stark (D–CA).

This legislation would improve consumer protections to Medicare beneficiaries seeking to enroll in Medicare+Choice plans by:

Eliminating the Medicare+Choice lock-in schedule to go into effect in January 2002;

Extending the existing Medigap protections that apply to people whose Medicare+Choice plan withdraws from the program to anyone whose Medicare+Choice changes benefits or whose doctor or hospital leaves the plan; and

Preventing Medicare+Choice plans from charging higher cost-sharing for a service than Medicare charges in the fee-for-service program.

NEED FOR LEGISLATION

Medicare+Choice Forthcoming Lock-In: Currently, Medicare beneficiaries that are dissatisfied with their health plan are allowed to enroll or disenroll from their health plans at any time. As of January 2002, Medicare beneficiaries electing the Medicare+Choice option will be required to ''lock in'' with that plan for much longer periods. In fact, for 2002, Medicare+Choice enrollees will only be allowed to switch plans once during the first six months after enrollment. In 2003, the beneficiaries will only be able to switch once during the first three months after enrollment.

The legislation eliminates the upcoming lock-in to ensure that Medicare beneficiaries continue to be allowed to leave a health plan that is not meeting their needs. Medicare beneficiaries, often our nation's most vulnerable citizens, need to know that if they test an HMO and do not like the system, arrangements, and rules that they will be able to leave to choose a Medicare option that better suits their specific needs. Both advocates and the managed care industry support this provision.

Medigap Protections When Medicare+Choice Plans Change Benefits, Cost Sharing, or Provider Options: In addition, if a Medicare+Choice plan withdrawals from a community or Medicare entirely, beneficiaries can under current law move into a select category of Medigap plans (A, B, C and F) without any individual health underwriting. This provision ensures that Medicare beneficiaries have affordable supplemental Medicare options available to them when, through no fault of their own, their Medicare+Choice plan withdrawals.

However, these protections for Medicare beneficiaries currently do not apply with Medicare+Choice plans that make significant changes, such as eliminating benefits, increasing cost sharing, or changing available providers, within the HMO but stop short of completely withdrawing from the Medicare program. For example, some plans now cover only generic prescriptions, in effect eliminating drug coverage for beneficiaries whose prescriptions have no generic equivalent. For those Medicare beneficiaries whose needs are no longer met by the Medicare+Choice plan due to these changes, the legislation extends the current Medigap protections for beneficiaries when a plan terminates Medicare participation to those in plans that have made important changes to their benefits, cost sharing, or provider options.

Preventing Higher Cost Sharing in Medicare+Choice Than in Fee-For-Service: Under current law, cost sharing per enrollee (including premiums) for covered services cannot be more than the actuarial value of the deductibles, coinsurance, and copayments under traditional Medicare fee-for-service. However, Medicare+Choice plans are increasingly charging higher cost-sharing for individual services within the health plan than is allowed in fee-for-service. Higher cost-sharing, for example, is being required by some Medicare+Choice plans for dialysis, hospitalization, and other services than in traditional fee-for-service Medicare.

In addition to creating an adverse consequence for the health of Medicare beneficiaries with disabilities who have certain illnesses, charging beneficiaries higher costs for certain services results in what is referred to as ''cherry picking,'' as some plans seek to avoid or deny services to the chronically or severely ill. Again, this can have adverse health effects for certain beneficiaries, limit their choices, and resulting in higher costs for the Medicare payment through ''risk selection.'' Consequently, this legislation would close this loophole and prohibit Medicare+Choice plans from imposing higher cost sharing for certain services than is allowed in Medicare fee-for-service.

SUPPORTING ORGANIZATIONS

AFSCME Retiree Program.

Alliance for Retired Americans.

American Association of Homes and Service for the Aging.

American Association for International Aging.

American Federation of Teachers Program on Retirement and Retirees.

American Society of Consultant Pharmacists.

Association for Gerontology and Human Development in Historically Black Colleges and Universities.

B'nai B'rith Center for Senior Housing and Services.

California Health Advocates.

Center for Medicare Advocacy.

Congress of California Seniors.

Eldercare America.

Families USA.

International Union, UAW.

National Academy of Elder Law Attorneys.

National Association of Area Agencies on Aging.
National Association of Professional Geriatric Care Managers.
National Association of Retired and Senior Volunteer Program Directors.
National Association of Retired Federal Employees.
National Association of Senior Companion Program Directors.
National Association of State Units on Aging.
National Committee to Preserve Social Security and Medicare.
National Council on the Aging.
National Renal Administrators Association.
National Senior Citizens Law Center.
OWL, Voice for Midlife and Older Women.

By Mr. THOMAS:

S. 1852. A bill to extend the deadline for commencement of construction of a hydroelectric project in the State of Wyoming; to the Committee on Energy and Natural Resources.

Mr. THOMAS. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1852

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

SECTION 1. EXTENSION OF TIME FOR FEDERAL ENERGY REGULATORY COMMISSION HYDROELECTRIC PROJECT.

(a) IN GENERAL.—Notwithstanding the time period specified in section 13 of the Federal Power Act (16 U.S.C. 806) that would otherwise apply to the Federal Energy Regulatory Commission Swift Creek Power Company, Inc. hydroelectric license, project number 1651, the Commission may, at the request of the licensee for the project, and after reasonable notice, in accordance with the requirements of that section and the Commission's procedures under that section, extend the time period during which the licensee is required to commence the construction of the project for 3 consecutive 2-year periods.

(b) EFFECTIVE DATE.—Subsection (a) takes effect on the date of the expiration of the extension issued by the Commission before the date of the enactment of this Act under section 13 of the Federal Power Act (16 U.S.C. 806).

By Mr. JOHNSON:

S. 1854. A bill to authorize the President to present congressional gold medals to the Native American Code Talkers in recognition of their contributions to the Nation during World War I and World War II; to the Committee on Banking, Housing, and Urban Affairs.

Mr. JOHNSON. Mr. President, I rise today to introduce legislation that will recognize all Native American Code Talkers who served as Code Talkers during World Wars I and II. Earlier this year, the Navajo Code Talkers were recognized by Congress and the President, and were presented with their Congressional Gold Medals. I was proud be a cosponsor of legislation introduced by Senator JEFF BINGAMAN granting the medals and participating in the ceremony recognizing their great accomplishments.

Today, I am introducing similar legislation recognizing the over 17 other tribes who served our Nation and democracy across the world. These brave men utilized their language to assist the allied forces, and subsequently saved the lives of thousands of men and women. Years ago, the United States government policy towards Native people attempted to force the assimilation of millions of Native Americans and Alaskan Natives.

The United States government attempted to strip the culture and language from the native peoples of this great land. We have learned the lessons of the past, and I stand here today honoring these courageous soldiers for preserving part of the very core of their culture. Their language.

It is tragic that we have waited so many decades for the recognition of these brave soldiers.

We cannot hope to make up for some of the wrongs that befell the Native peoples in the United States, or across North and South America. But, we can continue to ensure that honor is continually bestowed upon those men and women who fought for and defended our Nation, and the preservation of democracy on foreign lands.

Native Americans remain the most decorated ethnic group in our military forces. I am honored that we are one step closer to honoring those who deserve recognition that is long overdue. This truly marks a proud moment in our Nation's history.

I urge my colleagues to join me in honoring those Native Americans who served as code talkers in World Wars I and II. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1854

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

SECTION 1. CONGRESSIONAL MEDALS.

(a) FINDINGS.—Congress finds that—

(1) not fewer than 17 Indian tribes have been identified as having served as code talkers during World War I and World War II;

(2) during World War I, 15 members of the Oklahoma Choctaw served as code talkers in the 36th Infantry Division;

(3) during World War II, many Native Americans served as code talkers, including—

(A) members of the Lakota-Dakota and Sioux Tribes, many of whom served in the 3d Battalion and the 302d Reconnaissance Team, First Cavalry Division;

(B) 17 members of the Commanche Tribe;

(C) members of the Hopi Tribe, many of whom served in the 223d Battalion;

(D) 27 members of the Sac and Fox Tribe of Iowa, 19 of whom served in the 18th Iowa Infantry;

(E) members of the Choctaw Tribe, many of whom served in Company K, 180th Infantry Regiment, 45th Division;

(F) 5 members of the Assiniboine Tribe;

(G) members of the Seminole Tribe of Florida, most of whom served in the 195th Field Artillery Battalion; and

(H) members of the Muscogee Creek Tribe, most of whom served in the Aleutian Islands campaign;

(4) in December 2000, Congress recognized the Navajo Code Talkers by authorizing the presentation of gold and silver medals to the Navajo Code Talkers and posthumously to their surviving family members;

(5) all Native American Code Talkers have performed an important service to the preservation of democracy, and deserve proper recognition, which is long overdue;

(6) because the code was so successful, the Native American Code Talkers are credited with saving the lives of countless American and Allied Forces during World War II; and

(7) Native Americans continue to be one of the most represented and decorated ethnic groups in the United States Armed Forces.

(b) CONGRESSIONAL MEDALS AUTHORIZED.—

(1) PRESENTATION AUTHORIZED.—To express recognition by the United States and its citizens of the achievements of the Native American Code Talkers, the President is authorized to award to each of the Native American Code Talkers, or a surviving family member, on behalf of Congress, a gold medal of appropriate design.

(2) DESIGN AND STRIKING.—For purposes of the awards authorized by paragraph (1), the Secretary of the Treasury (in this section referred to as the ''Secretary'') shall strike gold medals with suitable emblems, devices, and inscriptions, to be determined by the Secretary.

(c) DUPLICATE MEDALS.—The Secretary may strike and sell duplicates in bronze of the medals struck pursuant to this section, under such regulations as the Secretary may prescribe, and at a price sufficient to cover the costs thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the cost of the medals.

(d) STATUS AS NATIONAL MEDALS.—The medals struck pursuant to this section are national medals for purposes of chapter 51, of title 31, United States Code.

(e) FUNDING.—

(1) AUTHORITY TO USE FUND AMOUNTS.—There is authorized to be charged against the United States Mint Public Enterprise Fund, such sums as may be necessary to pay for the costs of the medals authorized by this section.

(2) PROCEEDS OF SALE.—Amounts received from the sale of duplicate medals under this section shall be deposited in the United States Mint Public Enterprise Fund.

By Mr. KERRY (for himself, Mr. BURNS, Mr. CORZINE, and Mr. BAUCUS):

S. 1856. A bill to amend the Internal Revenue Code of 1986 to promote employer and employee participation in telework arrangements, and for other purposes; to the Committee on Finance.

Mr. KERRY. Mr. President, along with my colleagues Senator BURNS, Senator CORZINE, and Senator BAUCUS, I wish to introduce legislation of critical importance to our Nation's workforce and economy.

The rapid spread of new telecommunications technologies has generated opportunities for firms across

the country to improve upon the traditional work environment. Today, millions of American workers participate in ''telework'' arrangements, otherwise known as telecommuting, which allow them to work outside of their normal work location. Telework arrangements carry several advantages: the ability to spend more time with the children, less time wasted in traffic, enhanced productivity, and the environmental benefits of reduced carbon dioxide emissions. While teleworking grew substantially during the 1990s, the number of teleworkers has reached a plateau, with little increase in the last year. The social, economic, and environmental gains of teleworking are indisputable. Our legislation combines tax incentives and an employer awareness campaign to stimulate further growth in telework arrangements.

The term ''telework'' means to perform normal and regular work functions at locations other than the traditional workplace of the employer, thereby eliminating or substantially reducing the physical commute to and from the workplace. Given the opportunity, workers choose overwhelmingly to participate in telework arrangements. Employees who telework report an enhanced quality of life. 71 percent of teleworkers report being more satisfied with their job than before they were permitted to telework. Working from home allows parents more time with their children and reduces child care expenses. Teleworkers also stay in their communities, providing enhanced security and presence.

If teleworking is implemented broadly in a community, the need for construction of additional automobile infrastructure, which is often driven by peak period commuting demand, may be reduced. Even workers who do not telework benefit since traffic congestion is lessened for them as well.

There are also economic benefits. Data indicate that teleworking enhances productivity, both because teleworkers report being more productive per unit time, and because the teleworker has available the previously nonproductive commute time, an average of 62 minutes per day spent on an average 44 mile round-trip commute. Because teleworkers are able to mix work and personal needs, the number of occasions when they need to be absent from work altogether diminishes. One study suggests that the productivity improvement of home-based teleworkers averages 15 percent. Firms also benefit from eliminating unnecessary office space and reducing associated overhead costs. For example, one large national employer reports that in 2000, their telework program resulted in $100 million in increased productivity, $18 million in reduced turnover, and $25 million in reduced real estate costs. Because of the enhanced quality of life and personal freedom that teleworking fosters, firms are better able to retain valued employees.

Telework arrangements are critical to keeping our economy and workforce on the leading edge of technological developments. Teleworking contributes to the residential deployment of broadband technology, which has otherwise stagnated. Teleworkers have a disproportionate need for high-speed Internet access. Encouraging telework is a means of inducing greater demand for broadband technology.

Allowing employees to work from home saves energy and reduces carbon dioxide emissions associated with commuting. It also reduces vehicular contributions to local and regional tropospheric pollution both directly and, by reducing congestion in general, indirectly. To the extent telework reduces demands for additional infrastructure, it also leads to less material use in construction and less land-use impact.

The Teleworking Advancement Act creates two tax-based incentives to promote the continued spread of employer-sponsored telework arrangements and a pilot program to raise awareness about telecommuting among small business employers.

The employer telework tax credit would allow employers to claim a credit of up to $500 for each employee who participates in an employer-sponsored telework arrangement during the taxable year. For employees who telework on a partial basis, the credit would be prorated. Employees of small businesses, those with 100 or fewer employees, and disabled employees, as defined by the Americans with Disabilities Act, would be eligible for a maximum credit of $1,000. An employer-sponsored telework arrangement is defined as an arrangement established by an employer that enables employees of the employer to telework for a minimum of 25 days per year. The arrangement must be supported by a written agreement between the employer and each teleworking employee that describes the terms of the arrangement.

The telework equipment tax credit would allow individuals or businesses to claim a credit equal to 10 percent of qualified telework expenses paid, pursuant to an employer-sponsored telework arrangement. Either the employer or the employee, depending on who incurred the expense, would be eligible for the credit. The maximum credit would be $500. For employees of small businesses (those with 100 or fewer employees) and disabled employees, as defined by the Americans with Disabilities Act, the credit would be 20 percent of eligible expenses, with a maximum credit of $1,000. Qualified telework expenses includes expenses paid or incurred for computers, software, modems, telecommunications equipment, and access to Internet or broadband technologies, including applicable taxes and other expenses for the delivery, installation, or maintenance of such equipment.

Finally, the legislation authorizes $5 million for the Administrator of the Small Business Administration to conduct a pilot program to raise awareness about telecommuting among small business employers and to encourage employers to offer telecommuting options to employees. Activities would include producing educational materials, conducting outreach, and acquiring telecommuting technologies and equipment to be used for demonstration purposes. Special efforts would be made to conduct outreach to businesses owned by or employing individuals with disabilities.

The Teleworking Advancement Act will induce more employers to offer teleworking opportunities to their employees, creating broad-based benefits for the American workforce and helping ensure that our economy remains at the forefront of 21st century workplace practices. Through a combination of tax incentives and an employer awareness campaign, our legislation will stimulate the spread of flexible, innovative, and productivity-enhancing labor arrangements. I urge my colleagues to support passage of the legislation, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1856

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Teleworking Advancement Act''.

SEC. 2. CREDIT FOR TELEWORKING.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to foreign tax credit, etc.) is amended by inserting after section 30A the following new section:

''SEC. 30B. TELEWORK CREDIT.

''(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter for any taxable year an amount equal to the sum of—

''(1) the employer telework tax credit, plus

''(2) the telework equipment tax credit.

''(b) EMPLOYER TELEWORK TAX CREDIT; TELEWORK EQUIPMENT TAX CREDIT.—For purposes of this section—

''(1) EMPLOYER TELEWORK TAX CREDIT.—Except as provided for in subsection (c)(1), the employer telework tax credit for any taxable year is equal to $500 for each employee who participates in an employer sponsored telework arrangement during the taxable year.

''(2) TELEWORK EQUIPMENT TAX CREDIT.—Except as provided for in subsection (c)(2), the telework equipment tax credit for any taxable year is equal to 10 percent of qualified telework expenses paid or incurred during the taxable year by either the employer on behalf of the employee, or directly by the employee, pursuant to an employer sponsored telework arrangement.

''(c) SPECIAL RULE FOR DISABLED EMPLOYEES AND EMPLOYEES OF SMALL BUSINESSES.—For purposes of this section:

''(1) For each employee who is covered under the Americans with Disabilities Act of 1990 (42 U.S.C. 1201), or for each employee of a small business, the employer telework tax credit for any taxable year is equal to $1,000 for each employee who participates in an employer sponsored telework arrangement during the taxable year.

''(2) For each employee who is covered under the Americans with Disabilities Act of 1990 (42 U.S.C. 1201), or for each employee of a small businesses, the telework equipment tax credit for any taxable year is equal to 20 percent of qualified telework expenses paid or incurred during the taxable year by either the employer on behalf of the employee, or directly by the employee, pursuant to an employer sponsored telework arrangement.

''(d) CREDIT ADJUSTMENTS AND LIMITATIONS.—

''(1) CREDIT ADJUSTMENTS.—In computing the credit allowed under subsection (b)(1) or (c)(1) for any taxable year, the following adjustments shall apply:

''(A) In the case of an employee who participates in an employer sponsored telework arrangement for less than the full taxable year, the credit amount identified in subsection (b)(1) or (c)(1), whichever is applicable, shall be multiplied by a fraction, the numerator of which is the total number of months in the taxable year that the employee participates in an employer sponsored telework arrangement and the denominator of which is 12. For purposes of the preceding sentence, an employee is considered to be participating in an employer sponsored telework arrangement for a month if the employee teleworks for at least one full day of such month.

''(B) In the case of an employee who participates in an employer sponsored telework arrangement but does not telework every day of the taxable year that the employee is required by his or her employer to work, the credit amount identified in subsection (b)(1) or (c)(1), whichever is applicable, shall be multiplied by a fraction, the numerator of which is the total number of full days in the taxable year that the employee teleworks and the denominator of which is the total number of days in the taxable year that the employee is required by his or her employer to work.

''(2) TELEWORK EQUIPMENT CREDIT LIMITATIONS.—

''(A) In computing the credit allowed under subsection (b)(2) for any taxable year, the following limitations shall apply:

''(i) The maximum credit claimed by any employer with respect to qualified telework expenses paid or incurred on behalf of an employee shall not exceed $500 for each employee who participates in an employer sponsored telework arrangement.

''(ii) The maximum credit claimed by any employee with respect to qualified telework expenses paid or incurred directly by the employee pursuant to an employer sponsored telework arrangement shall not exceed $500.

''(B) In computing the credit allowed under subsection (c)(2) for any taxable year with respect to employees who are covered under the Americans with Disabilities Act of 1990 (42 U.S.C. 1201), or for each employee of a small business, the following limitations shall apply:

''(i) The maximum credit claimed by any employer with respect to qualified telework expenses paid or incurred on behalf of an employee shall not exceed $1,000 for each employee who participates in an employer sponsored telework arrangement.

''(ii) The maximum credit claimed by any employee with respect to qualified telework expenses paid or incurred directly by the employee pursuant to an employer sponsored telework arrangement shall not exceed $1,000.

''(e) DEFINITIONS.—For purposes of this section—

''(1) EMPLOYER SPONSORED TELEWORK ARRANGEMENT.—The term 'employer sponsored telework arrangement' means an arrangement established by an employer that enables employees of the employer to telework for a minimum of 25 full days per taxable year. Such an arrangement shall be supported by a written agreement between the employer and each teleworking employee that describes the terms of the employer sponsored telework arrangement.

''(2) QUALIFIED TELEWORK EXPENSES.—

''(A) IN GENERAL.—The term 'qualified telework expenses' shall include expenses paid or incurred for computers, computer-related hardware and software, modems, data processing equipment, telecommunications equipment, and access to Internet or broadband technologies, including applicable taxes and other expenses for the delivery, installation, or maintenance of such equipment.

''(B) ONLY CERTAIN EXPENSES TAKEN INTO ACCOUNT.—Expenses shall be taken into account under subparagraph (A) only to the extent they are authorized by the employer pursuant to an employer sponsored telework arrangement and are necessary to enable the employee to telework.

''(3) SMALL BUSINESS.—The term 'small business' means a business with an average of 100 or fewer employees during the taxable year.

''(4) TELEWORK.—An employee shall be treated as engaged in telework if—

''(A) the employee's normal and regular work functions are performed at a fixed location provided by the employer,

''(B)(i) the employee, under an employer sponsored telework arrangement, performs such functions at the employee's residence or at a location specifically designed to allow employees to perform such functions closer to their residence, and

''(ii) the performance of such functions at such residence or location eliminates or substantially reduces the physical commute of the employee to the fixed location described in subparagraph (A), and

''(C) the employee transmits by electronic or other communications medium the employee's work product from such residence or location to the fixed location where such functions would otherwise have been performed.

''(f) SPECIAL RULES.—

''(1) LIMITATION BASED ON AMOUNT OF TAX.—

''(A) LIABILITY FOR TAX.—The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

''(i) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and the preceding sections of this subpart, over

''(ii) the tentative minimum tax for the taxable year.

''(B) CARRYFORWARD OF UNUSED CREDIT.—If the amount of the credit allowable under subsection (a) for any taxable year exceeds the limitation under paragraph (1)(A) for the taxable year, the excess shall be carried to the succeeding taxable year and added to the amount allowable as a credit under subsection (a) for such succeeding taxable year.

''(2) BASIS REDUCTION.—The basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit (determined without regard to paragraph (1)).

''(3) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property which ceases to be property eligible for such credit.

''(4) PROPERTY USED OUTSIDE UNITED STATES, ETC., NOT QUALIFIED.—No credit shall be allowed under subsection (a) with respect to any property referred to in section 50(b) or with respect to the portion of the cost of any property taken into account under section 179.

''(5) ELECTION NOT TO TAKE CREDITS.—No credits shall be allowed under subsection (a) for any expense if the taxpayer elects to not have this section apply with respect to such expense.

''(6) DENIAL OF DOUBLE BENEFIT.—No deduction or credit (other than under this section) shall be allowed under this chapter with respect to any expense which is taken into account in determining the credit under this section.

''(7) DOCUMENTATION.—Employers and employees are responsible for maintaining adequate documentation to support any credits claimed under this section.''

(b) CONFORMING AMENDMENT.—Subsection (a) of section 1016 of the Internal Revenue Code of 1986 (relating to general rule for adjustments to basis) is amended by striking ''and'' at the end of paragraph (27), by striking the period at the end of paragraph (28) and inserting '', and'', and by adding at the end the following:

''(29) in the case of property with respect to which a credit was allowed under section 30B, to the extent provided in section 30B(f)(2).''

(c) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 30A the following new item:

''Sec. 30B. Telework credit.''

(d) REGULATORY MATTERS.—

(1) PROHIBITION.—No Federal or State agency or instrumentality shall adopt regulations or ratemaking procedures that would have the effect of confiscating any credit or portion thereof allowed under sections 30B of the Internal Revenue Code of 1986 (as added by this Act) or otherwise subverting the purpose of this Act.

(2) TREASURY REGULATORY AUTHORITY.—It is the intent of Congress in providing the telework tax credit under section 30B of the Internal Revenue Code of 1986 (as added by this Act) to promote broad participation in employer sponsored telework arrangements by providing incentives to both employers and employees. Accordingly, the Secretary of the Treasury shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of section 30B of such Code, including regulations describing the information, records, and data that employers and employees are required to provide the Secretary to substantiate compliance with the requirements of this section and section 30B of such Code. Until the Secretary prescribes such regulations, employers and employees may base such determinations on any reasonable method that is consistent with the purposes of section 30B of such Code.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 3. SMALL BUSINESS TELECOMMUTING PILOT PROGRAM.

(a) IN GENERAL.—In accordance with this section, the Administrator shall conduct, in

not more than 5 of the Small Business Administration's regions, a pilot program to raise awareness about telecommuting among small business employers and to encourage such employers to offer telecommuting options to employees.

(b) SPECIAL OUTREACH TO INDIVIDUALS WITH DISABILITIES.—In carrying out subsection (a), the Administrator shall make special efforts to do outreach to—

(1) businesses owned by or employing individuals with disabilities, and disabled American veterans in particular;

(2) Federal, State, and local agencies having knowledge and expertise in assisting individuals with disabilities or disabled American veterans; and

(3) any group or organization, the primary purpose of which is to aid individuals with disabilities or disabled American veterans.

(c) PERMISSIBLE ACTIVITIES.—In carrying out the pilot program, the Administrator may only—

(1) produce educational materials and conduct presentations designed to raise awareness in the small business community of the benefits and the ease of telecommuting;

(2) conduct outreach—

(A) to small business concerns that are considering offering telecommuting options; and

(B) as provided in subsection (b); and

(3) acquire telecommuting technologies and equipment to be used for demonstration purposes.

(d) SELECTION OF REGIONS.—In determining which regions will participate in the pilot program, the Administrator shall give priority consideration to regions in which Federal agencies and private-sector employers have demonstrated a strong regional commitment to telecommuting.

(e) REPORT TO CONGRESS.—Not later than 2 years after the first date on which funds are appropriated to carry out this section, the Administrator shall transmit to the Committee on Small Business of the House of Representatives and the Committee on Small Business of the Senate a report containing the results of an evaluation of the pilot program and any recommendations as to whether the pilot program, with or without modification, should be extended to include the participation of all Small Business Administration regions.

(f) DEFINITIONS.—In this section—

(1) the term ''Administrator'' means the Administrator of the Small Business Administration;

(2) the term ''disability'' has the same meaning as in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102);

(3) the term ''pilot program'' means the program established under this section; and

(4) the term ''telecommuting'' means the use of telecommunications to perform work functions under circumstances which reduce or eliminate the need to commute.

(g) TERMINATION.—The pilot program shall terminate 2 years after the first date on which funds are appropriated to carry out this section.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Small Business Administration $5,000,000 to carry out this section.

By Mr. CAMPBELL (for himself and Mr. INOUYE):

S. 1857. A bill to Encourage the Negotiated Settlement of Tribal Claims; to the Committee on Indian Affairs.

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1857

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

SECTION 1. SETTLEMENT OF TRIBAL CLAIMS.

(a) IN GENERAL.—Solely for purposes of providing an opportunity to explore the settlement of tribal claims, during fiscal year 2002, the statute of limitations shall be deemed not to have run for any claim concerning losses to or mismanagement of tribal trust funds.

(b) NO PRECLUSION OF FINDINGS.—Nothing in this section precludes a court or other adjudicatory entity from adjudicating a statute of limitations defense either:

(1) in an action filed on or after October 1, 2002; or

(2) in any case, controversy, or other proceeding pending on the date of enactment of this section against the United States in which a court or adjudicatory entity is called on to determine whether the statute of limitations on such a claim has run.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 193—AUTHORIZING CERTAIN EMPLOYEES OF THE SENATE WHO PERFORM SERVICE IN THE UNIFORMED SERVICES TO BE PLACED IN A LEAVE WITHOUT PAY STATUS, AND FOR OTHER PURPOSES

Mr. DASCHLE (for himself and Mr. LOTT) submitted the following resolution; which was considered and agreed to:

S. RES. 193

Resolved,

SECTION 1. LEAVE WITHOUT PAY STATUS FOR CERTAIN SENATE EMPLOYEES PERFORMING SERVICE IN THE UNIFORMED SERVICES.

(a) DEFINITIONS.—In this section—

(1) the terms ''employee'' and ''Federal executive agency'' have the meanings given those terms under section 4303 (3) and (5) of title 38, United States Code, respectively; and

(2) the term ''employee of the Senate'' means any employee whose pay is disbursed by the Secretary of the Senate, except that the term does not include a member of the Capitol Police or a civilian employee of the Capitol Police.

(b) LEAVE WITHOUT PAY STATUS.—An employee of the Senate who is deemed to be on furlough or leave of absence under section 4316(b)(1)(A) of title 38, United States Code, by reason of service in the uniformed services—

(1) may be placed in a leave without pay status while so on furlough or leave of absence; and

(2) while placed in that status, shall be treated—

(A) subject to subparagraph (B), as an employee of a Federal executive agency in a leave without pay status for purposes of chapters 83, 84, 87, and 89 of title 5, United States Code; and

(B) as a Congressional employee for purposes of those chapters.

(c) EFFECTIVE DATE.—This section shall take effect on October 1, 2001, and apply to fiscal year 2002 and each fiscal year thereafter.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2678. Mr. HUTCHINSON (for himself, Mr. LOTT, Mr. HELMS, Mr. SESSIONS, and Mrs. HUTCHISON) proposed an amendment to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes.

SA 2679. Mr. DURBIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2680. Mr. CRAIG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2681. Mr. CRAIG submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2682. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2683. Mr. LEAHY submitted an amendment intended to be proposed to amendment SA 2568 submitted by Mr. HELMS and intended to be proposed to the amendment SA 2471 proposed by Mr. DASCHLE to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2684. Mr. LEVIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2685. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2686. Mr. GRASSLEY (for himself, Mr. HAGEL, Mr. LUGAR, and Mr. JOHNSON) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2687. Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill H.R. 3210, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table.

SA 2688. Mr. DODD (for himself, Mr. MCCONNELL, Mr. SCHUMER, Mr. BOND, Mr. TORRECELLI, Mr. MCCAIN, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 565, to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and election administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2678. Mr. HUTCHINSON (for himself, Mr. LOTT, Mr. HELMS, Mr. SESSIONS, and Mrs. HUTCHISON) proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Farm Security Act of 2001''.

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

Sec. 1. Short title; table of contents.

TITLE I—COMMODITY PROGRAMS

Sec. 100. Definitions.

Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments

Sec. 101. Payments to eligible producers.
Sec. 102. Establishment of payment yield.
Sec. 103. Establishment of base acres and payment acres for a farm.
Sec. 104. Availability of fixed, decoupled payments.
Sec. 105. Availability of counter-cyclical payments.
Sec. 106. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.
Sec. 107. Planting flexibility.
Sec. 108. Relation to remaining payment authority under production flexibility contracts.
Sec. 109. Payment limitations.
Sec. 110. Period of effectiveness.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

Sec. 121. Availability of nonrecourse marketing assistance loans for covered commodities.
Sec. 122. Loan rates for nonrecourse marketing assistance loans.
Sec. 123. Term of loans.
Sec. 124. Repayment of loans.
Sec. 125. Loan deficiency payments.
Sec. 126. Payments in lieu of loan deficiency payments for grazed acreage.
Sec. 127. Special marketing loan provisions for upland cotton.
Sec. 128. Special competitive provisions for extra long staple cotton.
Sec. 129. Availability of recourse loans for high moisture feed grains and seed cotton and other fibers.
Sec. 130. Availability of nonrecourse marketing assistance loans for wool and mohair.
Sec. 131. Availability of nonrecourse marketing assistance loans for honey.
Sec. 132. Producer retention of erroneously paid loan deficiency payments and marketing loan gains.
Sec. 133. Reserve stock adjustment.

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

Sec. 141. Milk price support program.
Sec. 142. Repeal of recourse loan program for processors.
Sec. 143. Extension of dairy export incentive and dairy indemnity programs.
Sec. 144. Fluid milk promotion.
Sec. 145. Dairy product mandatory reporting.
Sec. 146. Study of national dairy policy.

CHAPTER 2—SUGAR

Sec. 151. Sugar program.
Sec. 152. Reauthorize provisions of Agricultural Adjustment Act of 1938 regarding sugar.
Sec. 153. Storage facility loans.

CHAPTER 3—PEANUTS

Sec. 161. Definitions.
Sec. 162. Establishment of payment yield, peanut acres, and payment acres for a farm.
Sec. 163. Direct payments for peanuts.
Sec. 164. Counter-cyclical payments for peanuts.
Sec. 165. Producer agreements.
Sec. 166. Planting flexibility.
Sec. 167. Marketing assistance loans and loan deficiency payments for peanuts.
Sec. 168. Quality improvement.
Sec. 169. Payment limitations.
Sec. 170. Termination of marketing quota programs for peanuts and compensation to peanut quota holders for loss of quota asset value.

Subtitle D—Administration

Sec. 181. Administration generally.
Sec. 182. Extension of suspension of permanent price support authority.
Sec. 183. Limitations.
Sec. 184. Adjustments of loans.
Sec. 185. Personal liability of producers for deficiencies.
Sec. 186. Extension of existing administrative authority regarding loans.
Sec. 187. Assignment of payments.
Sec. 188. Report on effect of certain farm program payments on economic viability of producers and farming infrastructure.

TITLE II—CONSERVATION

Subtitle A—Environmental Conservation Acreage Reserve Program

Sec. 201. General provisions.

Subtitle B—Conservation Reserve Program

Sec. 211. Reauthorization.
Sec. 212. Enrollment.
Sec. 213. Duties of owners and operators.
Sec. 214. Reference to conservation reserve payments.
Sec. 215. Expansion of pilot program to all States.

Subtitle C—Wetlands Reserve Program

Sec. 221. Enrollment.
Sec. 222. Easements and agreements.
Sec. 223. Duties of the Secretary.
Sec. 224. Changes in ownership; agreement modification; termination.

Subtitle D—Environmental Quality Incentives Program

Sec. 231. Purposes.
Sec. 232. Definitions.
Sec. 233. Establishment and administration.
Sec. 234. Evaluation of offers and payments.
Sec. 235. Environmental Quality Incentives Program plan.
Sec. 236. Duties of the Secretary.
Sec. 237. Limitation on payments.
Sec. 238. Ground and surface water conservation.

Subtitle E—Funding and Administration

Sec. 241. Reauthorization.
Sec. 242. Funding.
Sec. 243. Allocation for livestock production.
Sec. 244. Administration and technical assistance.

Subtitle F—Other Programs

Sec. 251. Private grazing land and conservation assistance.
Sec. 252. Wildlife Habitat Incentives Program.
Sec. 253. Farmland Protection Program.
Sec. 254. Resource Conservation and Development Program.
Sec. 255. Grassland Reserve Program.
Sec. 256. Farmland Stewardship Program.
Sec. 257. Small Watershed Rehabilitation Program.
Sec. 258. Provision of assistance for Repaupo Creek Tide Gate and Dike Restoration Project, New Jersey.
Sec. 259. Grassroots source water protection program.

Subtitle G—Repeals

Sec. 261. Provisions of the Food Security Act of 1985.
Sec. 262. National Natural Resources Conservation Foundation Act.

TITLE III—TRADE

Sec. 301. Market Access Program.
Sec. 302. Food for Progress.
Sec. 303. Surplus commodities for developing or friendly countries.
Sec. 304. Export Enhancement Program.
Sec. 305. Foreign Market Development Cooperator Program.
Sec. 306. Export Credit Guarantee Program.
Sec. 307. Food for Peace (Public Law 480).
Sec. 308. Emerging markets.
Sec. 309. Bill Emerson Humanitarian Trust.
Sec. 310. Technical assistance for specialty crops.
Sec. 311. Farmers to Africa and the Caribbean Basin.
Sec. 312. George McGovern–Robert Dole International Food for Education and Child Nutrition Program.
Sec. 313. Study on fee for services.
Sec. 314. National export strategy report.

TITLE IV—NUTRITION PROGRAMS

Subtitle A—Food Stamp Program

Sec. 401. Simplified definition of income.
Sec. 402. Standard deduction.
Sec. 403. Transitional food stamps for families moving from welfare.
Sec. 404. Quality control systems.
Sec. 405. Simplified application and eligibility determination systems.
Sec. 406. Authorization of appropriations.

Subtitle B—Commodity Distribution

Sec. 441. Distribution of surplus commodities to special nutrition projects.
Sec. 442. Commodity supplemental food program.
Sec. 443. Emergency food assistance.

Subtitle C—Miscellaneous Provisions

Sec. 461. Hunger fellowship program.
Sec. 462. General effective date.

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

Sec. 501. Direct loans.
Sec. 502. Financing of bridge loans.
Sec. 503. Limitations on amount of farm ownership loans.
Sec. 504. Joint financing arrangements.
Sec. 505. Guarantee percentage for beginning farmers and ranchers.
Sec. 506. Guarantee of loans made under State beginning farmer or rancher programs.
Sec. 507. Down payment loan program.
Sec. 508. Beginning farmer and rancher contract land sales program.

Subtitle B—Operating Loans

Sec. 511. Direct loans.
Sec. 512. Amount of guarantee of loans for tribal farm operations; waiver of limitations for tribal farm operations and other farm operations.

Subtitle C—Administrative Provisions

Sec. 521. Eligibility of limited liability companies for farm ownership loans, farm operating loans, and emergency loans.
Sec. 522. Debt settlement.
Sec. 523. Temporary authority to enter into contracts; private collection agencies.
Sec. 524. Interest rate options for loans in servicing.
Sec. 525. Annual review of borrowers.
Sec. 526. Simplified loan applications.
Sec. 527. Inventory property.
Sec. 528. Definitions.
Sec. 529. Loan authorization levels.
Sec. 530. Interest rate reduction program.
Sec. 531. Options for satisfaction of obligation to pay recapture amount for shared appreciation agreements.
Sec. 532. Waiver of borrower training certification requirement.
Sec. 533. Annual review of borrowers.

Subtitle D—Farm Credit

Sec. 541. Repeal of burdensome approval requirements.
Sec. 542. Banks for cooperatives.
Sec. 543. Insurance Corporation premiums.
Sec. 544. Board of Directors of the Federal Agricultural Mortgage Corporation.

Subtitle E—General Provisions

Sec. 551. Inapplicability of finality rule.
Sec. 552. Technical amendments.
Sec. 553. Effect of amendments.
Sec. 554. Effective date.

TITLE VI—RURAL DEVELOPMENT

Sec. 601. Funding for rural local television broadcast signal loan guarantees.
Sec. 602. Expanded eligibility for value-added agricultural product market development grants.
Sec. 603. Agriculture innovation center demonstration program.
Sec. 604. Funding of community water assistance grant program.
Sec. 605. Loan guarantees for the financing of the purchase of renewable energy systems.
Sec. 606. Loans and loan guarantees for renewable energy systems.
Sec. 607. Rural business opportunity grants.
Sec. 608. Grants for water systems for rural and native villages in Alaska.
Sec. 609. Rural cooperative development grants.
Sec. 610. National reserve account of Rural Development Trust Fund.
Sec. 611. Rural venture capital demonstration program.
Sec. 612. Increase in limit on certain loans for rural development.
Sec. 613. Pilot program for development and implementation of strategic regional development plans.
Sec. 614. Grants to nonprofit organizations to finance the construction, refurbishing, and servicing of individually-owned household water well systems in rural areas for individuals with low or moderate incomes.
Sec. 615. National Rural Development Partnership.
Sec. 616. Eligibility of rural empowerment zones, rural enterprise communities, and champion communities for direct and guaranteed loans for essential community facilities.
Sec. 617. Grants to train farm workers in new technologies and to train farm workers in specialized skills necessary for higher value crops.
Sec. 618. Loan guarantees for the purchase of stock in a farmer cooperative seeking to modernize or expand.
Sec. 619. Intangible assets and subordinated unsecured debt required to be considered in determining eligibility of farmer-owned cooperative for business and industry guaranteed loan.
Sec. 620. Ban on limiting eligibility of farmer cooperative for business and industry loan guarantee based on population of area in which cooperative is located; refinancing.
Sec. 621. Rural water and waste facility grants.
Sec. 622. Rural water circuit rider program.
Sec. 623. Rural water grassroots source water protection program.
Sec. 624. Delta regional authority.
Sec. 625. Predevelopment and small capitalization loan fund.
Sec. 626. Rural economic development loan and grant program.

TITLE VII—RESEARCH AND RELATED MATTERS

Subtitle A—Extensions

Sec. 700. Market expansion research.
Sec. 701. National Rural Information Center Clearinghouse.
Sec. 702. Grants and fellowships for food and agricultural sciences education.
Sec. 703. Policy research centers.
Sec. 704. Human nutrition intervention and health promotion research program.
Sec. 705. Pilot research program to combine medical and agricultural research.
Sec. 706. Nutrition education program.
Sec. 707. Continuing animal health and disease research programs.
Sec. 708. Appropriations for research on national or regional problems.
Sec. 709. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
Sec. 710. National research and training centennial centers at 1890 land-grant institutions.
Sec. 711. Hispanic-serving institutions.
Sec. 712. Competitive grants for international agricultural science and education programs.
Sec. 713. University research.
Sec. 714. Extension service.
Sec. 715. Supplemental and alternative crops.
Sec. 716. Aquaculture research facilities.
Sec. 717. Rangeland research.
Sec. 718. National genetics resources program.
Sec. 719. High-priority research and extension initiatives.
Sec. 720. Nutrient management research and extension initiative.
Sec. 721. Agricultural telecommunications program.
Sec. 722. Alternative agricultural research and commercialization revolving fund.
Sec. 723. Assistive technology program for farmers with disabilities.
Sec. 724. Partnerships for high-value agricultural product quality research.
Sec. 725. Biobased products.
Sec. 726. Integrated research, education, and extension competitive grants program.
Sec. 727. Institutional capacity building grants.
Sec. 728. 1994 Institution research grants.
Sec. 729. Endowment for 1994 Institutions.
Sec. 730. Precision agriculture.
Sec. 731. Thomas Jefferson initiative for crop diversification.
Sec. 732. Support for research regarding diseases of wheat, triticale, and barley caused by Fusarium Graminearum or by Tilletia Indica.
Sec. 733. Food Animal Residue Avoidance Database program.
Sec. 734. Office of Pest Management Policy.
Sec. 735. National Agricultural Research, Extension, Education, and Economics Advisory Board.
Sec. 736. Grants for research on production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.
Sec. 737. Biomass research and development.
Sec. 738. Agricultural experiment stations research facilities.
Sec. 739. Competitive, special, and facilities research grants national research initiative.
Sec. 740. Federal agricultural research facilities authorization of appropriations.
Sec. 740A. Cotton classification services.
Sec. 740B. Critical agricultural materials research.
Sec. 740C. Private nonindustrial hardwood research program.

Subtitle B—Modifications

Sec. 741. Equity in Educational Land-Grant Status Act of 1994.
Sec. 742. National Agricultural Research, Extension, and Teaching Policy Act of 1977.
Sec. 743. Agricultural Research, Extension, and Education Reform Act of 1998.
Sec. 744. Food, Agriculture, Conservation, and Trade Act of 1990.
Sec. 745. National Agricultural Research, Extension, and Teaching Policy Act of 1977.
Sec. 746. Biomass research and development.
Sec. 747. Biotechnology risk assessment research.
Sec. 748. Competitive, special, and facilities research grants.
Sec. 749. Matching funds requirement for research and extension activities of 1890 institutions.
Sec. 749A. Matching funds requirement for research and extension activities for the United States territories.
Sec. 750. Initiative for future agriculture and food systems.
Sec. 751. Carbon cycle research.
Sec. 752. Definition of food and agricultural sciences.
Sec. 753. Federal extension service.
Sec. 754. Policy research centers.
Sec. 755. Animals used in research.

Subtitle C—Related Matters

Sec. 761. Resident instruction at land-grant colleges in United States territories.

Sec. 762. Declaration of extraordinary emergency and resulting authorities.
Sec. 763. Agricultural biotechnology research and development for the developing world.

Subtitle D—Repeal of Certain Activities and Authorities

Sec. 771. Food Safety Research Information Office and National Conference.
Sec. 772. Reimbursement of expenses under Sheep Promotion, Research, and Information Act of 1994.
Sec. 773. National genetic resources program.
Sec. 774. National Advisory Board on Agricultural Weather.
Sec. 775. Agricultural information exchange with Ireland.
Sec. 776. Pesticide resistance study.
Sec. 777. Expansion of education study.
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Sec. 937. Enforcement of the Humane Methods of Slaughter Act of 1958.
Sec. 938. Penalties and foreign commerce provisions of the Animal Welfare Act.
Sec. 939. Improve administration of Animal and Plant Health Inspection Service.
Sec. 940. Renewable energy resources.
Sec. 941. Use of amounts provided for fixed, decoupled payments to provide necessary funds for rural development programs.
Sec. 942. Study of nonambulatory livestock.

TITLE I—COMMODITY PROGRAMS

SEC. 100. DEFINITIONS.

In this title (other than chapter 3 of subtitle C):

(1) AGRICULTURAL ACT OF 1949.—The term ''Agricultural Act of 1949'' means the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), as in effect prior to the suspensions under section 171 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301).

(2) BASE ACRES.—The term ''base acres'', with respect to a covered commodity on a farm, means the number of acres established under section 103 with respect to the commodity upon the election made by the producers on the farm under subsection (a) of such section.

(3) COUNTER-CYCLICAL PAYMENT.—The term ''counter-cyclical payment'' means a payment made to producers under section 105.

(4) COVERED COMMODITY.—The term ''covered commodity'' means wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, and other oilseeds.

(5) EFFECTIVE PRICE.—The term ''effective price'', with respect to a covered commodity for a crop year, means the price calculated by the Secretary under section 105 to determine whether counter-cyclical payments are required to be made for that crop year.

(6) ELIGIBLE PRODUCER.—The term ''eligible producer'' means a producer described in section 101(a).

(7) FIXED, DECOUPLED PAYMENT.—The term ''fixed, decoupled payment'' means a payment made to producers under section 104.

(8) OTHER OILSEED.—The term ''other oilseed'' means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, another oilseed.

(9) PAYMENT ACRES.—The term ''payment acres'' means 85 percent of the base acres of a covered commodity on a farm, as established under section 103, upon which fixed, decoupled payments and counter-cyclical payments are to be made.

(10) PAYMENT YIELD.—The term ''payment yield'' means the yield established under section 102 for a farm for a covered commodity.

(11) PRODUCER.—The term ''producer'' means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced. In determining whether a grower of hybrid seed is a producer, the Secretary shall not take into consideration the existence of a hybrid seed contract and shall ensure that program requirements do not adversely affect the ability of the grower to receive a payment under this title.

(12) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(13) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(14) TARGET PRICE.—The term ''target price'' means the price per bushel (or other appropriate unit in the case of upland cotton, rice, and other oilseeds) of a covered commodity used to determine the payment rate for counter-cyclical payments.

(15) UNITED STATES.—The term ''United States'', when used in a geographical sense, means all of the States.

Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments

SEC. 101. PAYMENTS TO ELIGIBLE PRODUCERS.

(a) PAYMENTS REQUIRED.—Beginning with the 2002 crop of covered commodities, the Secretary shall make fixed decoupled payments and counter-cyclical payments under this subtitle—

(1) to producers on a farm that were parties to a production flexibility contract under section 111 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211) for fiscal year 2002; and

(2) to other producers on farms in the United States as described in section 103(a).

(b) TENANTS AND SHARECROPPERS.—In carrying out this title, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(c) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of fixed, decoupled payments and counter-cyclical payments among the eligible producers on a farm on a fair and equitable basis.

SEC. 102. ESTABLISHMENT OF PAYMENT YIELD.

(a) ESTABLISHMENT AND PURPOSE.—For the purpose of making fixed decoupled payments and counter-cyclical payments under this subtitle, the Secretary shall provide for the establishment of a payment yield for each farm for each covered commodity in accordance with this section.

(b) USE OF FARM PROGRAM PAYMENT YIELD.—Except as otherwise provided in this section, the payment yield for each of the 2002 through 2011 crops of a covered commodity for a farm shall be the farm program payment yield in effect for the 2002 crop of the covered commodity under section 505 of the Agricultural Act of 1949 (7 U.S.C. 1465).

(c) FARMS WITHOUT FARM PROGRAM PAYMENT YIELD.—In the case of a farm for which a farm program payment yield is unavailable for a covered commodity (other than soybeans or other oilseeds), the Secretary shall establish an appropriate payment yield for the covered commodity on the farm taking in consideration the farm program payment yields applicable to the commodity under subsection (b) for similar farms in the area.

(d) PAYMENT YIELDS FOR OILSEEDS.—

(1) DETERMINATION OF AVERAGE YIELD.—In the case of soybeans and each other oilseed, the Secretary shall determine the average yield for the oilseed on a farm for the 1998 through 2001 crop years, excluding any crop year in which the acreage planted to the oilseed was zero. If, for any of these four crop years in which the oilseed was planted, the farm would have satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (Public Law 105–277; 7 U.S.C. 1421 note), the Secretary shall assign a yield for that year equal to 65 percent of the county yield.

(2) ADJUSTMENT FOR PAYMENT YIELD.—The payment yield for a farm for an oilseed shall be equal to the product of the following:

(A) The average yield for the oilseed determined under paragraph (1).

(B) The ratio resulting from dividing the national average yield for the oilseed for the 1981 through 1985 crops by the national average yield for the oilseed for the 1998 through 2001 crops.

SEC. 103. ESTABLISHMENT OF BASE ACRES AND PAYMENT ACRES FOR A FARM.

(a) ELECTION BY PRODUCERS OF BASE ACRE CALCULATION METHOD.—For the purpose of making fixed decoupled payments and counter-cyclical payments with respect to a farm, the Secretary shall give producers on the farm an opportunity to elect one of the following as the method by which the base acres of all covered commodities on the farm are to be determined:

(1) The four-year average of acreage actually planted on the farm to a covered commodity for harvest, grazing, haying, silage, or other similar purposes during crop years 1998, 1999, 2000, and 2001 and any acreage on the farm that the producers were prevented from planting during such crop years to the covered commodity because of drought, flood, or other natural disaster, or other condition beyond the control of the producer, as determined by the Secretary.

(2) The sum of contract acreage (as defined in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202)) used by the Secretary to calculate the fiscal year 2002 payment that, subject to section 109, would be made under section 114 of such Act (7 U.S.C. 7214) for the covered commodity on the farm and the four-year average determined under paragraph (1) for soybeans and each other oilseed produced on the farm.

(b) SINGLE ELECTION; TIME FOR ELECTION.—The opportunity to make the election described in subsection (a) shall be available to producers on a farm only once. The producers shall notify the Secretary of the election made by the producers under such subsection not later than 180 days after the date of the enactment of this Act.

(c) EFFECT OF FAILURE TO MAKE ELECTION.—If the producers on a farm fail to make the election under subsection (a), or fail to timely notify the Secretary of the selected option as required by subsection (b), the producers shall be deemed to have made the election described in subsection (a)(2) to determine base acres for all covered commodities on the farm.

(d) APPLICATION OF ELECTION TO ALL COVERED COMMODITIES.—The election made under subsection (a) or deemed to be made under subsection (c) with respect to a farm shall apply to all of the covered commodities on the farm. Producers may not make the election described in subsection (a)(1) for one covered commodity and the election described in subsection (a)(2) for other covered commodities on the farm.

(e) TREATMENT OF CONSERVATION RESERVE CONTRACT ACREAGE.—

(1) IN GENERAL.—In the case of producers on a farm that make the election described in subsection (a)(2), the Secretary shall provide for an adjustment in the base acres for the farm whenever either of the following circumstances occur:

(A) A conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) with respect to the farm expires or is voluntarily terminated.

(B) Cropland is released from coverage under a conservation reserve contract by the Secretary.

(2) SPECIAL PAYMENT RULES.—For the fiscal year and crop year in which a base acre adjustment under paragraph (1) is first made, the producers on the farm shall elect to receive either fixed decoupled payments and counter-cyclical payments with respect to the acreage added to the farm under this subsection or a prorated payment under the conservation reserve contract, but not both.

(f) PAYMENT ACRES.—The payment acres for a covered commodity on a farm shall be equal to 85 percent of the base acres for the commodity.

(g) PREVENTION OF EXCESS BASE ACRES.—

(1) REQUIRED REDUCTION.—If the sum of the base acres for a farm, together with the acreage described in paragraph (2), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of base acres for one or more covered commodities for the farm or peanut acres for the farm as necessary so that the sum of the base acres and acreage described in paragraph (2) does not exceed the actual cropland acreage of the farm. The Secretary shall give the producers on the farm the opportunity to select the base acres or peanut acres against which the reduction will be made.

(2) OTHER ACREAGE.—For purposes of paragraph (1), the Secretary shall include the following:

(A) Any peanut acres for the farm under chapter 3 of subtitle C.

(B) Any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.).

(C) Any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(3) EXCEPTION FOR DOUBLE-CROPPED ACREAGE.—In applying paragraph (1), the Secretary shall make an exception in the case of double cropping, as determined by the Secretary.

SEC. 104. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS.

(a) PAYMENT REQUIRED.—For each of the 2002 through 2011 crop years of each covered commodity, the Secretary shall make fixed, decoupled payments to eligible producers.

(b) PAYMENT RATE.—The payment rates used to make fixed, decoupled payments with respect to covered commodities for a crop year are as follows:

(1) Wheat, $0.53 per bushel.

(2) Corn, $0.30 per bushel.

(3) Grain sorghum, $0.36 per bushel.

(4) Barley, $0.25 per bushel.

(5) Oats, $0.025 per bushel.

(6) Upland cotton, $0.0667 per pound.

(7) Rice, $2.35 per hundredweight.

(8) Soybeans, $0.42 per bushel.

(9) Other oilseeds, $0.0074 per pound.

(c) PAYMENT AMOUNT.—The amount of the fixed, decoupled payment to be paid to the eligible producers on a farm for a covered commodity for a crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (b).

(2) The payment acres of the covered commodity on the farm.

(3) The payment yield for the covered commodity for the farm.

(d) TIME FOR PAYMENT.—

(1) GENERAL RULE.—Fixed, decoupled payments shall be paid not later than September 30 of each of fiscal years 2002 through 2011. In the case of the 2002 crop, payments may begin to be made on or after December 1, 2001.

(2) ADVANCE PAYMENTS.—At the option of an eligible producer, 50 percent of the fixed, decoupled payment for a fiscal year shall be paid on a date selected by the producer. The selected date shall be on or after December 1 of that fiscal year, and the producer may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

(3) REPAYMENT OF ADVANCE PAYMENTS.—If a producer that receives an advance fixed, decoupled payment for a fiscal year ceases to be an eligible producer before the date the fixed, decoupled payment would otherwise have been made by the Secretary under paragraph (1), the producer shall be responsible for repaying the Secretary the full amount of the advance payment.

SEC. 105. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS.

(a) PAYMENT REQUIRED.—The Secretary shall make counter-cyclical payments with respect to a covered commodity whenever the Secretary determines that the effective price for the commodity is less than the target price for the commodity.

(b) EFFECTIVE PRICE.—For purposes of subsection (a), the effective price for a covered commodity is equal to the sum of the following:

(1) The higher of the following:

(A) The national average market price received by producers during the 12-month marketing year for the commodity, as determined by the Secretary.

(B) The national average loan rate for a marketing assistance loan for the covered commodity in effect for the same period under subtitle B.

(2) The payment rate in effect for the covered commodity under section 104 for the purpose of making fixed, decoupled payments with respect to the commodity.

(c) TARGET PRICE.—For purposes of subsection (a), the target prices for covered commodities are as follows:

(1) Wheat, $4.04 per bushel.

(2) Corn, $2.78 per bushel.

(3) Grain sorghum, $2.64 per bushel.

(4) Barley, $2.39 per bushel.

(5) Oats, $1.47 per bushel.

(6) Upland cotton, $0.736 per pound.

(7) Rice, $10.82 per hundredweight.

(8) Soybeans, $5.86 per bushel.

(9) Other oilseeds, $0.1036 per pound.

(d) PAYMENT RATE.—The payment rate used to make counter-cyclical payments with respect to a covered commodity for a crop year shall be equal to the difference between—

(1) the target price for the commodity; and

(2) the effective price determined under subsection (b) for the commodity.

(e) PAYMENT AMOUNT.—The amount of the counter-cyclical payment to be paid to the eligible producers on a farm for a covered commodity for a crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (d).

(2) The payment acres of the covered commodity on the farm.

(3) The payment yield for the covered commodity for the farm.

(f) TIME FOR PAYMENTS.—

(1) GENERAL RULE.—The Secretary shall make counter-cyclical payments under this section for a crop of a covered commodity as soon as possible after determining under subsection (a) that such payments are required for that crop year.

(2) PARTIAL PAYMENT.—The Secretary may permit, and, if so permitted, an eligible producer may elect to receive, up to 40 percent of the projected counter-cyclical payment, as determined by the Secretary, to be made under this section for a crop of a covered commodity upon completion of the first six months of the marketing year for that crop. The producer shall repay to the Secretary the amount, if any, by which the partial payment exceeds the actual counter-cyclical payment to be made for that marketing year.

(g) SPECIAL RULE FOR CURRENTLY UNDESIGNATED OILSEED.—If the Secretary uses the authority under section 100(8) to designate another oilseed as an oilseed for which counter-cyclical payments may be made, the Secretary may modify the target price specified in subsection (c)(9) that would otherwise apply to that oilseed as the Secretary considers appropriate.

(h) SPECIAL RULE FOR BARLEY USED ONLY FOR FEED PURPOSES.—For purposes of calculating the effective price for barley under subsection (b), the Secretary shall use the loan rate in effect for barley under section 122(b)(3), except, in the case of producers who received the higher loan rate provided under such section for barley used only for feed purposes, the Secretary shall use that higher loan rate.

SEC. 106. PRODUCER AGREEMENT REQUIRED AS CONDITION ON PROVISION OF FIXED, DECOUPLED PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

(1) REQUIREMENTS.—Before the producers on a farm may receive fixed, decoupled payments or counter-cyclical payments with respect to the farm, the producers shall agree, in exchange for the payments—

(A) to comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

(B) to comply with applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.);

(C) to comply with the planting flexibility requirements of section 107; and

(D) to use the land on the farm, in an amount equal to the base acres, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary.

(2) COMPLIANCE.—The Secretary may issue such rules as the Secretary considers necessary to ensure producer compliance with the requirements of paragraph (1).

(b) EFFECT OF FORECLOSURE.—A producer may not be required to make repayments to the Secretary of fixed, decoupled payments and counter-cyclical payments if the farm has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate to provide fair and equitable treatment. This subsection shall not void the responsibilities of the producer under subsection (a) if the producer continues or resumes operation, or control, of the farm. On the resumption of operation or control over the farm by the producer, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

(c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

(1) TERMINATION.—Except as provided in paragraph (4), a transfer of (or change in) the interest of a producer in base acres for which fixed, decoupled payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the base acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a). The termination shall be effective on the date of the transfer or change.

(2) TRANSFER OF PAYMENT BASE.—There is no restriction on the transfer of a farm's base acres or payment yield as part of a change in the producers on the farm.

(3) MODIFICATION.—At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the objectives of such subsection, as determined by the Secretary.

(4) EXCEPTION.—If a producer entitled to a fixed, decoupled payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

(d) ACREAGE REPORTS.—

(1) IN GENERAL.—As a condition on the receipt of any benefits under this subtitle or subtitle B, the Secretary shall require producers to submit to the Secretary acreage reports.

(2) CONFORMING AMENDMENT.—Section 15 of the Agricultural Marketing Act (12 U.S.C. 1141j) is amended by striking subsection (d).

(e) REVIEW.—A determination of the Secretary under this section shall be considered to be an adverse decision for purposes of the availability of administrative review of the determination.

SEC. 107. PLANTING FLEXIBILITY.

(a) PERMITTED CROPS.—Subject to subsection (b), any commodity or crop may be planted on base acres on a farm.

(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on base acres:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) Wild rice.

(2) EXCEPTIONS.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in such paragraph—

(A) in any region in which there is a history of double-cropping of covered commodities with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on base acres, except that fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such an agricultural commodity; or

(C) by a producer who the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

(i) the quantity planted may not exceed the producer's average annual planting history of such agricultural commodity in the 1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(ii) fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such agricultural commodity.

SEC. 108. RELATION TO REMAINING PAYMENT AUTHORITY UNDER PRODUCTION FLEXIBILITY CONTRACTS.

(a) TERMINATION OF SUPERSEDED PAYMENT AUTHORITY.—Notwithstanding section 113(a)(7) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7213(a)(7)) or any other provision of law, the Secretary shall not make payments for fiscal year 2002 after the date of the enactment of this Act under production flexibility contracts entered into under section 111 of such Act (7 U.S.C. 7211).

(b) CONTRACT PAYMENTS MADE BEFORE ENACTMENT.—If, on or before the date of the enactment of this Act, a producer receives all or any portion of the payment authorized for fiscal year 2002 under a production flexibility contract, the Secretary shall reduce the amount of the fixed, decoupled payment otherwise due the producer for that same fiscal year by the amount of the fiscal year 2002 payment previously received by the producer.

SEC. 109. PAYMENT LIMITATIONS.

Sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3) shall apply to fixed, decoupled payments and counter-cyclical payments.

SEC. 110. PERIOD OF EFFECTIVENESS.

This subtitle shall be effective beginning with the 2002 crop year of each covered commodity through the 2011 crop year.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

SEC. 121. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR COVERED COMMODITIES.

(a) NONRECOURSE LOANS AVAILABLE.—

(1) AVAILABILITY.—For each of the 2002 through 2011 crops of each covered commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for covered commodities produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under section 122 for the covered commodity.

(2) INCLUSION OF EXTRA LONG STAPLE COTTON.—In this subtitle, the term ''covered commodity'' includes extra long staple cotton.

(b) ELIGIBLE PRODUCTION.—Any production of a covered commodity on a farm shall be eligible for a marketing assistance loan under subsection (a).

(c) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this subtitle, the Secretary shall make loans to a producer that is otherwise eligible to obtain a marketing assistance loan, but for the fact the covered commodity owned by the producer is commingled with covered commodities of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the producer obtaining the loan agrees to immediately redeem the loan collateral in accordance with section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286).

(d) COMPLIANCE WITH CONSERVATION AND WETLANDS REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.) during the term of the loan.

(e) DEFINITION OF EXTRA LONG STAPLE COTTON.—In this subtitle, the term ''extra long staple cotton'' means cotton that—

(1) is produced from pure strain varieties of the Barbadense species or any hybrid thereof, or other similar types of extra long staple cotton, designated by the Secretary, having

characteristics needed for various end uses for which United States upland cotton is not suitable and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties or types; and

(2) is ginned on a roller-type gin or, if authorized by the Secretary, ginned on another type gin for experimental purposes.

(f) TERMINATION OF SUPERSEDED LOAN AUTHORITY.—Notwithstanding section 131 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231), nonrecourse marketing assistance loans shall not be made for the 2002 crop of covered commodities under subtitle C of title I of such Act.

SEC. 122. LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.

(a) WHEAT.—

(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for wheat shall be—

(A) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding five crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $2.58 per bushel.

(2) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(A) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(B) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(b) FEED GRAINS.—

(1) LOAN RATE FOR CORN AND GRAIN SORGHUM.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for corn and grain sorghum shall be—

(A) not less than 85 percent of the simple average price received by producers of corn or grain sorghum, respectively, as determined by the Secretary, during the marketing years for the immediately preceding five crops of the covered commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $1.89 per bushel.

(2) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn or grain sorghum to total use for the marketing year will be—

(A) equal to or greater than 25 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 10 percent in any year;

(B) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 12.5 percent, the Secretary may not reduce the loan rate for the covered commodity for the corresponding crop.

(3) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan under section 121 for barley and oats shall be—

(A) established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn; but

(B) not more than—

(i) $1.65 per bushel for barley, except not more than $1.70 per bushel for barley used only for feed purposes, as determined by the Secretary; and

(ii) $1.21 per bushel for oats.

(c) UPLAND COTTON.—

(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(A) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 of the year preceding the year in which the crop is planted, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(B) 90 percent of the average, for the 15-week period beginning July 1 of the year preceding the year in which the crop is planted, of the five lowest-priced growths of the growths quoted for Middling 1 3/32-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year preceding the year in which the crop is planted between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(2) LIMITATIONS.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

(d) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan under section 121 for extra long staple cotton shall be $0.7965 per pound.

(e) RICE.—The loan rate for a marketing assistance loan under section 121 for rice shall be $6.50 per hundredweight.

(f) OILSEEDS.—

(1) SOYBEANS.—The loan rate for a marketing assistance loan under section 121 for soybeans shall be—

(A) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding five crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $4.92 per bushel.

(2) OTHER OILSEEDS.—The loan rate for a marketing assistance loan under section 121 for other oilseeds shall be—

(A) not less than 85 percent of the simple average price received by producers of the other oilseed, as determined by the Secretary, during the marketing years for the immediately preceding five crops of the other oilseed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.087 per pound.

SEC. 123. TERM OF LOANS.

(a) TERM OF LOAN.—In the case of each covered commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under section 121 shall have a term of nine months beginning on the first day of the first month after the month in which the loan is made.

(b) SPECIAL RULE FOR COTTON.—A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the month in which the loan is made.

(c) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan for any covered commodity.

SEC. 124. REPAYMENT OF LOANS.

(a) REPAYMENT RATES FOR WHEAT, FEED GRAINS, AND OILSEEDS.—The Secretary shall permit a producer to repay a marketing assistance loan under section 121 for wheat, corn, grain sorghum, barley, oats, and oilseeds at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodity by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodity; and

(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally.

(b) REPAYMENT RATES FOR UPLAND COTTON AND RICE.—The Secretary shall permit producers to repay a marketing assistance loan under section 121 for upland cotton and rice at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary); or

(2) the prevailing world market price for the commodity (adjusted to United States quality and location), as determined by the Secretary.

(c) REPAYMENT RATES FOR EXTRA LONG STAPLE COTTON.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary).

(d) PREVAILING WORLD MARKET PRICE.—For purposes of this section and section 127, the Secretary shall prescribe by regulation—

(1) a formula to determine the prevailing world market price for each covered commodity, adjusted to United States quality and location; and

(2) a mechanism by which the Secretary shall announce periodically the prevailing world market price for each covered commodity.

(e) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—

(1) IN GENERAL.—During the period beginning on the date of the enactment of this Act and ending July 31, 2012, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under subsection (d) shall be further adjusted if—

(A) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under section 122, as determined by the Secretary; and

(B) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M)

1 3/32-inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe (referred to in this section as the ''Northern Europe price'').

(2) FURTHER ADJUSTMENT.—Except as provided in paragraph (3), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:

(A) The United States share of world exports.

(B) The current level of cotton export sales and cotton export shipments.

(C) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(3) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under paragraph (2) may not exceed the difference between—

(A) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling 1 3/32-inch cotton delivered C.I.F. Northern Europe; and

(B) the Northern Europe price.

(f) TIME FOR FIXING REPAYMENT RATE.—In the case of a producer that marketed or otherwise lost beneficial interest in a covered commodity before repaying the marketing assistance loan made under section 121 with respect to the commodity, the Secretary shall permit the producer to repay the loan at the lowest repayment rate that was in effect for that covered commodity under this section as of the date that the producer lost beneficial interest, as determined by the Secretary.

SEC. 125. LOAN DEFICIENCY PAYMENTS.

(a) AVAILABILITY OF LOAN DEFICIENCY PAYMENTS.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to producers who, although eligible to obtain a marketing assistance loan under section 121 with respect to a covered commodity, agree to forgo obtaining the loan for the commodity in return for payments under this section.

(b) COMPUTATION.—A loan deficiency payment under this section shall be computed by multiplying—

(1) the loan payment rate determined under subsection (c) for the covered commodity; by

(2) the quantity of the covered commodity produced by the eligible producers, excluding any quantity for which the producers obtain a loan under section 121.

(c) LOAN PAYMENT RATE.—For purposes of this section, the loan payment rate shall be the amount by which—

(1) the loan rate established under section 122 for the covered commodity; exceeds

(2) the rate at which a loan for the commodity may be repaid under section 124.

(d) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This section shall not apply with respect to extra long staple cotton.

(e) TIME FOR PAYMENT.—The Secretary shall make a payment under this section to a producer with respect to a quantity of a covered commodity as of the earlier of the following:

(1) The date on which the producer marketed or otherwise lost beneficial interest in the commodity, as determined by the Secretary.

(2) The date the producer requests the payment.

(f) CONTINUATION OF SPECIAL LDP RULE FOR 2001 CROP YEAR.—Section 135(a)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(a)(2)) is amended by striking ''2000 crop year'' and inserting ''2000 and 2001 crop years''.

SEC. 126. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

(a) ELIGIBLE PRODUCERS.—Effective for the 2002 through 2011 crop years, in the case of a producer that would be eligible for a loan deficiency payment under section 125 for wheat, barley, or oats, but that elects to use acreage planted to the wheat, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of the wheat, barley, or oats on that acreage.

(b) PAYMENT AMOUNT.—The amount of a payment made to a producer on a farm under this section shall be equal to the amount determined by multiplying—

(1) the loan deficiency payment rate determined under section 125(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

(2) the payment quantity determined by multiplying—

(A) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of wheat, barley, or oats; and

(B) the payment yield for that covered commodity on the farm.

(c) TIME, MANNER, AND AVAILABILITY OF PAYMENT.—

(1) TIME AND MANNER.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 125.

(2) AVAILABILITY.—The Secretary shall establish an availability period for the payment authorized by this section that is consistent with the availability period for wheat, barley, and oats established by the Secretary for marketing assistance loans authorized by this subtitle.

(d) PROHIBITION ON CROP INSURANCE OR NONINSURED CROP ASSISTANCE.—A 2002 through 2011 crop of wheat, barley, or oats planted on acreage that a producer elects, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

SEC. 127. SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.

(a) COTTON USER MARKETING CERTIFICATES.—

(1) ISSUANCE.—During the period beginning on the date of the enactment of this Act and ending July 31, 2012, the Secretary shall issue marketing certificates or cash payments, at the option of the recipient, to domestic users and exporters for documented purchases by domestic users and sales for export by exporters made in the week following a consecutive four-week period in which—

(A) the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price; and

(B) the prevailing world market price for upland cotton (adjusted to United States quality and location) does not exceed 134 percent of the loan rate for upland cotton established under section 122.

(2) VALUE OF CERTIFICATES OR PAYMENTS.—The value of the marketing certificates or cash payments shall be based on the amount of the difference in the prices during the fourth week of the consecutive four-week period multiplied by the quantity of upland cotton included in the documented sales.

(3) ADMINISTRATION OF MARKETING CERTIFICATES.—

(A) REDEMPTION, MARKETING, OR EXCHANGE.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton. Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subsection.

(B) DESIGNATION OF COMMODITIES AND PRODUCTS.—To the extent practicable, the Secretary shall permit owners of certificates to designate the commodities and products, including storage sites, the owners would prefer to receive in exchange for certificates.

(C) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations issued by the Secretary.

(4) APPLICATION OF THRESHOLD.—

(A) 2002 MARKETING YEAR.—During the period beginning on the date of enactment of this Act and ending July 31, 2002, the Secretary shall make the calculations under paragraphs (1)(A) and (2) and subsection (b)(1)(B) without regard to the 1.25 cent threshold provided those paragraphs and subsection.

(B) 2003 THROUGH 2006 MARKETING YEARS.—During each 12-month period beginning August 1, 2002, through August 1, 2006, the Secretary may make the calculations under paragraphs (1)(A) and (2) and subsection (b)(1)(B) without regard to the 1.25 cent threshold provided those paragraphs and subsection.

(b) SPECIAL IMPORT QUOTA.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—The President shall carry out an import quota program during the period beginning on the date of the enactment of this Act and ending July 31, 2012, as provided in this subsection.

(B) PROGRAM REQUIREMENTS.—Except as provided in subparagraph (C), whenever the Secretary determines and announces that for any consecutive four-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price there shall immediately be in effect a special import quota.

(C) TIGHT DOMESTIC SUPPLY.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M)

1 3/32-inch cotton, delivered C.I.F. Northern Europe, for the value of any certificates issued under subsection (a).

(D) SEASON-ENDING UNITED STATES STOCKS-TO-USE RATIO.—For the purposes of making estimates under subparagraph (C), the Secretary shall, on a monthly basis, estimate and report the season-ending United States upland cotton stocks-to-use ratio, excluding projected raw cotton imports but including the quantity of raw cotton that has been imported into the United States during the marketing year.

(2) QUANTITY.—The quota shall be equal to one week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent three months for which data are available.

(3) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under paragraph (1) and entered into the United States not later than 180 days after the date.

(4) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by paragraph (1), except that a special quota period may not be established under this subsection if a quota period has been established under subsection (c).

(5) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

(A) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(B) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(C) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(D) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(6) DEFINITION.—In this subsection, the term ''special import quota'' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(7) LIMITATION.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of five week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the three months immediately preceding the first special import quota established in any marketing year.

(c) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND COTTON.—

(1) IN GENERAL.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available.

(B) QUANTITY IF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) DEFINITIONS.—In this subsection:

(i) SUPPLY.—The term ''supply'' means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(II) production of the current crop; and

(III) imports to the latest date available during the marketing year.

(ii) DEMAND.—The term ''demand'' means—

(I) the average seasonally adjusted annual rate of domestic mill consumption during the most recent three months for which data are available; and

(II) the larger of—

(aa) average exports of upland cotton during the preceding six marketing years; or

(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

(iii) LIMITED GLOBAL IMPORT QUOTA.—The term ''limited global import quota'' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(E) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(2) NO OVERLAP.—Notwithstanding paragraph (1), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (b).

SEC. 128. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON.

(a) COMPETITIVENESS PROGRAM.—Notwithstanding any other provision of law, during the period beginning on the date of the enactment of this Act and ending on July 31, 2012, the Secretary shall carry out a program to maintain and expand the domestic use of extra long staple cotton produced in the United States, to increase exports of extra long staple cotton produced in the United States, and to ensure that extra long staple cotton produced in the United States remains competitive in world markets.

(b) PAYMENTS UNDER PROGRAM; TRIGGER.—Under the program, the Secretary shall make payments available under this section whenever—

(1) for a consecutive four-week period, the world market price for the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is below the prevailing United States price for a competing growth of extra long staple cotton; and

(2) the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is less than 134 percent of the loan rate for extra long staple cotton.

(c) ELIGIBLE RECIPIENTS.—The Secretary shall make payments available under this section to domestic users of extra long staple cotton produced in the United States and exporters of extra long staple cotton produced in the United States who enter into an agreement with the Commodity Credit Corporation to participate in the program under this section.

(d) PAYMENT AMOUNT.—Payments under this section shall be based on the amount of the difference in the prices referred to in subsection (b)(1) during the fourth week of the consecutive four-week period multiplied by the amount of documented purchases by domestic users and sales for export by exporters made in the week following such a consecutive four-week period.

(e) FORM OF PAYMENT.—Payments under this section shall be made through the issuance of cash or marketing certificates, at the option of eligible recipients of the payments.

SEC. 129. AVAILABILITY OF RECOURSE LOANS FOR HIGH MOISTURE FEED GRAINS AND SEED COTTON AND OTHER FIBERS.

(a) HIGH MOISTURE FEED GRAINS.—

(1) RECOURSE LOANS AVAILABLE.—For each of the 2002 through 2011 crops of corn and grain sorghum, the Secretary shall make available recourse loans, as determined by the Secretary, to producers on a farm who—

(A) normally harvest all or a portion of their crop of corn or grain sorghum in a high moisture state;

(B) present—

(i) certified scale tickets from an inspected, certified commercial scale, including a licensed warehouse, feedlot, feed mill, distillery, or other similar entity approved by the Secretary, pursuant to regulations issued by the Secretary; or

(ii) field or other physical measurements of the standing or stored crop in regions of the United States, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

(C) certify that they were the owners of the feed grain at the time of delivery to, and that the quantity to be placed under loan under this subsection was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to a facility maintained by the users of corn and grain sorghum in a high moisture state; and

(D) comply with deadlines established by the Secretary for harvesting the corn or grain sorghum and submit applications for loans under this subsection within deadlines established by the Secretary.

(2) ELIGIBILITY OF ACQUIRED FEED GRAINS.—A loan under this subsection shall be made on a quantity of corn or grain sorghum of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

(A) the acreage of the corn or grain sorghum in a high moisture state harvested on the producer's farm; by

(B) the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which the corn or grain sorghum was obtained.

(3) HIGH MOISTURE STATE DEFINED.—In this subsection, the term ''high moisture state'' means corn or grain sorghum having a moisture content in excess of Commodity Credit

Corporation standards for marketing assistance loans made by the Secretary under section 121.

(b) RECOURSE LOANS AVAILABLE FOR SEED COTTON.—For each of the 2002 through 2011 crops of upland cotton and extra long staple cotton, the Secretary shall make available recourse seed cotton loans, as determined by the Secretary, on any production.

(c) REPAYMENT RATES.—Repayment of a recourse loan made under this section shall be at the loan rate established for the commodity by the Secretary, plus interest (as determined by the Secretary).

(d) TERMINATION OF SUPERSEDED LOAN AUTHORITY.—Notwithstanding section 137 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7237), recourse loans shall not be made for the 2002 crop of corn, grain sorghum, and seed cotton under such section.

SEC. 130. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR WOOL AND MOHAIR.

(a) NONRECOURSE LOANS AVAILABLE.—During the 2002 through 2011 marketing years for wool and mohair, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for wool and mohair produced on the farm during that marketing year.

(b) LOAN RATE.—The loan rate for a loan under subsection (a) shall be not more than—

(1) $1.00 per pound for graded wool;

(2) $0.40 per pound for nongraded wool; and

(3) $4.20 per pound for mohair.

(c) TERM OF LOAN.—A loan under subsection (a) shall have a term of 1 year beginning on the first day of the first month after the month in which the loan is made.

(d) REPAYMENT RATES.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wool or mohair at a rate that is the lesser of—

(1) the loan rate established for the commodity under subsection (b), plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodity by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodity; and

(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to producers that, although eligible to obtain a marketing assistance loan under this section, agree to forgo obtaining the loan in return for payments under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the loan payment rate in effect under paragraph (3) for the commodity; by

(B) the quantity of the commodity produced by the eligible producers, excluding any quantity for which the producers obtain a loan under this subsection.

(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate for wool or mohair shall be the amount by which—

(A) the loan rate in effect for the commodity under subsection (b); exceeds

(B) the rate at which a loan for the commodity may be repaid under subsection (d).

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to a producer with respect to a quantity of a wool or mohair as of the earlier of the following:

(A) The date on which the producer marketed or otherwise lost beneficial interest in the wool or mohair, as determined by the Secretary.

(B) The date the producer requests the payment.

(f) LIMITATIONS.—The marketing assistance loan gains and loan deficiency payments that a person may receive for wool and mohair under this section shall be subject to a separate payment limitation, but in the same dollar amount, as the payment limitation that applies to marketing assistance loans and loan deficiency payments received by producers of other agricultural commodities in the same marketing year.

SEC. 131. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR HONEY.

(a) NONRECOURSE LOANS AVAILABLE.—During the 2002 through 2011 crop years for honey, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for honey produced on the farm during that crop year.

(b) LOAN RATE.—The loan rate for a marketing assistance loan for honey under subsection (a) shall be equal to $0.60 cents per pound.

(c) TERM OF LOAN.—A marketing assistance loan under subsection (a) shall have a term of 1 year beginning on the first day of the first month after the month in which the loan is made.

(d) REPAYMENT RATES.—The Secretary shall permit a producer to repay a marketing assistance loan for honey under subsection (a) at a rate that is the lesser of—

(1) the loan rate for honey, plus interest (as determined by the Secretary); or

(2) the prevailing domestic market price for honey, as determined by the Secretary.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to any producer of honey that, although eligible to obtain a marketing assistance loan under subsection (a), agrees to forgo obtaining the loan in return for a payment under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be determined by multiplying—

(A) the loan payment rate determined under paragraph (3); by

(B) the quantity of honey that the producer is eligible to place under loan, but for which the producer forgoes obtaining the loan in return for a payment under this subsection.

(3) LOAN PAYMENT RATE.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b); exceeds

(B) the rate at which a loan may be repaid under subsection (d).

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to a producer with respect to a quantity of a honey as of the earlier of the following:

(A) The date on which the producer marketed or otherwise lost beneficial interest in the honey, as determined by the Secretary.

(B) The date the producer requests the payment.

(f) LIMITATIONS.—The marketing assistance loan gains and loan deficiency payments that a person may receive for a crop of honey under this section shall be subject to a separate payment limitation, but in the same dollar amount, as the payment limitation that applies to marketing assistance loans and loan deficiency payments received by producers of other agricultural commodities in the same crop year.

(g) PREVENTION OF FORFEITURES.—The Secretary shall carry out this section in such a manner as to minimize forfeitures of honey marketing assistance loans.

SEC. 132. PRODUCER RETENTION OF ERRONEOUSLY PAID LOAN DEFICIENCY PAYMENTS AND MARKETING LOAN GAINS.

Notwithstanding any other provision of law, the Secretary of Agriculture and the Commodity Credit Corporation shall not require producers in Erie County, Pennsylvania, to repay loan deficiency payments and marketing loan gains erroneously paid or determined to have been earned by the Commodity Credit Corporation for certain 1998 and 1999 crops under subtitle C of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231 et seq.). In the case of a producer who has already made the repayment on or before the date of the enactment of this Act, the Commodity Credit Corporation shall reimburse the producer for the full amount of the repayment.

SEC. 133. RESERVE STOCK ADJUSTMENT.

Section 301(b)(14)(C) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)(14)(C)) is amended—

(1) in clause (i), by striking ''100,000,000'' and inserting ''75,000,000''; and

(2) in clause (ii), by striking ''15 percent'' and inserting ''10 percent''.

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

SEC. 141. MILK PRICE SUPPORT PROGRAM.

(a) SUPPORT ACTIVITIES.—During the period beginning on January 1, 2002, and ending on December 31, 2011, the Secretary of Agriculture shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(b) RATE.—During the period specified in subsection (a), the price of milk shall be supported at a rate equal to $9.90 per hundredweight for milk containing 3.67 percent butterfat.

(c) PURCHASE PRICES.—The support purchase prices under this section for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under subsection (b).

(d) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK PURCHASE PRICES.—

(1) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. Not later than 10 days after making or changing an allocation, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation. Section 553 of title 5, United States Code, shall not apply with respect to the implementation of this section.

(2) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such

adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(e) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

SEC. 142. REPEAL OF RECOURSE LOAN PROGRAM FOR PROCESSORS.

Section 142 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7252) is repealed.

SEC. 143. EXTENSION OF DAIRY EXPORT INCENTIVE AND DAIRY INDEMNITY PROGRAMS.

(a) DAIRY EXPORT INCENTIVE PROGRAM.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14(a)) is amended by striking ''2002'' and inserting ''2011''.

(b) DAIRY INDEMNITY PROGRAM.—Section 3 of Public Law 90–484 (7 U.S.C. 4501) is amended by striking ''1995'' and inserting ''2011''.

SEC. 144. FLUID MILK PROMOTION.

(a) DEFINITION OF FLUID MILK PRODUCT.—Section 1999C of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402) is amended by striking paragraph (3) and inserting the following new paragraph:

''(3) FLUID MILK PRODUCT.—The term 'fluid milk product' has the meaning given such term—

''(A) in section 1000.15 of title 7, Code of Federal Regulations, subject to such amendments as may be made from time to time; or

''(B) in any successor regulation providing a definition of such term that is promulgated pursuant to the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.''.

(b) DEFINITION OF FLUID MILK PROCESSOR.—Section 1999C(4) of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402(4)) is amended by striking ''500,000'' and inserting ''3,000,000''.

(c) ELIMINATION OF ORDER TERMINATION DATE.—Section 1999O of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6414) is amended—

(1) by striking subsection (a); and

(2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively.

SEC. 145. DAIRY PRODUCT MANDATORY REPORTING.

Section 273(b)(1)(B) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637b(b)(1)(B)) is amended—

(1) by inserting ''and substantially identical products designated by the Secretary'' after ''dairy products'' the first place it appears; and

(2) by inserting ''and such substantially identical products'' after ''dairy products'' the second place it appears.

SEC. 146. STUDY OF NATIONAL DAIRY POLICY.

(a) STUDY REQUIRED.—Not later than April 30, 2002, the Secretary of Agriculture shall submit to Congress a comprehensive economic evaluation of the potential direct and indirect effects of the various elements of the national dairy policy, including an examination of the effect of the national dairy policy on—

(1) farm price stability, farm profitability and viability, and local rural economies in the United States;

(2) child, senior, and low-income nutrition programs, including impacts on schools and institutions participating in the programs, on program recipients, and other factors; and

(3) the wholesale and retail cost of fluid milk, dairy farms, and milk utilization.

(b) NATIONAL DAIRY POLICY DEFINED.—In this section, the term ''national dairy policy'' means the dairy policy of the United States as evidenced by the following policies and programs:

(1) Federal Milk Marketing Orders.

(2) Interstate dairy compacts (including proposed compacts described in H.R. 1827 and S. 1157, as introduced in the 107th Congress).

(3) Over-order premiums and State pricing programs.

(4) Direct payments to milk producers.

(5) Federal milk price support program.

(6) Export programs regarding milk and dairy products, such as the Dairy Export Incentive Program.

CHAPTER 2—SUGAR

SEC. 151. SUGAR PROGRAM.

(a) CONTINUATION OF PROGRAM.—Subsection (i) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) is amended—

(1) by striking ''(other than subsection (f))''; and

(2) by striking ''2002 crops'' and inserting ''2011 crops''.

(b) TERMINATION OF MARKETING ASSESSMENT AND FORFEITURE PENALTY.—Effective as of October 1, 2001, subsections (f) and (g) of such section are repealed.

(c) LOAN RATE ADJUSTMENTS.—Subsection (c) of such section is amended—

(1) by striking ''REDUCTION IN LOAN RATES'' and inserting ''LOAN RATE ADJUSTMENTS''; and

(2) in paragraph (1)—

(A) by striking ''REDUCTION REQUIRED'' and inserting ''POSSIBLE REDUCTION''; and

(B) by striking ''shall'' and inserting ''may''.

(d) NOTIFICATION.—Subsection (e) of such section is amended by adding at the end the following new paragraph:

''(3) PREVENTION OF ONEROUS NOTIFICATION REQUIREMENTS.—The Secretary may not impose or enforce any prenotification or similar administrative requirement that has the effect of preventing a processor from choosing to forfeit the loan collateral upon the maturity of the loan.''.

(e) IN PROCESS SUGAR.—Such section is further amended by inserting after subsection (e) the following new subsection (f):

''(f) LOANS FOR IN-PROCESS SUGAR.—

''(1) AVAILABILITY; RATE.—The Secretary shall make nonrecourse loans available to processors of domestically grown sugarcane and sugar beets for in-process sugars and syrups derived from such crops. The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar, depending on the source material for the in-process sugars and syrups.

''(2) FURTHER PROCESSING UPON FORFEITURE.—As a condition on the forfeiture of in-process sugars and syrups serving as collateral for a loan under paragraph (1), the processor shall, within such reasonable time period as the Secretary may prescribe and at no cost to the Commodity Credit Corporation, convert the in-process sugars and syrups into raw cane sugar or refined beet sugar of acceptable grade and quality for sugars eligible for loans under subsection (a) or (b). Once the in-process sugars and syrups are fully processed into raw cane sugar or refined beet sugar, the processor shall transfer the sugar to the Corporation, which shall make a payment to the processor in an amount equal to the difference between the loan rate for raw cane sugar or refined beet sugar, whichever applies, and the loan rate the processor received under paragraph (1).

''(3) LOAN CONVERSION.—If the processor does not forfeit the collateral as described in paragraph (2), but instead further processes the in-process sugars and syrups into raw cane sugar or refined beet sugar and repays the loan on the in-process sugars and syrups, the processor may then obtain a loan under subsection (a) or (b) on the raw cane sugar or refined beet sugar, as appropriate.

''(4) DEFINITION.—In this subsection the term 'in-process sugars and syrups' does not include raw sugar, liquid sugar, invert sugar, invert syrup, or other finished products that are otherwise eligible for loans under subsection (a) or (b).''.

(f) ADMINISTRATION OF PROGRAM.—Such section is further amended by adding at the end the following new subsection:

''(j) AVOIDING FORFEITURES; CORPORATION INVENTORY DISPOSITION.—

''(1) NO COST.—To the maximum extent practicable, the Secretary shall operate the sugar program established under this section at no cost to the Federal Government by avoiding the forfeiture of sugar to the Commodity Credit Corporation.

''(2) INVENTORY DISPOSITION.—In support of the objective specified in paragraph (1), the Commodity Credit Corporation may accept bids for commodities in the inventory of the Corporation from (or otherwise make available such commodities, on appropriate terms and conditions, to) processors of sugarcane and processors of sugar beets (when the processors are acting in conjunction with the producers of the sugarcane or sugar beets processed by such processors) in return for the reduction of production of raw cane sugar or refined beet sugar, as appropriate. The authority provided under this paragraph is in addition to any authority of the Corporation under any other law.''.

(g) INFORMATION REPORTING.—Subsection (h) of such section is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively;

(2) by inserting after paragraph (1) the following new paragraphs:

''(2) DUTY OF PRODUCERS TO REPORT.—

''(A) PROPORTIONATE SHARE STATES.—The Secretary shall require a producer of sugarcane located in a State (other than Puerto Rico) in which there are in excess of 250 sugarcane producers to report, in the manner prescribed by the Secretary, the producer's sugarcane yields and acres planted to sugarcane.

''(B) OTHER STATES.—The Secretary may require producers of sugarcane or sugar beets not covered by paragraph (1) to report, in the manner prescribed by the Secretary, each producer's sugarcane or sugar beet yields and acres planted to sugarcane or sugar beets, respectively.

''(3) DUTY OF IMPORTERS TO REPORT.—The Secretary shall require an importer of sugars, syrups or molasses to be used for human consumption or to be used for the extraction of sugar for human consumption, except such sugars, syrups, or molasses that are within the quantities of tariff-rate quotas that are at the lower rate of duties, to report, in the manner prescribed by the Secretary, the quantities of such products imported and the sugar content or equivalent of such products.''; and

(3) in paragraph (5), as so redesignated, by striking ''paragraph (1)'' and inserting ''this subsection''.

(h) INTEREST RATE.—Section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283) is amended by adding at the end the following new sentence: ''For purposes of this section, raw cane sugar, refined beet sugar, and in process sugar eligible for a loan under section 156 shall not be considered an agricultural commodity.''.

SEC. 152. REAUTHORIZE PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT OF 1938 REGARDING SUGAR.

(a) INFORMATION REPORTING.—Section 359a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa) is repealed.

(b) ESTIMATES.—Section 359b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb) is amended:

(1) in the section heading—

(A) by inserting ''**flexible**'' before ''**marketing**''; and

(B) by striking ''**and crystalline fructose**'';

(2) in subsection (a)—

(A) in paragraph (1)—

(i) by striking ''Before'' and inserting ''Not later than August 1 before'';

(ii) by striking ''1992 through 1998'' and inserting ''2002 through 2011'';

(iii) in subparagraph (A), by striking ''(other than sugar'' and all that follows through ''stocks'';

(iv) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (E), respectively;

(v) by inserting after subparagraph (A) the following:

''(B) the quantity of sugar that would provide for reasonable carryover stocks;'';

(vi) in subparagraph (C), as so redesignated—

(I) by striking ''or'' and all that follows through ''beets''; and

(II) by striking the ''and'' following the semicolon;

(vii) by inserting after subparagraph (C), as so redesignated, the following:

''(D) the quantity of sugar that will be available from the domestic processing of sugarcane and sugar beets; and''; and

(viii) in subparagraph (E), as so redesignated—

(I) by striking ''quantity of sugar'' and inserting ''quantity of sugars, syrups, and molasses'';

(II) by inserting ''human'' after ''imported for'' the first place it appears;

(III) by inserting after ''consumption'' the first place it appears the following: ''or to be used for the extraction of sugar for human consumption'';

(IV) by striking ''year'' and inserting ''year, whether such articles are under a tariff-rate quota or are in excess or outside of a tariff rate quota''; and

(V) by striking ''(other than sugar'' and all that follows through ''carry-in stocks'';

(B) by redesignating paragraph (2) as paragraph (3);

(C) by inserting after paragraph (1) the following new paragraph:

''(2) EXCLUSION.—The estimates in this section shall not include sugar imported for the production of polyhydric alcohol or to be refined and re-exported in refined form or in sugar containing products.'';

(D) in paragraph (3), as so redesignated—

(i) by striking ''QUARTERLY REESTIMATES'' and inserting ''REESTIMATES''; and

(ii) by inserting ''as necessary, but'' after ''a fiscal year'';

(3) in subsection (b)—

(A) by striking paragraph (1) and inserting the following new paragraph:

''(1) IN GENERAL.—By the beginning of each fiscal year, the Secretary shall establish for that fiscal year appropriate allotments under section 359c for the marketing by processors of sugar processed from sugar beets and from domestically-produced sugarcane at a level that the Secretary estimates will result in no forfeitures of sugar to the Commodity Credit Corporation under the loan program for sugar.''; and

(B) in paragraph (2), by striking ''or crystalline fructose'';

(4) by striking subsection (c);

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

(6) in subsection (c), as so redesignated—

(A) by striking paragraph (2);

(B) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(C) in paragraph (2), as so redesignated—

(i) by striking ''or manufacturer'' and all that follows through ''(2)''; and

(ii) by striking ''or crystalline fructose''.

(c) ESTABLISHMENT.—Section 359c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359cc) is amended—

(1) in the section heading by inserting ''**flexible**'' after ''**of**'';

(2) in subsection (a), by inserting ''flexible'' after ''establish'';

(3) in subsection (b)—

(A) in paragraph (1)(A), by striking ''1,250,000'' and inserting ''1,532,000''; and

(B) in paragraph (2), by striking ''to the maximum extent practicable'';

(4) by striking subsection (c) and inserting the following new subsection:

''(c) MARKETING ALLOTMENT FOR SUGAR DERIVED FROM SUGAR BEETS AND MARKETING ALLOTMENT FOR SUGAR DERIVED FROM SUGARCANE.—The overall allotment quantity for the fiscal year shall be allotted among—

''(1) sugar derived from sugar beets by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage of 54.35; and

''(2) sugar derived from sugarcane by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage of 45.65.'';

(5) by amending subsection (d) to read as follows:

''(d) FILLING CANE SUGAR AND BEET SUGAR ALLOTMENTS.—Each marketing allotment for cane sugar established under this section may only be filled with sugar processed from domestically grown sugarcane, and each marketing allotment for beet sugar established under this section may only be filled with sugar domestically processed from sugar beets.'';

(6) by striking subsection (e);

(7) by redesignating subsection (f) as subsection (e);

(8) in subsection (e), as so redesignated—

(A) by inserting ''(1) IN GENERAL.—'' before ''The allotment for sugar'' and indenting such paragraph appropriately;

(B) in such paragraph (1)—

(i) by striking ''the 5'' and inserting ''the'';

(ii) by inserting after ''sugarcane is produced,'' the following: ''after a hearing, if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe,'';

(iii) by striking ''on the basis of past marketings'' and all that follows through ''allotments'', and inserting ''as provided in this subsection and section 359d(a)(2)(A)(iv)''; and

(C) by inserting after paragraph (1) the following new paragraphs:

''(2) OFFSHORE ALLOTMENT.—

''(A) COLLECTIVELY.—Prior to the allotment of sugar derived from sugarcane to any other State, 325,000 short tons, raw value shall be allotted to the offshore States.

''(B) INDIVIDUALLY.—The collective offshore State allotment provided for under subparagraph (A) shall be further allotted among the offshore States in which sugarcane is produced, after a hearing if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

''(i) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;

''(ii) the ability of processors to market the sugar covered under the allotments for the crop year; and

''(iii) past processings of sugar from sugarcane based on the 3 year average of the crop years 1998 through 2000.

''(3) MAINLAND ALLOTMENT.—The allotment for sugar derived from sugarcane, less the amount provided for under paragraph (2), shall be allotted among the mainland States in the United States in which sugarcane is produced, after a hearing if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

''(A) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;

''(B) the ability of processors to market the sugar covered under the allotments for the crop year; and

''(C) past processings of sugar from sugarcane, based on the 3 crop years with the greatest processings (in the mainland States collectively) during the 1991 through 2000 crop years.'';

(9) by inserting after subsection (e), as so redesignated, the following new subsection (f):

''(f) FILLING CANE SUGAR ALLOTMENTS.—Except as otherwise provided in section 359e, a State cane sugar allotment established under subsection (e) for a fiscal year may be filled only with sugar processed from sugarcane grown in the State covered by the allotment.'';

(10) in subsection (g)—

(A) in paragraph (1), by striking ''359b(a)(2)—'' and all that follows through the comma at the end of subparagraph (C) and inserting ''359b(a)(3), adjust upward or downward marketing allotments in a fair and equitable manner'';

(B) in paragraph (2) by striking ''359f(b)'' and inserting ''359f(c)''; and

(C) in paragraph (3)—

(i) by striking ''REDUCTIONS'' and inserting ''CARRY-OVER OF REDUCTIONS'';

(ii) by inserting after ''this subsection, if'' the following: ''at the time of the reduction'';

(iii) by striking ''price support'' and inserting ''nonrecourse'';

(iv) by striking ''206'' and all that follows through ''the allotment'' and inserting ''156 of the Agricultural Market Transition Act (7 U.S.C. 7272),''; and

(v) by striking '', if any,''; and

(11) by amending subsection (h) to read as follows:

''(h) SUSPENSION OF ALLOTMENTS.—Whenever the Secretary estimates, or reestimates, under section 359b(a), or has reason to believe that imports of sugars, syrups or molasses for human consumption or to be used for the extraction of sugar for human consumption, whether under a tariff-rate quota or in excess or outside of a tariff-rate quota, will exceed 1.532 million short tons, raw value equivalent, and that such imports would lead to a reduction of the overall allotment quantity, the Secretary shall suspend the marketing allotments until such

time as such imports have been restricted, eliminated, or otherwise reduced to or below the level of 1.532 million tons.''.

(d) ALLOCATION.—Section 359d of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359dd) is amended—

(1) in subsection (a)(2)(A)—

(A) by inserting ''(i) IN GENERAL.—'' before ''The Secretary shall'' and indenting such clause appropriately;

(B) in clause (i), as so designated—

(i) by striking ''interested parties'' and inserting ''the affected sugar cane processors and growers'';

(ii) by striking ''by taking'' and all that follows through ''allotment allocated.'' and inserting ''with this subparagraph.''; and

(iii) by inserting at the end the following new sentence: ''Each such allocation shall be subject to adjustment under section 359c(g).'';

(C) by inserting after clause (i) the following new clauses:

''(ii) MULTIPLE PROCESSOR STATES.—Except as provided in clause (iii), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single State based upon—

''(I) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops;

''(II) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;

''(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and

''(IV) however, only with respect to allotments under subclauses (I), (II), and (III) attributable to the former operations of the Talisman processing facility, shall be allocated among processors in the State coincident with the provisions of the agreements of March 25 and March 26, 1999, between the affected processors and the Department of the Interior.

''(iii) PROPORTIONATE SHARE STATES.—In the case of States subject to section 359f(c), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single state based upon—

''(I) past marketings of sugar, based on the average of the two highest years of production of raw cane sugar from among the 1997 through 2001 crop years;

''(II) the ability of processors to market sugar covered by that portion of the allotments allocated for the crop year; and

''(III) past processings of sugar from sugarcane, based on the average of the two highest crop years from the five crop years 1997 through 2001.

''(iv) NEW ENTRANTS.—Notwithstanding clauses (ii) and (iii), the Secretary, on application of any processor that begins processing sugarcane on or after the date of enactment of this clause, and after a hearing if requested by the affected sugarcane processors and growers, and on such notice as the Secretary by regulation may prescribe, may provide such processor with an allocation which provides a fair, efficient and equitable distribution of the allocations from the allotment for the State in which the processor is located and, in the case of proportionate share States, shall establish proportionate shares in an amount sufficient to produce the sugarcane required to satisfy such allocations. However, the allotment for a new processor under this clause shall not exceed 50,000 short tons, raw value.

''(v) TRANSFER OF OWNERSHIP.—Except as otherwise provided in section 359f(c)(8), in the event that a sugarcane processor is sold or otherwise transferred to another owner, or closed as part of an affiliated corporate group processing consolidation, the Secretary shall transfer the allotment allocation for the processor to the purchaser, new owner, or successor in interest, as applicable, of the processor.''; and

(2) in subsection (a)(2)(B)—

(A) by striking ''interested parties'' and inserting ''the affected sugar beet processors and growers''; and

(B) by striking ''processing capacity'' and all that follows through ''allotment allocated'' and inserting the following: ''the marketings of sugar processed from sugar beets of any or all of the 1996 through 2000 crops, and such other factors as the Secretary may deem appropriate after consultation with the affected sugar beet processors and growers. However, in the case of any processor which has started processing sugar beets after January 1, 1996, the Secretary shall provide such processor with an allocation which provides a fair, efficient and equitable distribution of the allocations''.

(e) REASSIGNMENT.—Section 359e(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B) by striking the ''and'' after the semicolon;

(B) by redesignating subparagraph (C) as subparagraph (D);

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

''(C) if after the reassignments, the deficit cannot be completely eliminated, the Secretary shall reassign the estimated quantity of the deficit to the sale of any inventories of sugar held by the Commodity Credit Corporation; and''; and

(D) in subparagraph (D), as so redesignated, by inserting ''and sales'' after ''reassignments''; and

(2) in paragraph (2)—

(A) in subparagraph (A) by striking the ''and'' after the semicolon;

(B) in subparagraph (B), by striking ''reassign the remainder to imports.'' and inserting ''use the estimated quantity of the deficit for the sale of any inventories of sugar held by the Commodity Credit Corporation; and''; and

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

''(C) if after such reassignments and sales, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.''.

(f) PRODUCER PROVISIONS.—Section 359f of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ff) is amended—

(1) in subsection (a)—

(A) by striking ''processor's allocation'' in the second sentence and inserting ''allocation to the processor''; and

(B) by inserting after ''request of either party'' the following: '', and such arbitration should be completed within 45 days, but not more than 60 days, of the request'';

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

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

''(b) SUGAR BEET PROCESSING FACILITY CLOSURES.— In the event that a sugar beet processing facility is closed and the sugar beet growers who previously delivered beets to such facility desire to deliver their beets to another processing company:

''(1) Such growers may petition the Secretary to modify existing allocations to accommodate such a transition; and

''(2) The Secretary may increase the allocation to the processing company to which the growers desire to deliver their sugar beets, and which the processing company agrees to accept, not to exceed its processing capacity, to accommodate the change in deliveries.

''(3) Such increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected.

''(4) The Secretary's determination on the issues raised by the petition shall be made within 60 days of the filing of the petition.'';

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

(A) in paragraph (3)(A), by striking ''the preceding five years'' and inserting ''the two highest years from among the years 1999, 2000, and 2001'';

(B) in paragraph (4)(A), by striking ''each'' and all that follows through ''in effect'' and inserting ''the two highest of the three (3) crop years 1999, 2000, and 2001''; and

(C) by inserting after paragraph (7) the following new paragraph:

''(8) PROCESSING FACILITY CLOSURES.—In the event that a sugarcane processing facility subject to this subsection is closed and the sugarcane growers who previously delivered sugarcane to such facility desire to deliver their sugarcane to another processing company—

''(A) such growers may petition the Secretary to modify existing allocations to accommodate such a transition;

''(B) the Secretary may increase the allocation to the processing company to which the growers desire to deliver the sugarcane, and which the processing company agrees to accept, not to exceed its processing capacity, to accommodate the change in deliveries;

''(C) such increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected; and

''(D) the Secretary's determination on the issues raised by the petition shall be made within 60 days of the filing of the petition.''.

(g) CONFORMING AMENDMENTS.—(1) The heading of part VII of subtitle B of Title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 359aa et seq.) is amended to read as follows:

''PART VII—FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR''.

(2) Section 359g of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359gg) is amended—

(A) by striking ''359f'' each place it appears and inserting ''359f(c)'';

(B) in subsection (b), by striking ''3 consecutive'' and inserting ''5 consecutive''; and

(C) in subsection (c), by inserting ''or adjusted'' after ''share established''.

(3) Section 359j(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359jj) is amended—

(A) by amending the subsection heading to read as follows: ''DEFINITIONS.—'';

(B) by striking ''Notwithstanding'' and inserting the following:

''(1) UNITED STATES AND STATE.—Notwithstanding''; and

(C) by inserting after such paragraph (1) the following new paragraph:

''(2) OFFSHORE STATES.—For purposes of this part, the term 'offshore States' means the sugarcane producing States located outside of the continental United States.''.

(h) LIFTING OF SUSPENSION.—Section 171(a)(1)(E) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C.

7301(a)(1)(E)) is amended by inserting before the period at the end the following: '', but only with respect to sugar marketings through fiscal year 2002''.

SEC. 153. STORAGE FACILITY LOANS.

(a) STORAGE FACILITY LOAN PROGRAM.—Notwithstanding any other provision of law and as soon as practicable after the date of the enactment of this section, the Commodity Credit Corporation shall amend part 1436 of title 7, Code of Federal Regulations, to establish a sugar storage facility loan program to provide financing for processors of domestically-produced sugarcane and sugar beets to build or upgrade storage and handling facilities for raw sugars and refined sugars.

(b) ELIGIBLE PROCESSORS.—Storage facility loans shall be made available to any processor of domestically produced sugarcane or sugar beets that has a satisfactory credit history, determines a need for increased storage capacity (taking into account the effects of marketing allotments), and demonstrates an ability to repay the loan.

(c) TERM OF LOANS.—Storage facility loans shall be for a minimum of seven years, and shall be in such amounts and on such terms and conditions (including down payment, security requirements, and eligible equipment) as are normal, customary, and appropriate for the size and commercial nature of the borrower.

(d) ADMINISTRATION.—The sugar storage facility loan program shall be administered using the services, facilities, funds, and authorities of the Commodity Credit Corporation.

CHAPTER 3—PEANUTS

SEC. 161. DEFINITIONS.

In this chapter:

(1) COUNTER-CYCLICAL PAYMENT.—The term ''counter-cyclical payment'' means a payment made to peanut producers under section 164.

(2) EFFECTIVE PRICE.—The term ''effective price'' means the price calculated by the Secretary under section 164 for peanuts to determine whether counter-cyclical payments are required to be made under such section for a crop year.

(3) HISTORIC PEANUT PRODUCER.—The term ''historic peanut producer'' means a peanut producer on a farm in the United States that produced or attempted to produce peanuts during any or all of crop years 1998, 1999, 2000, and 2001.

(4) FIXED, DECOUPLED PAYMENT.—The term ''fixed, decoupled payment'' means a payment made to peanut producers under section 163.

(5) PAYMENT ACRES.—The term ''payment acres'' means 85 percent of the peanut acres on a farm, as established under section 162, upon which fixed, decoupled payments and counter-cyclical payments are to be made.

(6) PEANUT ACRES.—The term ''peanut acres'' means the number of acres assigned to a particular farm by historic peanut producers pursuant to section 162(b).

(7) PAYMENT YIELD.—The term ''payment yield'' means the yield assigned to a particular farm by historic peanut producers pursuant to section 162(b).

(8) PEANUT PRODUCER.—The term ''peanut producer'' means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop of peanuts in the United States and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

(9) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(10) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(11) TARGET PRICE.—The term ''target price'' means the price per ton of peanuts used to determine the payment rate for counter-cyclical payments.

(12) UNITED STATES.—The term ''United States'', when used in a geographical sense, means all of the States.

SEC. 162. ESTABLISHMENT OF PAYMENT YIELD, PEANUT ACRES, AND PAYMENT ACRES FOR A FARM.

(a) ESTABLISHMENT OF PAYMENT YIELD AND PAYMENT ACRES.—

(1) DETERMINATION OF AVERAGE YIELD.—

(A) IN GENERAL.—The Secretary shall determine, for each historic peanut producer, the average yield for peanuts on each farm on which the historic peanut producer produced peanuts for the 1998 through 2001 crop years, excluding any crop year in which the producer did not produce peanuts. If, for any of these four crop years in which peanuts were planted on a farm by the producer, the farm would have satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105–277), the Secretary shall assign a yield for the producer for that year equal to 65 percent of the county yield, as determined by the Secretary.

(B) SELECTION BY PRODUCER.—If a county in which a historical peanut producer described in subparagraph (A) is located is declared a disaster area during 1 or more of the 4 crop years described in subparagraph (A), for the purposes of determining the 4-year average yield for the historical peanut producer, the historical peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

(i) the State 4-year average yield of peanuts produced in the State; or

(ii) the average yield for the historical peanut producer determined by the Secretary under subparagraph (A).

(2) ACREAGE AVERAGE.—Except as provided in paragraph (3), the Secretary shall determine, for the historical peanut producer, the 4-year average of—

(A) acreage planted to peanuts on all farms for harvest during the 1998 through 2001 crop years; and

(B) any acreage that was prevented from being planting to peanuts during the crop years because of drought, flood, or other natural disaster, or other condition beyond the control of the historical peanut producer, as determined by the Secretary.

(3) SELECTION BY PRODUCER.—If a county in which a historical peanut producer described in paragraph (2) is located is declared a disaster area during 1 or more of the 4 crop years described in paragraph (2), for the purposes of determining the 4-year average acreage for the historical peanut producer, the historical peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

(A) the State average of acreage actually planted to peanuts; or

(B) the average of acreage for the historical peanut producer determined by the Secretary under paragraph (2).

(4) TIME FOR DETERMINATIONS; FACTORS.—

(A) TIMING.—The Secretary shall make the determinations required by this subsection not later than 90 days after the date of enactment of this section.

(B) FACTORS.—In making the determinations, the Secretary shall take into account changes in the number and identity of historical peanut producers sharing in the risk of producing a peanut crop since the 1998 crop year, including providing a method for the assignment of average acres and average yield to a farm when a historical peanut producer is no longer living or an entity composed of historical peanut producers has been dissolved.

(b) ASSIGNMENT OF YIELD AND ACRES TO FARMS.—

(1) ASSIGNMENT BY HISTORICAL PEANUT PRODUCERS.—For each of the 2002 and 2003 crop years, the Secretary shall provide each historical peanut producer with an opportunity to assign the average peanut yield and average acreage determined under subsection (a) for the historical peanut producer to cropland on a farm.

(2) PAYMENT YIELD.—The average of all of the yields assigned by historical peanut producers to a farm shall be considered to be the payment yield for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter.

(3) PEANUT ACRES.—Subject to subsection (e), the total number of acres assigned by historical peanut producers to a farm shall be considered to be the peanut acres for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter.

(c) ELECTION.—Not later than 180 days after the date of enactment of this section for the 2002 crop, and not later than 180 days after January 1, 2003, for the 2003 crop, a historical peanut producer shall notify the Secretary of the assignments described in subsection (b).

(d) PAYMENT ACRES.—The payment acres for peanuts on a farm shall be equal to 85 percent of the peanut acres assigned to the farm.

(e) PREVENTION OF EXCESS PEANUT ACRES.—

(1) REQUIRED REDUCTION.—If the total of the peanut acres for a farm, together with the acreage described in paragraph (3), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of peanut acres for the farm or contract acreage for 1 or more covered commodities for the farm as necessary so that the total of the peanut acres and acreage described in paragraph (3) does not exceed the actual cropland acreage of the farm.

(2) SELECTION OF ACRES.—The Secretary shall give the peanut producers on the farm the opportunity to select the peanut acres or contract acreage against which the reduction will be made.

(3) OTHER ACREAGE.—For the purposes of paragraph (1), the Secretary shall include—

(A) any contract acreage for the farm under subtitle B;

(B) any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.); and

(C) any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(3) DOUBLE-CROPPED ACREAGE.—In applying paragraph (1), the Secretary shall take into account additional acreage as a result of an established double-cropping history on a farm, as determined by the Secretary.

SEC. 163. DIRECT PAYMENTS FOR PEANUTS.

(a) IN GENERAL.—For each of the 2002 through 2006 fiscal years, the Secretary shall

make direct payments to peanut producers on a farm with peanut acres under section 158B and a payment yield for peanuts under section 164.

(b) PAYMENT RATE.—The payment rate used to make direct payments with respect to peanuts for a fiscal year shall be equal to $0.018 per pound.

(c) PAYMENT AMOUNT.—The amount of the direct payment to be paid to the peanut producers on a farm for peanuts for a fiscal year shall be equal to the product obtained by multiplying—

(1) the payment rate specified in subsection (b);

(2) the payment acres on the farm; by

(3) the payment yield for the farm.

(d) TIME FOR PAYMENT.—

(1) IN GENERAL.—The Secretary shall make direct payments—

(A) in the case of the 2002 fiscal year, during the period beginning December 1, 2001, and ending September 30, 2002; and

(B) in the case of each of the 2003 through 2006 fiscal years, not later than September 30 of the fiscal year.

(2) ADVANCE PAYMENTS.—

(A) IN GENERAL.—At the option of the peanut producers on a farm, the Secretary shall pay 50 percent of the direct payment for a fiscal year for the producers on the farm on a date selected by the peanut producers on the farm.

(B) SELECTED DATE.—The selected date for a fiscal year shall be on or after December 1 of the fiscal year.

(C) SUBSEQUENT FISCAL YEARS.—The peanut producers on a farm may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

(3) REPAYMENT OF ADVANCE PAYMENTS.—If any peanut producer on a farm that receives an advance direct payment for a fiscal year ceases to be eligible for a direct payment before the date the direct payment would have been made by the Secretary under paragraph (1), the peanut producer shall be responsible for repaying the Secretary the full amount of the advance payment.

SEC. 164. COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.

(a) IN GENERAL.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make counter-cyclical payments with respect to peanuts if the Secretary determines that the effective price for peanuts is less than the income protection price for peanuts.

(b) EFFECTIVE PRICE.—For the purposes of subsection (a), the effective price for peanuts is equal to the total of—

(1) the greater of—

(A) the national average market price received by peanut producers during the marketing season for peanuts, as determined by the Secretary; or

(B) the national average loan rate for a marketing assistance loan for peanuts under section 167 in effect for the marketing season for peanuts under this chapter; and

(2) the payment rate in effect for peanuts under section 165 for the purpose of making direct payments with respect to peanuts.

(c) INCOME PROTECTION PRICE.—For the purposes of subsection (a), the income protection price for peanuts shall be equal to $550 per ton.

(d) PAYMENT AMOUNT.—The amount of the counter-cyclical payment to be paid to the peanut producers on a farm for a crop year shall be equal to the product obtained by multiplying—

(1) the payment rate specified in subsection (e);

(2) the payment acres on the farm; by

(3) the payment yield for the farm.

(e) PAYMENT RATE.—The payment rate used to make counter-cyclical payments with respect to peanuts for a crop year shall be equal to the difference between—

(1) the income protection price for peanuts; and

(2) the effective price determined under subsection (b) for peanuts.

(f) TIME FOR PAYMENTS.—

(1) IN GENERAL.—The Secretary shall make counter-cyclical payments to peanut producers on a farm under this section for a crop of peanuts as soon as practicable after determining under subsection (a) that the payments are required for the crop year.

(2) PARTIAL PAYMENT.—

(A) IN GENERAL.—At the option of the Secretary, the peanut producers on a farm may elect to receive up to 40 percent of the projected counter-cyclical payment to be made under this section for a crop of peanuts on completion of the first 2 months of the marketing season for the crop, as determined by the Secretary.

(B) REPAYMENT.—The peanut producers on a farm shall repay to the Secretary the amount, if any, by which the payment received by producers on the farm (including any partial payments) exceeds the counter-cyclical payment the producers on the farm are eligible for under this section.

SEC. 165. PRODUCER AGREEMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

(1) REQUIREMENTS.—Before the peanut producers on a farm may receive direct payments or counter-cyclical payments with respect to the farm, the peanut producers on the farm shall agree during the fiscal year or crop year, respectively, for which the payments are received, in exchange for the payments—

(A) to comply with applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

(B) to comply with applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.);

(C) to comply with the planting flexibility requirements of section 166; and

(D) to use a quantity of the land on the farm equal to the peanut acres, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary.

(2) COMPLIANCE.—The Secretary may promulgate such regulations as the Secretary considers necessary to ensure peanut producer compliance with paragraph (1).

(b) FORECLOSURE.—

(1) IN GENERAL.—The Secretary shall not require the peanut producers on a farm to repay a direct payment or counter-cyclical payment if a foreclosure has occurred with respect to the farm and the Secretary determines that forgiving the repayment is appropriate to provide fair and equitable treatment.

(2) COMPLIANCE WITH REQUIREMENTS.—

(A) IN GENERAL.—This subsection shall not void the responsibilities of the peanut producers on a farm under subsection (a) if the peanut producers on the farm continue or resume operation, or control, of the farm.

(B) APPLICABLE REQUIREMENTS.—On the resumption of operation or control over the farm by the peanut producers on the farm, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

(c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

(1) TERMINATION.—Except as provided in paragraph (5), a transfer of (or change in) the interest of the peanut producers on a farm in peanut acres for which direct payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the peanut acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a).

(2) EFFECTIVE DATE.—The termination takes effect on the date of the transfer or change.

(3) TRANSFER OF PAYMENT BASE AND YIELD.—The Secretary shall not impose any restriction on the transfer of the peanut acres or payment yield of a farm as part of a transfer or change described in paragraph (1).

(4) MODIFICATION.—At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the purposes of subsection (a), as determined by the Secretary.

(5) EXCEPTION.—If a peanut producer entitled to a direct payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary.

(d) ACREAGE REPORTS.—As a condition on the receipt of any benefits under this chapter, the Secretary shall require the peanut producers on a farm to submit to the Secretary acreage reports for the farm.

(e) TENANTS AND SHARECROPPERS.—In carrying out this chapter, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(f) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of direct payments and counter-cyclical payments among the peanut producers on a farm on a fair and equitable basis.

SEC. 166. PLANTING FLEXIBILITY.

(a) PERMITTED CROPS.—Subject to subsection (b), any commodity or crop may be planted on peanut acres on a farm.

(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on peanut acres:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) In the case of the 2003 and subsequent crops of an agricultural commodity, wild rice.

(2) EXCEPTIONS.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in paragraph (1)—

(A) in any region in which there is a history of double-cropping of peanuts with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on peanut acres, except that direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity; or

(C) by the peanut producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

(i) the quantity planted may not exceed the average annual planting history of the agricultural commodity by the peanut producers on the farm during the 1996 through

2001 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(ii) direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity.

SEC. 167. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.

(a) NONRECOURSE LOANS AVAILABLE.—

(1) AVAILABILITY.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make available to peanut producers on a farm nonrecourse marketing assistance loans for peanuts produced on the farm.

(2) TERMS AND CONDITIONS.—The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b).

(3) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing assistance loan under this section for any quantity of peanuts produced on the farm.

(4) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this section, the Secretary shall make loans to peanut producers on a farm that would be eligible to obtain a marketing assistance loan but for the fact the peanuts owned by the peanut producers on the farm are commingled with other peanuts of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the peanut producers on a farm obtaining the loan agree to immediately redeem the loan collateral in accordance with section 165.

(5) OPTIONS FOR OBTAINING LOAN.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e), may be obtained at the option of the peanut producers on a farm through—

(A) a designated marketing association of peanut producers that is approved by the Secretary, which may own or construct necessary storage facilities;

(B) the Farm Service Agency; or

(C) a loan servicing agent approved by the Secretary.

(b) LOAN RATE.—The loan rate for a marketing assistance loan for peanuts under subsection (a) shall be equal to $400 per ton.

(c) TERM OF LOAN.—

(1) IN GENERAL.—A marketing assistance loan for peanuts under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

(2) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan for peanuts under subsection (a).

(d) REPAYMENT RATE.—The Secretary shall permit peanut producers on a farm to repay a marketing assistance loan for peanuts under subsection (a) at a rate that is the lesser of—

(1) the loan rate established for peanuts under subsection (b), plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of peanuts by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing peanuts; and

(D) allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to the peanut producers on a farm that, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for payments under this subsection.

(2) AMOUNT.—A loan deficiency payment under this subsection shall be obtained by multiplying—

(A) the loan payment rate determined under paragraph (3) for peanuts; by

(B) the quantity of the peanuts produced by the peanut producers on the farm, excluding any quantity for which the producers on the farm obtain a loan under subsection (a).

(3) LOAN PAYMENT RATE.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b); exceeds

(B) the rate at which a loan may be repaid under subsection (d).

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to the peanut producers on a farm with respect to a quantity of peanuts as of the earlier of—

(A) the date on which the peanut producers on the farm marketed or otherwise lost beneficial interest in the peanuts, as determined by the Secretary; or

(B) the date the peanut producers on the farm request the payment.

(f) COMPLIANCE WITH CONSERVATION REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the peanut producers on a farm shall comply during the term of the loan with—

(1) applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

(2) applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

(g) REIMBURSABLE AGREEMENTS AND PAYMENT OF EXPENSES.—To the maximum extent practicable, the Secretary shall implement any reimbursable agreements or provide for the payment of expenses under this chapter in a manner that is consistent with the implementation of the agreements or payment of the expenses for other commodities.

SEC. 168. QUALITY IMPROVEMENT.

(a) OFFICIAL INSPECTION.—All peanuts placed under a marketing assistance loan under section 167 or otherwise sold or marketed shall be officially inspected and graded by a Federal or State inspector.

(b) EFFECTIVE DATE.—This section shall take effect with the 2002 crop of peanuts.

SEC. 169. PAYMENT LIMITATIONS.

For purposes of sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3), separate payment limitations shall apply to peanuts with respect to—

(1) fixed, decoupled payments;

(2) counter-cyclical payments, and

(3) limitations on marketing loan gains and loan deficiency payments.

SEC. 170. TERMINATION OF MARKETING QUOTA PROGRAMS FOR PEANUTS AND COMPENSATION TO PEANUT QUOTA HOLDERS FOR LOSS OF QUOTA ASSET VALUE.

(a) REPEAL OF MARKETING QUOTA.—

(1) REPEAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357–1359a), relating to peanuts, is repealed.

(2) TREATMENT OF 2001 CROP.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357–1359a), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to the 2001 crop of peanuts notwithstanding the amendment made by paragraph (1).

(b) COMPENSATION CONTRACT REQUIRED.—The Secretary shall offer to enter into a contract with eligible peanut quota holders for the purpose of providing compensation for the lost value of the quota on account of the repeal of the marketing quota program for peanuts under subsection (a). Under the contracts, the Secretary shall make payments to eligible peanut quota holders during fiscal years 2002 through 2006.

(c) TIME FOR PAYMENT.—The payments required under the contracts shall be provided in five equal installments not later than September 30 of each of fiscal years 2002 through 2006.

(d) PAYMENT AMOUNT.—The amount of the payment for a fiscal year to a peanut quota holder under a contract shall be equal to the product obtained by multiplying—

(1) $0.10 per pound; by

(2) the actual farm poundage quota (excluding seed and experimental peanuts) established for the peanut quota holder's farm under section 358–1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)) for the 2001 marketing year.

(e) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to the payments made to peanut quota holders under the contracts. The peanut quota holder making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this subsection.

(f) PEANUT QUOTA HOLDER DEFINED.—In this section, the term ''peanut quota holder'' means a person or enterprise that owns a farm that—

(1) was eligible, immediately before the date of the enactment of this Act, to have a peanut quota established upon it;

(2) if there are not quotas currently established, would be eligible to have a quota established upon it for the succeeding crop year, in the absence of the amendment made by subsection (a); or

(3) is otherwise a farm that was eligible for such a quota at the time the general quota establishment authority was repealed.

The Secretary shall apply this definition without regard to temporary leases or transfers or quotas for seed or experimental purposes.

Subtitle D—Administration

SEC. 181. ADMINISTRATION GENERALLY.

(a) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall carry out this title through the Commodity Credit Corporation.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title shall be final and conclusive.

(c) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall issue such regulations as are necessary to implement this title. The issuance of the regulations shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804) relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly know as the ''Paperwork Reduction Act'').

(d) PROTECTION OF PRODUCERS.—The protection afforded producers that elect the option to accelerate the receipt of any payment under a production flexibility contract payable under the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7212 note) shall also apply to the advance payment of fixed, decoupled payments and counter-cyclical payments.

(e) ADJUSTMENT AUTHORITY RELATED TO URUGUAY ROUND COMPLIANCE.—If the Secretary determines that expenditures under subtitles A, B, and C that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7))), as in effect on the date of the enactment of this Act, will exceed such allowable levels for any applicable reporting period, the Secretary may make adjustments in the amount of such expenditures during that period to ensure that such expenditures do not exceed, but in no case are less than, such allowable levels.

SEC. 182. EXTENSION OF SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Section 171(a)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amended by striking ''2002'' both places it appears and inserting ''2011''.

(b) AGRICULTURAL ACT OF 1949.—Section 171(b)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(b)(1)) is amended by striking ''2002'' both places it appears and inserting ''2011''.

(c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—Section 171(c) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(c)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 183. LIMITATIONS.

(a) LIMITATION ON AMOUNTS RECEIVED.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) in paragraph (1)—

(A) by striking ''PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS'' and inserting ''FIXED, DECOUPLED PAYMENTS'';

(B) by striking ''contract payments made under the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts'' and inserting ''fixed, decoupled payments made to a person''; and

(C) by striking ''4'' and inserting ''5'';

(2) in paragraphs (2) and (3)—

(A) by striking ''payments specified'' and all that follows through ''and oilseeds'' and inserting ''following payments that a person shall be entitled to receive'';

(B) by striking ''75'' and inserting ''150'';

(C) by striking the period at the end of paragraph (2) and all that follows through ''the following'' in paragraph (3);

(D) by striking ''section 131'' and all that follows through ''section 132'' and inserting ''section 121 of the Farm Security Act of 2001 for a crop of any covered commodity at a lower level than the original loan rate established for the commodity under section 122''; and

(E) by striking ''section 135'' and inserting ''section 125''; and

(3) by inserting after paragraph (2) the following new paragraph (3):

''(3) LIMITATION ON COUNTER-CYCLICAL PAYMENTS.—The total amount of counter-cyclical payments that a person may receive during any crop year shall not exceed the amount specified in paragraph (2), as in effect on the day before the date of the enactment of the Farm Security Act of 2001.''.

(b) DEFINITIONS.—Paragraph (4) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended to read as follows:

''(4) DEFINITIONS.—In this title, the terms 'covered commodity', 'counter-cyclical payment', and 'fixed, decoupled payment' have the meaning given those terms in section 100 of the Farm Security Act of 2001.''.

(c) TRANSITION.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to fiscal year 2001 and the 2001 crop of any covered commodity.

SEC. 184. ADJUSTMENTS OF LOANS.

Section 162(b) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7282(b)) is amended by striking ''this title'' and inserting ''this title and title I of the Farm Security Act of 2001''.

SEC. 185. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.

Section 164 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7284) is amended by striking ''this title'' each places it appears and inserting ''this title and title I of the Farm Security Act of 2001''.

SEC. 186. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.

Section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286) is amended—

(1) in subsection (a)—

(A) by striking ''IN GENERAL.—'' and inserting ''SPECIFIC PAYMENTS.—''; and

(B) by striking ''subtitle C'' and inserting ''subtitle C of this title and title I of the Farm Security Act of 2001''; and

(2) in subsection (c)(1)—

(A) by striking ''producer'' the first two places it appears and inserting ''person''; and

(B) by striking ''to producers under subtitle C'' and inserting ''by the Commodity Credit Corporation''.

SEC. 187. ASSIGNMENT OF PAYMENTS.

The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to payments made under the authority of this Act. The producer making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this section.

SEC. 188. REPORT ON EFFECT OF CERTAIN FARM PROGRAM PAYMENTS ON ECONOMIC VIABILITY OF PRODUCERS AND FARMING INFRASTRUCTURE.

(a) REVIEW REQUIRED.—The Secretary of Agriculture shall conduct a review of the effects that payments under production flexibility contracts and market loss assistance payments have had, and that fixed, decoupled payments and counter-cyclical payments are likely to have, on the economic viability of producers and the farming infrastructure, particularly in areas where climate, soil types, and other agronomic conditions severely limit the covered crops that producers can choose to successfully and profitably produce.

(b) CASE STUDY RELATED TO RICE PRODUCTION.—The review shall include a case study of the effects that the payments described in subsection (a), and the forecast effects of increasing these or other decoupled payments, are likely to have on rice producers (including tenant rice producers), the rice milling industry, and the economies of rice farming areas in Texas, where harvested rice acreage has fallen from 320,000 acres in 1995 to only 211,000 acres in 2001.

(c) REPORT AND RECOMMENDATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the information collected for the review and the case study and any findings made on the basis of such information. The report shall include recommendations for minimizing the adverse effects on producers, with a special focus on producers who are tenants, on the agricultural economies in farming areas generally, on those particular areas described in subsection (a), and on the area that is the subject of the case study in subsection (b).

TITLE II—CONSERVATION

Subtitle A—Environmental Conservation Acreage Reserve Program

SEC. 201. GENERAL PROVISIONS.

Title XII of the Food Security Act of 1985 is amended—

(1) in section 1230(a), by striking ''1996 through 2002'' and inserting ''2002 through 2011'';

(2) by striking subsection (c) of section 1230; and

(3) in section 1230A (16 U.S.C. 3830a), by striking ''chapter'' each place it appears and inserting ''title''.

Subtitle B—Conservation Reserve Program

SEC. 211. REAUTHORIZATION.

(a) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended in each of subsections (a) and (d) by striking ''2002'' and inserting ''2011''.

(b) SCOPE OF PROGRAM.—Section 1231(a) of such Act (16 U.S.C. 3831(a)) is amended by striking ''and water'' and inserting '', water, and wildlife''.

SEC. 212. ENROLLMENT.

(a) CONSERVATION PRIORITY AREAS.—

(1) ELIGIBILITY.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

''(1) highly erodible cropland that—

''(A)(i) if permitted to remain untreated could substantially reduce the production capability for future generations; or

''(ii) cannot be farmed in accordance with a conservation plan that complies with the requirements of subtitle B; and

''(B) the Secretary determines had a cropping history or was considered to be planted for 3 of the 6 years preceding the date of enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001 (except for land enrolled in the conservation reserve program as of that date);''; and

(B) by adding at the end the following:

''(5) the portion of land in a field not enrolled in the conservation reserve in a case in which more than 50 percent of the land in the field is enrolled as a buffer under a program described in section 1234(i)(1), if the land is enrolled as part of the buffer; and

''(6) land (including land that is not cropland) enrolled through continuous signup—

''(A) to establish conservation buffers as part of the program described in a notice issued on March 24, 1998 (63 Fed. Reg. 14109) or a successor program; or

''(B) into the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 Fed. Reg. 28965) or a successor program.''.

(2) CRP PRIORITY AREAS.—Section 1231(f) of the Food Security Act of 1985 (16 U.S.C.

3831(f)) is amended by adding at the end the following:

''(5) PRIORITY.—In designating conservation priority areas under paragraph (1), the Secretary shall give priority to areas in which designated land would facilitate the most rapid completion of projects that—

''(A) are ongoing as of the date of the application; and

''(B) meet the purposes of the program established under this subchapter.''.

(b) ELIGIBILITY ON CONTRACT EXPIRATION.—Section 1231(f) of such Act (16 U.S.C. 3831(f)) is amended to read as follows:

''(f) ELIGIBILITY ON CONTRACT EXPIRATION.—On the expiration of a contract entered into under this subchapter, the land subject to the contract shall be eligible to be considered for re-enrollment in the conservation reserve.''.

(c) BALANCE OF NATURAL RESOURCE PURPOSES.—

(1) IN GENERAL.—Section 1231 of such Act (16 U.S.C. 3831) is amended by adding at the end the following:

''(i) BALANCE OF NATURAL RESOURCE PURPOSES.—In determining the acceptability of contract offers under this subchapter, the Secretary shall ensure an equitable balance among the conservation purposes of soil erosion, water quality and wildlife habitat.''.

(2) REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall issue final regulations implementing section 1231(i) of the Food Security Act of 1985, as added by paragraph (1) of this subsection.

SEC. 213. DUTIES OF OWNERS AND OPERATORS.

Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended—

(1) in subsection (a)—

(A) in paragraph (3), by inserting ''as described in section 1232(a)(7) or for other purposes'' before ''as permitted'';

(B) in paragraph (4), by inserting ''where practicable, or maintain existing cover'' before ''on such land''; and

(C) in paragraph (7), by striking ''Secretary—'' and all that follows and inserting ''Secretary may permit, consistent with the conservation of soil, water quality, and wildlife habitat—

''(A) managed grazing and limited haying, in which case the Secretary shall reduce the conservation reserve payment otherwise payable under the contract by an amount commensurate with the economic value of the activity;

''(B) wind turbines for the provision of wind energy, whether or not commercial in nature; and

''(C) land subject to the contract to be harvested for recovery of biomass used in energy production, in which case the Secretary shall reduce the conservation reserve payment otherwise payable under the contract by an amount commensurate with the economic value of such activity;''; and

(2) by striking subsections (c) and (d) and redesignating subsection (e) as subsection (c).

SEC. 214. REFERENCE TO CONSERVATION RESERVE PAYMENTS.

Subchapter B of chapter 1 of subtitle D of title XII of such Act (16 U.S.C. 3831–3836) is amended—

(1) by striking ''rental payment'' each place it appears and inserting ''conservation reserve payment'';

(2) by striking ''rental payments'' each place it appears and inserting ''conservation reserve payments''; and

(3) in the paragraph heading for section 1235(e)(4), by striking ''RENTAL PAYMENT'' and inserting ''CONSERVATION RESERVE PAYMENT''.

SEC. 215. EXPANSION OF PILOT PROGRAM TO ALL STATES.

Section 1231(h) of the Food Security Act of 1985 (16 U.S.C. 3831(h)) is amended—

(1) in paragraph (1), by striking ''and 2002'' and all that follows through ''South Dakota'' and inserting ''through 2011 calendar years, the Secretary shall carry out a program in each State'';

(2) in paragraph (3)(C), by striking ''—'' and all that follows and inserting ''not more than 150,000 acres in any 1 State.''; and

(3) by striking paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively.

Subtitle C—Wetlands Reserve Program

SEC. 221. ENROLLMENT.

(a) MAXIMUM.—Section 1237(b) of the Food Security Act of 1985 (16 U.S.C. 3837(b)) is amended by striking paragraph (1) and inserting the following:

''(1) ANNUAL ENROLLMENT.—In addition to any acres enrolled in the wetlands reserve program as of the end of a calendar year, the Secretary may in the succeeding calendar year enroll in the program a number of additional acres equal to—

''(A) if the succeeding calendar year is calendar year 2002, 150,000; or

''(B) if the succeeding calendar year is a calendar year after calendar year 2002—

''(i) 150,000; plus

''(ii) the amount (if any) by which 150,000, multiplied by the number of calendar years in the period that begins with calendar year 2002 and ends with the calendar year preceding such succeeding calendar year, exceeds the total number of acres added to the reserve during the period.''.

(b) METHODS.—Section 1237 of such Act (16 U.S.C. 3837(b)(2)) is amended—

(1) in subsection (b), by striking paragraph (2) and inserting the following:

''(2) METHODS OF ENROLLMENT.—The Secretary shall enroll acreage into the wetlands reserve program through the use of easements, restoration cost share agreements, or both.''; and

(2) by striking subsection (g).

(c) EXTENSION.—Section 1237(c) of such Act (16 U.S.C. 3837(c)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 222. EASEMENTS AND AGREEMENTS.

Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended—

(1) in subsection (b), by striking paragraph (2) and inserting the following:

''(2) prohibits the alteration of wildlife habitat and other natural features of such land, unless specifically permitted by the plan;'';

(2) in subsection (e), by striking paragraph (2) and inserting the following:

''(2) shall be consistent with applicable State law.'';

(3) by striking subsection (h).

SEC. 223. DUTIES OF THE SECRETARY.

Section 1237C of the Food Security Act of 1985 (16 U.S.C. 3837c) is amended by striking subsection (d).

SEC. 224. CHANGES IN OWNERSHIP; AGREEMENT MODIFICATION; TERMINATION.

Section 1237E(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3837e(a)(2)) is amended to read as follows:

''(2) the ownership change occurred due to foreclosure on the land and the owner of the land immediately before the foreclosure exercises a right of redemption from the mortgage holder in accordance with State law; or''.

Subtitle D—Environmental Quality Incentives Program

SEC. 231. PURPOSES.

Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa) is amended—

(1) by striking ''to—'' and all that follows through ''provides—'' and inserting ''to provide—'';

(2) by striking ''that face the most serious threats to'' and inserting ''to address environmental needs and provide benefits to air,'';

(3) by redesignating the subparagraphs (A) through (D) that follow the matter amended by paragraph (2) of this section as paragraphs (1) through (4), respectively;

(4) by moving each of such redesignated provisions 2 ems to the left; and

(5) by striking ''farmers and ranchers'' each place it appears and inserting ''producers''.

SEC. 232. DEFINITIONS.

Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3839aa–1) is amended—

(1) in paragraph (1)—

(A) by inserting ''non-industrial private forest land,'' before ''and other land''; and

(B) by striking ''poses a serious threat'' and all that follows and inserting ''provides increased environmental benefits to air, soil, water, or related resources.''; and

(2) in paragraph (4), by inserting '', including non-industrial private forestry'' before the period.

SEC. 233. ESTABLISHMENT AND ADMINISTRATION.

(a) REAUTHORIZATION.—Section 1240B(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)(1)) is amended by striking ''2002'' and inserting ''2011''.

(b) TERM OF CONTRACTS.—Section 1240B(b)(2) of such Act (16 U.S.C. 3839aa–2(b)(2)) is amended by striking ''not less than 5, nor more than 10, years'' and inserting ''not less than 1 year, nor more than 10 years''.

(c) STRUCTURAL PRACTICES.—Section 1240B(c)(1)(B) of such Act (16 U.S.C. 3839aa–2(c)(1)(B)) is amended to read as follows:

''(B) achieving the purposes established under this subtitle.''.

(d) ELIMINATION OF CERTAIN LIMITATIONS ON ELIGIBILITY FOR COST-SHARE PAYMENTS.—Section 1240B(e)(1) of such Act (16 U.S.C. 3839aa–2(e)(1)) is amended—

(1) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B); and

(2) in subparagraph (B) (as so redesignated), by striking ''or 3''.

(e) INCENTIVE PAYMENTS.—Section 1240B of such Act (16 U.S.C. 3839aa-2) is amended—

(1) in subsection (e)—

(A) in the subsection heading, by striking '', INCENTIVE PAYMENTS,''; and

(B) by striking paragraph (2); and

(2) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and inserting after subsection (e) the following:

''(f) CONSERVATION INCENTIVE PAYMENTS.—

''(1) IN GENERAL.—The Secretary may make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform multiple land management practices and to promote the enhancement of soil, water, wildlife habitat, air, and related resources.

''(2) SPECIAL RULE.—In determining the amount and rate of incentive payments, the Secretary may accord great weight to those practices that include residue, nutrient, pest, invasive species, and air quality management.''.

SEC. 234. EVALUATION OF OFFERS AND PAYMENTS.

Section 1240C of the Food Security Act of 1985 (16 U.S.C. 3839aa–3) is amended by striking paragraphs (1) through (3) and inserting the following:

''(1) aid producers in complying with this title and Federal and State environmental laws, and encourage environmental enhancement and conservation;

''(2) maximize the beneficial usage of animal manure and other similar soil amendments which improve soil health, tilth, and water-holding capacity; and

''(3) encourage the utilization of sustainable grazing systems, such as year-round, rotational, or managed grazing.''.

SEC. 235. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

Section 1240E(a) of the Food Security Act of 1985 (16 U.S.C. 3839aa–5(a)) is amended by striking ''that incorporates such conservation practices'' and all that follows and inserting ''that provides or will continue to provide increased environmental benefits to air, soil, water, or related resources.''.

SEC. 236. DUTIES OF THE SECRETARY.

Section 1240F(3) of the Food Security Act of 1985 (16 U.S.C. 3839aa–6(3)) is amended to read as follows:

''(3) providing technical assistance or cost-share payments for developing and implementing 1 or more structural practices or 1 or more land management practices, as appropriate;''.

SEC. 237. LIMITATION ON PAYMENTS.

Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3839aa–7) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''$10,000'' and inserting ''$50,000''; and

(B) in paragraph (2), by striking ''$50,000'' and inserting ''$200,000'';

(2) in subsection (b)(2), by striking ''the maximization of environmental benefits per dollar expended and''; and

(3) by striking subsection (c).

SEC. 238. GROUND AND SURFACE WATER CONSERVATION.

Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa–8) is amended to read as follows:

''SEC. 1240H. GROUND AND SURFACE WATER CONSERVATION.

''(a) SUPPORT FOR CONSERVATION MEASURES.—The Secretary shall provide cost-share payments and low-interest loans to encourage ground and surface water conservation, including irrigation system improvement, and provide incentive payments for capping wells, reducing use of water for irrigation, and switching from irrigation to dryland farming.

''(b) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available the following amounts to carry out this section:

''(1) $30,000,000 for fiscal year 2002.

''(2) $45,000,000 for fiscal year 2003.

''(3) $60,000,000 for each of fiscal years 2004 through 2011.''.

Subtitle E—Funding and Administration

SEC. 241. REAUTHORIZATION.

Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 242. FUNDING.

Section 1241(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(1)) is amended—

(1) by striking ''$130,000,000'' and all that follows through ''2002, for'' and inserting ''the following amounts for purposes of'';

(2) by striking ''subtitle D.'' and inserting ''subtitle D:''; and

(3) by adding at the end the following:

''(A) $200,000,000 for fiscal year 2001.

''(B) $1,025,000,000 for each of fiscal years 2002 and 2003.

''(C) $1,200,000,000 for each of fiscal years 2004, 2005, and 2006.

''(D) $1,400,000,000 for each of fiscal years 2007, 2008, and 2009.

''(E) $1,500,000,000 for each of fiscal years 2010 and 2011.''.

SEC. 243. ALLOCATION FOR LIVESTOCK PRODUCTION.

Section 1241(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(2)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 244. ADMINISTRATION AND TECHNICAL ASSISTANCE.

(a) BROADENING OF EXCEPTION TO ACREAGE LIMITATION.—Section 1243(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3843(b)(2)) is amended by striking ''that—'' and all that follows and inserting ''that the action would not adversely affect the local economy of the county.''.

(b) RULES GOVERNING PROVISION OF TECHNICAL ASSISTANCE.—Section 1243(d) of such Act (16 U.S.C. 3843(d)) is amended to read as follows:

''(d) RULES GOVERNING PROVISION OF TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall provide technical assistance under this title to a producer eligible for such assistance, by providing the assistance directly or, at the option of the producer, through an approved third party if available.

''(2) REEVALUATION.—The Secretary shall reevaluate the provision of, and the amount of, technical assistance made available under subchapters B and C of chapter 1 and chapter 4 of subtitle D.

''(3) CERTIFICATION OF THIRD-PARTY PROVIDERS.—

''(A) IN GENERAL.—Not later than 6 months after the date of the enactment of this subsection, the Secretary of Agriculture shall, by regulation, establish a system for approving persons to provide technical assistance pursuant to chapter 4 of subtitle D. For purposes of this paragraph, a person shall be considered approved if they have a memorandum of understanding regarding the provision of technical assistance in place with the Secretary.

''(B) EXPERTISE REQUIRED.—In prescribing such regulations, the Secretary shall ensure that persons with expertise in the technical aspects of conservation planning, watershed planning, environmental engineering, including commercial entities, nonprofit entities, State or local governments or agencies, and other Federal agencies, are eligible to become approved providers of such technical assistance.''.

(c) DUTY OF SECRETARY.—

(1) IN GENERAL.—Section 1770(d) of such Act (7 U.S.C. 2276(d)) is amended—

(A) by striking ''or'' at the end of paragraph (9);

(B) by striking the period at the end of paragraph (11) and inserting ''; or''; and

(C) by adding at the end the following:

''(12) title XII of this Act.''.

(2) CONFORMING AMENDMENTS.—Section 1770(e) of such Act (7 U.S.C. 2276(e)) is amended—

(A) by striking the subsection heading and inserting ''EXCEPTIONS''; and

(B) by inserting '', or as necessary to carry out a program under title XII of this Act as determined by the Secretary'' before the period.

Subtitle F—Other Programs

SEC. 251. PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.

Section 386(d)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b(d)(1)) is amended—

(1) by striking ''and'' at the end of subparagraph (G);

(2) by striking the period at the end of subparagraph (H) and inserting ''; and''; and

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

''(I) encouraging the utilization of sustainable grazing systems, such as year-round, rotational, or managed grazing.''.

SEC. 252. WILDLIFE HABITAT INCENTIVES PROGRAM.

Subsection (c) of section 387 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3836a) is amended to read as follows:

''(c) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available $25,000,000 for each of fiscal years 2002 through 2011 to carry out this section.''.

SEC. 253. FARMLAND PROTECTION PROGRAM.

(a) REMOVAL OF ACREAGE LIMITATION; EXPANSION OF PURPOSES.—Subsection (a) of section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3830 note) is amended—

(1) by striking ''not less than 170,000, nor more than 340,000 acres of''; and

(2) by inserting '', or agricultural land that contains historic or archaeological resources,'' after ''other productive soil''.

(b) FUNDING.—Subsection (c) of such section is amended to read as follows:

''(c) FUNDING.—The Secretary shall use not more than $50,000,000 of the funds of the Commodity Credit Corporation in each of fiscal years 2002 through 2011 to carry out this section.''.

(c) ELIGIBLE ENTITIES.—Such section is further amended—

(1) in subsection (a), by striking ''a State or local government'' and inserting ''an eligible entity''; and

(2) by adding at the end the following:

''(d) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term 'eligible entity' means—

''(1) any agency of any State or local government, or federally recognized Indian tribe, including farmland protection boards and land resource councils established under State law; and

''(2) any organization that—

''(A) is organized for, and at all times since the formation of the organization has been operated principally for, one or more of the conservation purposes specified in clause (i), (ii), or (iii) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

''(B) is an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code;

''(C) is described in section 509(a)(2) of that Code; or

''(D) is described in section 509(a)(3) of that Code and is controlled by an organization described in section 509(a)(2) of that Code.''.

SEC. 254. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

(a) PURPOSE.—Section 1528 of the Agriculture and Food Act of 1981 (16 U.S.C. 3451) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1528. It is the purpose'' and inserting the following:

''SEC. 1528. STATEMENT OF PURPOSE.

''It is the purpose''; and

(2) by inserting ''through designated RC&D councils'' before ''in rural areas''.

(b) DEFINITIONS.—Section 1529 of such Act (16 U.S.C. 3452) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1529. As used in this subtitle—'' and inserting the following:

''SEC. 1529. DEFINITIONS.

''In this title:'';

(2) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by inserting ''RC&D council'' before ''area plan'';

(B) in subparagraph (B), by striking ''through control of nonpoint sources of pollution'';

(C) in subparagraph (C)—

(i) by striking ''natural resources based'' and inserting ''resource-based'';

(ii) by striking ''development of aquaculture,'';

(iii) by striking ''and satisfaction'' and inserting ''satisfaction''; and

(iv) by inserting '', food security, economic development, and education'' before the semicolon; and

(D) in subparagraph (D), by striking ''other'' the 1st place it appears and inserting ''land management'';

(3) in paragraph (3), by striking ''any State, local unit of government, or local nonprofit organization'' and inserting ''the designated RC&D council'';

(4) by striking paragraphs (4) through (6) and inserting the following:

''(4)(A) The term 'financial assistance' means the Secretary may—

''(i) provide funds directly to RC&D councils or associations of RC&D councils through grants, cooperative agreements, and interagency agreements that directly implement RC&D area plans; and

''(ii) may join with other federal agencies through interagency agreements and other arrangements as needed to carry out the program's purpose.

''(B) Funds may be used for such things as—

''(i) technical assistance;

''(ii) financial assistance in the form of grants for planning, analysis and feasibility studies, and business plans;

''(iii) training and education; and

''(iv) all costs associated with making such services available to RC&D councils or RC&D associations.

''(5) The term 'RC&D council' means the responsible leadership of the RC&D area. RC&D councils and associations are nonprofit entities whose members are volunteers and include local civic and elected officials. Affiliations of RC&D councils are formed in states and regions.'';

(5) in paragraph (8), by inserting ''and federally recognized Indian tribes'' before the period;

(6) in paragraph (9), by striking ''works of improvement'' and inserting ''projects'';

(7) by redesignating paragraphs (7) through (9) as paragraphs (6) through (8), respectively; and

(8) by striking paragraph (10) and inserting the following:

''(9) The term 'project' means any action taken by a designated RC&D council that achieves any of the elements identified under paragraph (1).''.

(c) ESTABLISHMENT AND SCOPE.—Section 1530 of such Act (16 U.S.C. 3453) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1530. The Secretary'' and inserting the following:

''SEC. 1530. ESTABLISHMENT AND SCOPE.

''The Secretary''; and

(2) by striking ''the technical and financial assistance necessary to permit such States, local units of government, and local nonprofit organizations'' and inserting ''through designated RC&D councils the technical and financial assistance necessary to permit such RC&D Councils''.

(d) SELECTION OF DESIGNATED AREAS.—Section 1531 of such Act (16 U.S.C. 3454) is amended by striking the section heading and all that follows through ''SEC. 1531. The Secretary'' and inserting the following:

''SEC. 1531. SELECTION OF DESIGNATED AREAS.

''The Secretary''.

(e) AUTHORITY OF SECRETARY.—Section 1532 of such Act (16 U.S.C. 3455) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1532. In carrying'' and inserting the following:

''SEC. 1532. AUTHORITY OF SECRETARY.

''In carrying'';

(2) in each of paragraphs (1) and (3)—

(A) by striking ''State, local unit of government, or local nonprofit organization'' and inserting ''RC&D council''; and

(B) by inserting ''RC&D council'' before ''area plan'';

(3) in paragraph (2), by inserting ''RC&D council'' before ''area plans''; and

(4) in paragraph (4), by striking ''States, local units of government, and local nonprofit organizations'' and inserting ''RC&D councils or affiliations of RC&D councils''.

(f) TECHNICAL AND FINANCIAL ASSISTANCE.—Section 1533 of such Act (16 U.S.C. 3456) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1533. (a) Technical'' and inserting the following:

''SEC. 1533. TECHNICAL AND FINANCIAL ASSISTANCE.

''(a) Technical'';

(2) in subsection (a)—

(A) by striking ''State, local unit of government, or local nonprofit organization to assist in carrying out works of improvement specified in an'' and inserting ''RC&D councils or affiliations of RC&D councils to assist in carrying out a project specified in a RC&D council'';

(B) in paragraph (1)—

(i) by striking ''State, local unit of government, or local nonprofit organization'' and inserting ''RC&D council or affiliate''; and

(ii) by striking ''works of improvement'' each place it appears and inserting ''project'';

(C) in paragraph (2)—

(i) by striking ''works of improvement'' and inserting ''project''; and

(ii) by striking ''State, local unit of government, or local nonprofit organization'' and inserting ''RC&D council'';

(D) in paragraph (3), by striking ''works of improvement'' and all that follows and inserting ''project concerned is necessary to accomplish and RC&D council area plan objective;'';

(E) in paragraph (4), by striking ''the works of improvement provided for in the'' and inserting ''the project provided for in the RC&D council'';

(F) in paragraph (5), by inserting ''federally recognized Indian tribe'' before ''or local'' each place it appears; and

(G) in paragraph (6), by inserting ''RC&D council'' before ''area plan'';

(3) in subsection (b), by striking ''work of improvement'' and inserting ''project''; and

(4) in subsection (c), by striking ''any State, local unit of government, or local nonprofit organization to carry out any'' and inserting ''RC&D council to carry out any RC&D council''.

(g) RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD.—Section 1534 of such Act (16 U.S.C. 3457) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1534. (a) The Secretary'' and inserting the following:

''SEC. 1534. RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD.

''(a) The Secretary''; and

(2) in subsection (b), by striking ''seven''.

(h) PROGRAM EVALUATION.—Section 1535 of such Act (16 U.S.C. 3458) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1535. The Secretary'' and inserting the following:

''SEC. 1535. PROGRAM EVALUATION.

''The Secretary'';

(2) by inserting ''with assistance from RC&D councils'' before ''provided'';

(3) by inserting ''federally recognized Indian tribes,'' before ''local units''; and

(4) by striking ''1986'' and inserting ''2007''.

(i) LIMITATION ON ASSISTANCE.—Section 1536 of such Act (16 U.S.C. 3458) is amended by striking the section heading and all that follows through ''SEC. 1536. The program'' and inserting the following:

''SEC. 1536. LIMITATION ON ASSISTANCE.

''The program''.

(j) SUPPLEMENTAL AUTHORITY OF THE SECRETARY.—Section 1537 of such Act (16 U.S.C. 3460) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1537. The authority'' and inserting the following:

''SEC. 1537. SUPPLEMENTAL AUTHORITY OF SECRETARY.

''The authority''; and

(2) by striking ''States, local units of government, and local nonprofit organizations'' and inserting ''RC&D councils''.

(i) AUTHORIZATION OF APPROPRIATIONS.—Section 1538 of such Act (16 U.S.C. 3461) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1538. There are'' and inserting the following:

''SEC. 1538. AUTHORIZATION OF APPROPRIATIONS.

''There are''; and

(2) by striking ''for each of the fiscal years 1996 through 2002''.

SEC. 255. GRASSLAND RESERVE PROGRAM.

(a) IN GENERAL.—Chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830–3837f) is amended by adding at the end the following:

''Subchapter D—Grassland Reserve Program

''SEC. 1238. GRASSLAND RESERVE PROGRAM.

''(a) ESTABLISHMENT.—The Secretary, acting through the Natural Resource Conservation Service, shall establish a grassland reserve program (referred to in this subchapter as 'the program') to assist owners in restoring and protecting eligible land described in subsection (c).

''(b) ENROLLMENT CONDITIONS.—

''(1) IN GENERAL.—The Secretary shall enroll in the program, from willing owners, not less than—

''(A) 100 contiguous acres of land west of the 90th meridian; or

''(B) 50 contiguous acres of land east of the 90th meridian.

''(2) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the program shall not exceed 1,000,000 acres.

''(3) METHODS OF ENROLLMENT.—The Secretary shall enroll land in the program through—

''(A) permanent easements or 30-year easements;

''(B) in a State that imposes a maximum duration for such an easement, an easement

for the maximum duration allowed under State law; or

''(C) a 30-year rental agreement.

''(c) ELIGIBLE LAND.—Land shall be eligible to be enrolled in the program if the Secretary determines that the land is—

''(1) natural grassland or shrubland;

''(2) land that—

''(A) is located in an area that has been historically dominated by natural grassland or shrubland; and

''(B) has potential to serve as habitat for animal or plant populations of significant ecological value if the land is restored to natural grassland or shrubland; or

''(3) land that is incidental to land described in paragraph (1) or (2), if the incidental land is determined by the Secretary to be necessary for the efficient administration of the easement.

''SEC. 1238A. EASEMENTS AND AGREEMENTS.

''(a) IN GENERAL.—To be eligible to enroll land in the program, the owner of the land shall enter into an agreement with the Secretary—

''(1) to grant an easement that runs with the land to the Secretary;

''(2) to create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement;

''(3) to provide a written statement of consent to the easement signed by persons holding a security interest or any vested interest in the land;

''(4) to provide proof of unencumbered title to the underlying fee interest in the land that is the subject of the easement; and

''(5) to comply with the terms of the easement and restoration agreement.

''(b) TERMS OF EASEMENT.—An easement under subsection (a) shall—

''(1) permit—

''(A) grazing on the land in a manner that is consistent with maintaining the viability of natural grass and shrub species indigenous to that locality;

''(B) haying (including haying for seed production) or mowing, except during the nesting season for birds in the area that are in significant decline, as determined by the Natural Resources Conservation Service State conservationist, or are protected Federal or State law; and

''(C) fire rehabilitation, construction of fire breaks, and fences (including placement of the posts necessary for fences);

''(2) prohibit—

''(A) the production of row crops, fruit trees, vineyards, or any other agricultural commodity that requires breaking the soil surface; and

''(B) except as permitted under paragraph (1)(C), the conduct of any other activities that would disturb the surface of the land covered by the easement, including—

''(i) plowing; and

''(ii) disking; and

''(3) include such additional provisions as the Secretary determines are appropriate to carry out this subchapter or to facilitate the administration of this subchapter.

''(c) EVALUATION AND RANKING OF EASEMENT APPLICATIONS.—

''(1) IN GENERAL.—The Secretary, in conjunction with State technical committees, shall establish criteria to evaluate and rank applications for easements under this subchapter.

''(2) CRITERIA.—In establishing the criteria, the Secretary shall emphasize support for grazing operations, plant and animal biodiversity, and grassland and shrubland under the greatest threat of conversion.

''(d) RESTORATION AGREEMENTS.—

''(1) IN GENERAL.—The Secretary shall prescribe the terms by which grassland and shrubland subject to an easement under an agreement entered into under the program shall be restored.

''(2) REQUIREMENTS.—The restoration agreement shall describe the respective duties of the owner and the Secretary (including paying the Federal share of the cost of restoration and the provision of technical assistance).

''(e) VIOLATIONS.—

''(1) IN GENERAL.—On the violation of the terms or conditions of an easement or restoration agreement entered into under this section—

''(A) the easement shall remain in force; and

''(B) the Secretary may require the owner to refund all or part of any payments received by the owner under this subchapter, with interest on the payments as determined appropriate by the Secretary.

''(2) PERIODIC INSPECTIONS.—

''(A) IN GENERAL.—After providing notice to the owner, the Secretary shall conduct periodic inspections of land subject to easements under this subchapter to ensure that the terms of the easement and restoration agreement are being met.

''(B) LIMITATION.—The Secretary may not prohibit the owner, or a representative of the owner, from being present during a periodic inspection.

''SEC. 1238B. DUTIES OF SECRETARY.

''(a) IN GENERAL.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall, in accordance with this section—

''(1) make easement payments;

''(2) pay the Federal share of the cost of restoration; and

''(3) provide technical assistance to the owner.

''(b) PAYMENT SCHEDULE.—

''(1) EASEMENT PAYMENTS.—

''(A) AMOUNT.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall make easement payments to the owner in an amount equal to—

''(i) in the case of a permanent easement, the fair market value of the land less the grazing value of the land encumbered by the easement; and

''(ii) in the case of a 30-year easement or an easement for the maximum duration allowed under applicable State law, 30 percent of the fair market value of the land less the grazing value of the land for the period during which the land is encumbered by the easement.

''(B) SCHEDULE.—Easement payments may be provided in not less than 1 payment nor more than 10 annual payments of equal or unequal amount, as agreed to by the Secretary and the owner.

''(2) RENTAL AGREEMENT PAYMENTS.—

''(A) AMOUNT.—If an owner enters into a 30-year rental agreement authorized under section 1238(b)(3)(C), the Secretary shall make 30 annual rental payments to the owner in an amount that equals, to the maximum extent practicable, the 30-year easement payment amount under paragraph (1)(A)(ii).

''(B) ASSESSMENT.—Not less than once every 5 years throughout the 30-year rental period, the Secretary shall assess whether the value of the rental payments under subparagraph (A) equals, to the maximum extent practicable, the 30-year easement payments as of the date of the assessment.

''(C) ADJUSTMENT.—If on completion of the assessment under subparagraph (B), the Secretary determines that the rental payments do not equal, to the maximum extent practicable, the value of payments under a 30-year easement, the Secretary shall adjust the amount of the remaining payments to equal, to the maximum extent practicable, the value of a 30-year easement over the entire 30-year rental period.

''(c) FEDERAL SHARE OF COST OF RESTORATION.—The Secretary shall make payments to the owner of not more than 75 percent of the cost of carrying out measures and practices necessary to restore grassland and shrubland functions and values.

''(d) TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall provide owners with technical assistance to execute easement documents and restore the grassland and shrubland.

''(2) REIMBURSEMENT BY COMMODITY CREDIT CORPORATION.—The Commodity Credit Corporation shall reimburse the Secretary, acting through the Natural Resources Conservation Service, for not more than 10 percent of the cost of acquisition of the easement and the Federal share of the cost of restoration obligated for that fiscal year.

''(e) PAYMENTS TO OTHERS.—If an owner that is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all the circumstances.

''(f) OTHER PAYMENTS.—Easement payments received by an owner under this subchapter shall be in addition to, and not affect, the total amount of payments that the owner is otherwise eligible to receive under other Federal laws.

''SEC. 1238C. ADMINISTRATION.

''(a) DELEGATION TO PRIVATE ORGANIZATIONS.—

''(1) IN GENERAL.—The Secretary shall permit a private conservation or land trust organization or a State agency to hold and enforce an easement under this subchapter, in lieu of the Secretary, if—

''(A) the Secretary determines that granting such permission is likely to promote grassland and shrubland protection; and

''(B) the owner authorizes the private conservation or land trust or a State agency to hold and enforce the easement.

''(2) APPLICATION.—An organization that desires to hold an easement under this subchapter shall apply to the Secretary for approval.

''(3) APPROVAL BY SECRETARY.—The Secretary shall approve an organization under this subchapter that is constituted for conservation or ranching purposes and is competent to administer grassland and shrubland easements.

''(4) REASSIGNMENT.—If an organization holding an easement on land under this subchapter terminates—

''(A) the owner of the land shall reassign the easement to another organization described in paragraph (1) or to the Secretary; and

''(B) the owner and the new organization shall notify the Secretary in writing that a reassignment for termination has been made.

''(b) REGULATIONS.—Not later than 180 days after the date of enactment of this subchapter, the Secretary shall issue such regulations as are necessary to carry out this subchapter.''.

(b) FUNDING.—Section 1241(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(2)) is

amended by striking ''subchapter C'' and inserting ''subchapters C and D''.

SEC. 256. FARMLAND STEWARDSHIP PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830–3839bb) is amended by inserting after chapter 1 (and the matter added by section 255 of this Act) the following:

''CHAPTER 2—FARMLAND STEWARDSHIP PROGRAM

''SEC. 1238. DEFINITIONS.

''In this chapter:

''(1) AGREEMENT.—The term 'agreement' means a service contract authorized by this chapter.

''(2) BIOFUEL.—

''(A) IN GENERAL.—The term 'biofuel' means an energy source derived from living organisms.

''(B) INCLUSIONS.—The term 'biofuel' includes—

''(i) plant residue that is harvested, dried, and burned, or further processed into a solid, liquid, or gaseous fuel;

''(ii) agricultural waste (such as cereal straw, seed hulls, corn stalks and cobs);

''(iii) native shrubs and herbaceous plants (such as some varieties of willows and prairie switchgrass); and

''(iv) animal waste (including methane gas that is produced as a byproduct of animal waste).

''(3) BIOPRODUCT.—The term 'bioproduct' means a product that is manufactured or produced—

''(A) by using plant material and plant byproduct (such as glucose, starch, and protein); and

''(B) to replace a petroleum-based product, additive, or activator used in the production of a solvent, paint, adhesive, chemical, or other product (such as tires or Styrofoam cups).

''(4) CARBON SEQUESTRATION.—The term 'carbon sequestration' means the process of providing plant cover to avoid contributing to the greenhouse effect by—

''(A) removing carbon dioxide from the air; and

''(B) developing a 'carbon sink' to retain that carbon dioxide.

''(5) CONTRACTING AGENCY.—The term 'contracting agency' means a local conservation district, resource conservation and development council, extension service office, state-chartered stewardship entity, nonprofit organization, local office of the Department, or other participating government agency that is authorized by the Secretary to enter into farmland stewardship agreements on behalf of the Secretary.

''(6) ELIGIBLE AGRICULTURAL LAND.—The term 'eligible agricultural land' means private land that is in primarily native or natural condition, or that is classified by the Secretary as cropland, pastureland, grazing land, timberland, or another similar type of land, that—

''(A) contains wildlife habitat, wetland, or other natural resources; or

''(B) provides 1 or more benefits to the public, such as—

''(i) conservation of soil, water, and related resources;

''(ii) water quality protection or improvement;

''(iii) control of invasive and exotic species;

''(iv) wetland restoration, development, and protection;

''(v) wildlife habitat development and protection;

''(vi) survival and recovery of listed species or candidate species;

''(vii) preservation of open spaces or prime, unique, or other productive farm land;

''(viii) increased participation in Federal agricultural or forestry programs in an area or region that has traditional under-representation in those programs;

''(ix) provision of a structure for interstate cooperation to address ecosystem challenges that affect an area involving 1 or more States;

''(x) improvements in the ecological integrity of the area, region or corridor;

''(xi) carbon sequestration;

''(xii) phytoremediation;

''(xiii) improvements in the economic viability of agriculture;

''(xiv) production of biofuels and bioproducts;

''(xv) establishment of experimental or innovative crops;

''(xvi) use of existing crops or crop byproducts in experimental or innovative ways;

''(xvii) installation of equipment to produce materials that may be used for biofuels or other bioproducts;

''(xviii) maintenance of experimental or innovative crops until the earlier of the date on which—

''(I) a viable market is established for those crops; or

''(II) an agreement terminates; and

''(xix) other similar conservation purposes identified by the Secretary.

''(7) GERMPLASM.—The term 'germplasm' means the genetic material of a germ cell of any life form that is important for food or agricultural production.

''(8) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

''(9) PROGRAM.—The term 'program' means the farmland stewardship program established by this chapter.

''(10) PYTOREMEDIATION.—The term 'pytoremediation' means the use of green living plant material (including plants that may be harvested and used to produce biofuel or other bioproduces) to remove contaminants from water and soil.

''(11) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting—

''(A) through the Natural Resources Conservation Service; and

''(B) in cooperation with any applicable agricultural or other agencies of a State.

''(12) SERVICE CONTRACT.—The term 'service contract' means a legally binding agreement between 2 parties under which—

''(A) 1 party agrees to render 1 or more services in accordance with the terms of the contract; and

''(B) the second party agrees to pay the first party for the each service rendered.

''SEC. 1238A. ESTABLISHMENT AND PURPOSE OF PROGRAM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—The Secretary shall establish within the Department a program to be known as the 'farmland stewardship program'.

''(2) PURPOSE.—The purpose of the program shall be to modify and more effectively target conservation programs administered by the Secretary to the specific conservation needs of, and opportunities presented by, individual parcels of eligible agricultural land.

''(b) RELATION TO OTHER CONSERVATION PROGRAMS.—Under the program, the Secretary may implement, alone or in combination, the features of—

''(1) any conservation program administered by the Secretary; or

''(2) any conservation program administered by another Federal agency or a State or local government, if implementation by the Secretary—

''(A) is feasible; and

''(B) is carried out with the consent of the applicable administering agency or government.

''(3) CONSERVATION ENHANCEMENT PROGRAMS.—

''(A) IN GENERAL.—States, local governments, Indian tribes, or any combination of those entities may submit, and the Secretary may approve, a conservation enhancement program that integrates 1 or more Federal agriculture and forestry conservation programs and 1 or more State, local, or private efforts to address, in critical areas and corridors, in a manner that enhances the conservation benefits of the individual programs and modifies programs to more effectively address State and local needs—

''(i) water quality;

''(ii) wildlife;

''(iii) farm preservation; and

''(iv) any other conservation need.

''(B) REQUIREMENT.—

''(i) IN GENERAL.—A conservation enhancement program submitted under subparagraph (A) shall be designed to provide benefits greater than benefits that, by reason of any factor described in clause (ii), would be provided through the individual application of a conservation program administered by the Secretary.

''(ii) FACTORS.—Factors referred to in clause (i) include—

''(I) conservation commitments of greater duration;

''(II) more intensive conservation benefits;

''(III) integrated treatment of special natural resource problems (such as preservation and enhancement of natural resource corridors); and

''(IV) improved economic viability for agriculture.

''(C) APPROVAL.—

''(i) DEFINITION OF RESOURCES.—In this subparagraph, the term 'resources' means, with respect to any conservation program administered by the Secretary—

''(I) acreage enrolled under the conservation program; and

''(II) funding made available to the Secretary to carry out the conservation program with respect to acreage described in subclause (I).

''(ii) DETERMINATION.—If the Secretary determines that a plan submitted under subparagraph (A) meets the requirements of subparagraph (B), the Secretary, in accordance with an agreement, may use not more than 20 percent of the resources of any conservation program administered by the Secretary to implement the plan.

''(D) CRP ACREAGE.—Acreage enrolled under an approved conservation reserve enhancement program shall be considered acreage of conservation reserve program that is committed to conservation reserve enhancement program.

''(c) FUNDING.—

''(1) IN GENERAL.—The program and agreements shall be funded by the Secretary using—

''(A) the funding authorities of the conservation programs that are implemented through the use of Farmland Stewardship Agreements for the conservation purposes listed in Sec. 1238(4)(A) and (B)(i through x);

''(B) technical assistance in accordance with Sec. 1243(d); and

''(C) such other funds as are appropriated to carry out the Farmland Stewardship Program.

''(2) COST SHARING.—It shall be a requirement of the Farmland Stewardship Program

that the majority of the funds to carry out the Program must come from existing conservation programs, which may be Federal, State, regional, local, or private, that are combined into and made a part of an agreement, with the balance made up from matching funding contributions made by State, regional, or local agencies and divisions of government or from private funding sources. Funds from existing programs may be used only to carry out the purposes and intents of those programs to the degree that those programs are made a part of a Farmland Stewardship Agreement. Funding for other purposes or intents must come from the funds provided under paragraphs (1)(B) and (1)(C) of subsection (c) or from the matching funding contributions made by State, regional, or local agencies and divisions of government or from private funding sources.

''(d) PERSONNEL COSTS.—The Secretary shall use the Natural Resources Conservation Service to carry out the Farmland Stewardship Program in cooperation with the state department of agriculture or other designated agency within the state. The role of the Natural Resources Conservation Services shall be limited to federal oversight of the program. The Natural Resources Conservation Service shall perform its normal functions with respect to the conservation programs that it administers. However, it shall play no role in the assembly of programs administered by other federal agencies into Farmland Stewardship Agreements.

''(e) STATE LEVEL ADMINISTRATION.—The state departments of agriculture shall have primary responsibility for operating the Farmland Stewardship Program. A state department of agriculture may choose to operate the program on its own, may collaborate with another local, state or federal agency, conservation district or tribe in operating the program, or may delegate responsibility to another state agency, such as the state department of natural resources or the state conservation district agency. The state department of agriculture or designated state agency shall consult with the agencies with management authority and responsibility for the resources affected on properties on which Farmland Stewardship Agreements are negotiated and assembled.

''(1) A state department of agriculture shall submit an application to the Secretary requesting designation as the 'designated state agency' to operate the Farmland Stewardship Program. If the state department of agriculture chooses to delegate responsibility to another state agency, the department of agriculture shall ask the governor to designate another agency for this purpose and that agency shall submit application to the Secretary.

''(2) The Secretary shall approve the request for designation as the 'designated state agency' if the agency demonstrates that it has the capability to implement the Farmland Stewardship Program and attests that it shall conform with the confidentiality requirements in Sec. 1238B(g). Upon approval of the request, the Secretary shall enter into a memorandum of understanding with the designated state agency specifying the state's responsibilities in carrying out the program and the amount of technical assistance funds that shall be provided to the state on an annual basis to operate the program, in accordance with paragraphs (1)(C), (1)(E) and (1)(F) of subsection (g).

''(f) ANNUAL REPORTS.—The designated state agency shall annually submit to the Secretary and make publicly available a report that describes—

''(1) The progress achieved, the funds expended, the purposes for which funds were expended and monitoring and evaluating results obtained by local contracting agencies, and

''(2) The plans and objectives of the State for future activities under the program.

''(g) TECHNICAL ASSISTANCE.—

''(1) Of the funds used from other programs and of funds made available to carry out the Farmland Stewardship Program for a fiscal year, the Secretary shall reserve not more than twenty-five percent for the provision of technical assistance under the Program. Of the funds made available—

''(A) not more than 1.5% shall be reserved for administration, coordination and oversight through the Natural Resources Conservation Service headquarters office;

''(B) not more than 1.5% shall be reserved for the Farmland Stewardship Council to carry out its duties in cooperation with the State Technical Committees, as provided under section 1238E;

''(C) not more than 2.0% shall be reserved for administration and coordination through the designated state agency in the state where the property is located;

''(D) not more than 1.0% shall be reserved for administration and coordination through the Natural Resources Conservation Service state office, in the state where property is located;

''(E) not more than 1.0% shall be reserved for administration and coordination through the state conservation district agency, unless such agency is the designated state agency for administering this program, in which case these funds shall be added to the funds in the next paragraph; and

''(F) not less than 18% shall be reserved for local technical assistance, carried out through a designated 'contracting agency' and subcontractors chosen by and working with the contracting agency for preparing and executing agreements and monitoring, evaluating and administering agreements for their full term.

''(2) An owner or operator who is receiving a benefit under this chapter shall be eligible to receive technical assistance in accordance with section 1243(d) to assist the owner or operator in carrying out a contract entered into under this chapter.

''(h) ENSURING AVAILABILITY OF FUNDS.—All amounts required for preparing, executing, carrying out, monitoring, evaluating and administering an agreement for its entire term shall be made available by the Federal, State, and local agencies and private sector entities involved in funding the agreement upon execution of the agreement.

''SEC. 1238B. USE OF FARMLAND STEWARDSHIP AGREEMENTS.

''(a) AGREEMENTS AUTHORIZED.—The Secretary shall carry out the Farmland Stewardship Program by entering into service contracts as determined by the Secretary, to be known as farmland stewardship agreements, with the owners or operators of eligible agricultural land to maintain and protect the natural and agricultural resources on the land.

''(b) LEGAL BASIS.—An agreement shall operate in all respects as a service contract and, as such, provides the Secretary with the opportunity to hire the owner or operator of eligible agricultural land as a vendor to perform one or more specific services for an equitable fee for each service rendered. Any agency participating in the Farmland Stewardship Program that has the authority to enter into service contracts and to expend public funds under such contracts may enter into or participate in the funding of an agreement.

''(c) BASIC PURPOSES.—An agreement with the owner or operator of eligible agricultural land shall be used—

''(1) to negotiate a mutually agreeable set of guidelines, practices, and procedures under which conservation practices will be provided by the owner or operator to protect, maintain, and, where possible, improve, the natural resources on the land covered by the agreement in return for annual payments to the owner or operator;

''(2) to enable an owner or operator to participate in one or more of the conservation programs offered through agencies at all levels of government and the private sector and, where possible and feasible, comply with permit requirements and regulations, through a one-stop, one-application process.

''(3) to implement a conservation program or series of programs where there is no such program or to implement conservation management activities where there is no such activity;

''(4) to expand or maintain conservation practices and resource management activities to a property where it is not possible at the present time to negotiate or reach agreement on a public purchase of a fee-simple or less-than-fee interest in the property for conservation purposes; and

''(5) to negotiate and develop agreements with private owners and operators to expand or maintain their participation in conservation activities and programs; to enable them to install or maintain best management practices (BMPs) and other recommended practices to improve the compatibility of agriculture, horticulture, silviculture, aquaculture and equine activities with the environment; and improve compliance with public health, safety and environmental regulations.

''(d) MODIFICATION OF OTHER CONSERVATION PROGRAM ELEMENTS.—If most, but not all, of the limitations, conditions, policies and requirements of a conservation program that is implemented in whole, or in part, through the Farmland Stewardship Program are met with respect to a parcel of eligible agricultural land, and the purposes to be achieved by the agreement to be entered into for such land are consistent with the purposes of the conservation program, then the Secretary may waive any remaining limitations, conditions, policies or requirements of the conservation program that would otherwise prohibit or limit the agreement. The Secretary may also grant requests to—

''(1) establish different or automatic enrollment criteria than otherwise established by regulation or policy;

''(2) establish different compensation rates to the extent the parties to the agreement consider justified;

''(3) establish different conservation practice criteria if doing so will achieve greater conservation benefits;

''(4) provide more streamlined and integrated paperwork requirements;

''(5) provide for the transfer of conservation program funds to states with flexible incentives accounts; and

''(6) provide funds for an adaptive management process to monitor the effectiveness of the Program for wildlife, the protection of natural resources, economic effectiveness and sustaining the agricultural economy.

''(7) For a waiver or exception to be considered, a contracting agency or the designated state agency must—

''(A) Submit a request for a waiver to the Secretary or Administrator who has responsibility for the program for which a waiver

or exception is being requested. Requests for waivers or exceptions in programs administered by the United States Department of Agriculture shall be submitted to the Secretary of Agriculture, while requests for waivers or exceptions in programs administered by the United States Department of Interior shall be submitted to the Secretary of Interior and requests for waivers or exceptions in programs administered by the United States Environmental Protection Agency shall be submitted to the Administrator of that Agency, and so forth.

''(B) The request shall—

''(i) explain why the property qualifies for participation in the program;

''(ii) explain why it is necessary or desirable to make an exception to or waive one or more program limitations, conditions, policies or requirements;

''(iii) if possible, suggest alternative methods or approaches to satisfying these limitations, conditions, policies or requirements that are appropriate for the property in question;

''(iv) request that the Secretary or Administrator grant the exception or waiver, based on the documentation submitted.

''(C) The Secretary or Administrator may request additional documentation, or may suggest alternative methods of overcoming program limitations or obstacles on the property in question, prior to deciding whether or not to grant a request for an exception or waiver.

''(D) Waivers and exceptions may be granted by a Secretary or Administrator to allow additional flexibility in tailoring conservation programs to the specific needs, opportunities and challenges offered by individual parcels of land, and to remove administrative and regulatory obstacles that previously may have limited the use of these programs on eligible agricultural land, or would prevent these programs from being combined together through a Farmland Stewardship Agreement. Waivers and exceptions may be granted only if the purposes to be achieved by the program after the waiver or exception is granted remain consistent with the purposes for which the program was established.

''(E) The Secretaries and Administrators who receive requests for waivers or exceptions under this chapter shall respond to these requests within sixty (60) days of receipt. Decisions on whether to grant a request shall be rendered within one hundred eighty (180) days of receipt.

''(e) PROVISIONAL CONTRACTS.—Provisional contracts shall be used to provide payments to private landowners or operators, and to the organization or agency that will oversee the agreement, while baseline data is gathered, documents are prepared and the formal agreement is being negotiated. Provisional contracts shall pay for all technical services required to establish an agreement. Provisional contracts may be used to establish a Farmland Stewardship Agreement, or any other type of conservation program, permit or agreement on private land. Provisional contracts shall be used during a two-year planning period, which may be extended for up to two additional periods of six months each by mutual agreement between the Secretary, the contracting agency and the owner or operator.

''(f) PAYMENTS.—Payments to owners and operators shall be made as provided in the programs that are combined as part of a Farmland Stewardship Agreement. At the election of the owner or operator, payments may be collected and combined together by the designated state agency and issued to the owner or operator in equal annual payments over the term of the agreement. Payments for other services rendered by the owner or operator shall be made as follows—

''(1) IN GENERAL.—Programs that contain term or permanent easements may be combined into a Farmland Stewardship Agreement. Except for portions of a property affected by easements, Farmland Stewardship Agreements shall provide no interest in property and shall be solely contracts for specific services. The fees paid shall be based on the services provided. Compensation shall include—

''(A) ANNUAL BASE PAYMENT.—All owners or operators enrolled in a Farmland Stewardship Agreement shall receive an annual base payment, at a rate to be determined by the Secretary. The annual base payment shall be considered by the Secretary to be satisfied if the owner or operator receives annual payments from another conservation program that has been incorporated into the Farmland Stewardship Agreement. In addition, owners and operators shall receive—

''(B) DIRECT FEES FOR SERVICES.—These fees shall be based on the cost of providing each service. These fees may be set by adopting private sector market prices for the performance of similar services or by competitive bidding. Or, alternatively—

''(C) ANNUAL PER-ACRE STEWARDSHIP FEES.—These fees shall be based on the services provided, or the quantity of benefits provided, with higher fees for greater benefits that can be quantified. Such values shall be determined and set by the Secretary. Or, alternatively—

''(D) OTHER INCENTIVES.—Other forms of compensation acceptable to an owner or operator also may be considered. These other forms of compensation may include federal, state or local tax waivers, credits, reductions or exclusions; priority processing of permits from state and local agencies; consolidation of permits from state and local agencies into a single operating plan; extended-duration permits from state and local agencies; enhanced eligibility and priority listing for participation in cost-share programs, loan programs, conservation programs and permanent conservation easement or public purchase programs; and priority access to technical assistance services provided by federal and, where possible, local, regional and state agencies.

''(g) CONFIDENTIALITY OF DATA.—All information or data provided to, obtained by or developed by the Secretary, or any contractor to the Secretary or the designated state agency, for the purpose of providing technical or financial assistance to owners or operators in connection with the United States Department of Agriculture's conservation programs, or in connection with the Farmland Stewardship Program, shall be—

''(1) Kept confidential by all officers and employees of the Department and the designated state agency;

''(2) Not released, disclosed, made public or in any manner communicated to any agency, state or person outside the Department and the designated state agency; and

''(3) Not subject to any other law that would require the information or data to be released, disclosed, made public or in any way communicated to any agency, state or person outside the Department and designated state agency.

''(4) Any information or data related to an individual farm owner or operator may be reported only in an anonymous, aggregated form as currently provided under the Department's National Agricultural Statistic Services.

''(h) STATE AND LOCAL CONSERVATION PRIORITIES.—To the maximum extent practicable, agreements shall address the conservation priorities established by the State and locality in which the eligible agricultural land are located. The Secretary may adopt for this purpose a pre-existing state or regional conservation plan or strategy that maps economically and ecologically important land, including a plan developed pursuant to planning requirements under Title VIII of the 2001 Interior Appropriations Act and Title IX of the 2001 Commerce, Justice, State Appropriations Act.

''(i) WATERSHED ENHANCEMENT.—To the extent practicable, the Secretary shall encourage the development of Farmland Stewardship Program applications on a watershed basis.

"SEC. 1238C. PARTNERSHIP APPROACH TO PROGRAM.

''(a) AUTHORITY OF SECRETARY EXERCISED THROUGH PARTNERSHIPS.—The Secretary may administer agreements under the Farmland Stewardship Program in partnership with other Federal, State, and local agencies whose programs are incorporated into the Program under section 1238A, and in partnership with state departments of agriculture or other designated state agencies.

''(b) DESIGNATION AND USE OF CONTRACTING AGENCIES.—Subject to subsection (c), the Secretary may authorize a local conservation district, resource conservation and development council, extension service office, state-chartered stewardship entity, nonprofit organization, local office of the Department of Agriculture, or other participating government agency to enter into and administer agreements under the Program as a contracting agency on behalf of the Secretary.

''(c) CONDITIONS OF DESIGNATION.—The Secretary may designate an eligible district or office as a contracting agency under subsection (b) only if the district or office—

''(1) submits a written request for such designation to the Secretary;

''(2) affirms that it is willing to follow all guidelines for executing and administering an agreement, as promulgated by the Secretary;

''(3) demonstrates to the satisfaction of the Secretary that it has established working relationships with owners and operators of eligible agricultural land, and based on the history of these working relationships, demonstrates that it has the ability to work with owners and operators of eligible agricultural land in a cooperative manner;

''(4) affirms its responsibility for preparing all documentation for the agreement, negotiating its terms with an owner or operator, monitoring compliance, making annual reports to the Secretary, and administering the agreement throughout its full term; and

''(5) demonstrates to the satisfaction of the Secretary that it has or will have the necessary staff resources and expertise to carry out its responsibilities under paragraphs (3) and (4).

''(d) DELEGATION OF RESPONSIBILITY.—The Secretary may delegate responsibility for reviewing and approving applications from local contracting agencies to the state department of agriculture or other designated state agency in the state in which the property is located, provided that the designated agency follows the criteria for reviewing and approving applications as established by the Secretary and consults with the agencies with management authority and responsibility for the resources affected on properties

on which Farmland Stewardship Agreements are negotiated and assembled.

"SEC. 1238D. PARTICIPATION OF OWNERS AND OPERATORS OF ELIGIBLE AGRICULTURAL LAND.

''(a) APPLICATION AND APPROVAL PROCESS.—To participate in the Farmland Stewardship Program, an owner or operator of eligible agricultural land shall—

''(1) submit to the Secretary an application indicating interest in the Program and describing the owner's or operator's property, its resources, and their ecological and agricultural values;

''(2) submit to the Secretary the purpose and objectives of the proposed agreement and a list of services to be provided, or a management plan to be implemented, or both, under the proposed agreement;

''(3) if the application and list are accepted by the Secretary, enter into an agreement that details the purpose and objectives of the agreement and the services to be provided, or management plan to be implemented, or both, and requires compliance with the other terms of the agreement.

''(b) APPLICATION ON BEHALF OF AN OWNER OR OPERATOR.—A designated contracting agency may submit the application required by subsection (a) on behalf of an owner or operator if the contracting agency has secured the consent of the owner or operator to enter into an agreement.

''(c) DELEGATION OF RESPONSIBILITY.—The Secretary may delegate responsibility for reviewing and approving applications from or on behalf of an owner or operator to the state department of agriculture or other designated agency in the state in which the property is located, provided that the designated agency follows the criteria for reviewing and approving applications as established by the Secretary and consults with the agencies with management authority and responsibility for the resources affected on properties on which Farmland Stewardship Agreements are negotiated and assembled.

"SEC. 1238E. CREATION OF A FARMLAND STEWARDSHIP COUNCIL REGARDING PROGRAM.

''(a) APPOINTMENT.—The Secretary shall appoint an advisory committee to assist the Secretary in carrying out the Farmland Stewardship Program.

''(b) IN GENERAL.—The Committee shall be known as the Farmland Stewardship Council and shall operate on the federal level in the same manner, with the same roles and responsibilities and the same membership requirements as provided in the policies and guidelines governing State Technical Committees in Subpart B of Part 501 of the United States Department of Agriculture's directives to the Natural Resources Conservation Service regarding Conservation Program Delivery.

''(c) DUTIES.—The Farmland Stewardship Council shall cooperate in all respects with the State Technical Committees and Resource Advisory Committees in each state. In addition to the roles and responsibilities set forth for these committees, the Farmland Stewardship Council shall assist the Secretary in—

''(1) drafting such regulations as are necessary to carry out the Program;

''(2) developing the documents necessary for executing farmland stewardship agreements;

''(3) developing procedures and guidelines to facilitate partnerships with other levels of government and nonprofit organizations and assist contracting agencies in gathering data and negotiating agreements;

''(4) designing criteria to consider applications submitted under sections 1238C and 1238D;

''(5) providing assistance and training to designated state agencies, project partners and contracting agencies;

''(6) assisting designated state agencies, project partners and contracting agencies in combining together other conservation programs into agreements;

''(7) tailoring the agreements to each individual property;

''(8) developing agreements that are highly flexible and can be used to respond to and fit in with the conservation needs and opportunities on any property in the United States;

''(9) developing a methodology for determining a fair market price in each state for each service rendered by a private owner or operator under a Farmland Stewardship Agreement;

''(10) developing guidelines for administering the Farmland Stewardship Program on a national basis that respond to the conservation needs and opportunities in each state and in each rural community in which Farmland Stewardship Agreements may be implemented;

''(11) monitoring progress under the agreements; and

''(12) reviewing and recommending possible modifications, additions, adaptations, improvements, enhancements, or other changes to the Program to improve the way in which the program operates.

''(d) MEMBERSHIP.—The Farmland Stewardship Council shall have the same membership requirements as the State Technical Committees, except that C

''(1) All participating members must have offices located in the Washington, D.C. metropolitan area;

''(2) The list of members representing 'Federal Agencies and Other Groups Required by Law' shall be expanded to include all federal agencies whose programs might be included in Farmland Stewardship Program;

''(3) State agency representation shall be provided by the organizations located in the Washington, D.C. metropolitan area representing state agencies and shall include individuals from organizations representing wetland managers, environmental councils, fish and wildlife agencies, counties, resource and conservation development councils, state conservation agencies, state departments of agriculture, state foresters, and governors; and

''(4) Private Interest Membership shall be comprised of 21 members representing the principal agricultural commodity groups, farm organizations, national forestry associations, woodland owners, conservation districts, rural stewardship organizations, and up to a maximum of six (6) conservation and environment organizations, including organizations with an emphasis on wildlife, rangeland management and soil and water conservation.

''(5) The Secretary shall appoint one of the Private Interest Members to serve as chair. The Private Interest Members shall appoint another member to serve as co-chair.

''(6) The Secretary shall follow equal opportunity practices in making appointments to the Farmland Stewardship Council. To ensure that recommendations of the Council take into account the needs of the diverse groups served by the United States Department of Agriculture, membership will include, to the extent practicable, individuals with demonstrated ability to represent minorities, women, and persons with disabilities.

''(e) PERSONNEL COSTS.—The technical assistance funds designated in Sec. 1238A(g)(1)(B) may be used to provide staff positions and support for the Farmland Stewardship Council to—

''(1) carry out its duties as provided in subsection (c);

''(2) ensure communication and coordination with all federal agencies, state organizations and Private Interest Members on the council, and the constituencies represented by these agencies, organizations and members;

''(3) ensure communication and coordination with the State Technical Committees and Resource Advisory Committees in each state;

''(4) solicit input from agricultural producers and owners and operators of private forestry operations and woodland through the organizations represented on the council and other organizations, as necessary; and

''(5) take into consideration the needs and interests of producers of different agricultural commodities and forest products in different regions of the nation.

''(6) Representatives of federal agencies and state organizations shall serve without additional compensation, except for reimbursement of travel expenses and per diem costs which are incurred as a result of their Council responsibilities and service.

''(7) Payments may be made to the organizations serving as Private Interest Members for the purposes of providing staff and support to carry out paragraphs (1) through (5). The amounts and duration of these payments and the number of staff positions to be created within Private Interest Member organizations to carry out these duties shall be determined by the Secretary.

''(f) REPORTS.—The Farmland Stewardship Council shall annually submit to the Secretary and make publicly available a report that describes—

''(1) The progress achieved, the funds expended, the purposes for which funds were expended and results obtained by the council; and

''(2) The plans and objectives for future activities.

''(g) TERMINATION.—The Farmland Stewardship Council shall remain in force for as long as the Secretary administers the Farmland Stewardship Program, except that the council will terminate in 2011 unless renewed by Congress in the next Farm Bill.

"SEC. 1238F. STATE BLOCK GRANT PROGRAM.

''(a) IN GENERAL.—The Secretary of Agriculture may provide agricultural stewardship block grants on an annual basis to state departments of agriculture as a means of providing assistance and support, cost-share payments, incentive payments, technical assistance or education to agricultural producers and owners and operators of agriculture, silviculture, aquaculture, horticulture or equine operations for environmental enhancements, best management practices, or air and water quality improvements addressing resource concerns. Under the block grant program, states shall have maximum flexibility to—

''(1) Address threats to soil, air, water and related natural resources including grazing land, wetland and wildlife habitats;

''(2) Comply with state and federal environmental laws;

''(3) Make beneficial, cost-effective changes to cropping systems; grazing management; nutrient, pest, or irrigation management; land uses; or other measures needed to conserve and improve soil, water, and related natural resources; and

''(4) Implement other practices or obtain other services to benefit the public through Farmland Stewardship Agreements.

''(b) PROGRAM APPLICATION.—A state department of agriculture, in collaboration with other state and local agencies, conservation districts, tribes, partners or organizations, may submit an application to the Secretary requesting approval for an agricultural stewardship block grant program. The Secretary shall approve the grant request if the program proposed by the state maintains or improves the state's natural resources, and the state has the capability to implement the agricultural stewardship program. Upon approval of a stewardship program submitted by a state department of agriculture, the Secretary shall—

''(1) Allocate funds to the state for administration of the program, and

''(2) Enter into a memorandum of understanding with the state department of agriculture specifying the state's responsibilities in carrying out the program and the amount of the block grant that shall be provided to the state on an annual basis.

''(c) PARTICIPATION.—A state department of agriculture may choose to operate the block grant program, may collaborate with another local, state or federal agency, conservation district or tribe in operating the program, or may delegate responsibility for the program to another local, state or federal agency, such as the state office of the United States Department of Agriculture, Natural Resources Conservation Service, or the state conservation district agency.

''(d) COORDINATION.—A state department of agriculture may establish an agricultural stewardship planning committee, or other advisory body, or expand the authority of an existing body, to design, develop and implement the state's agricultural stewardship block grant program. Such planning committee or advisory committee shall cooperate fully with the Farmland Stewardship Council established in Sec. 1238E and the State Technical Committee and Resource Advisory Committee in the state.

''(e) DELIVERY.—The state department of agriculture, or other designated agency, shall administer the stewardship block grants through existing delivery systems, infrastructure or processes, including contracts, cooperative agreements, and grants with local, state and federal agencies that address resource concerns and were prioritized and developed in cooperation with locally-led advisory groups.

''(f) STRATEGIC PLANS.—The state department of agriculture may collaborate with a local advisory or planning committee to develop a state strategic plan for the enhancement and protection of land, air, water and wildlife through resource planning. The state strategic plan shall be submitted to the Secretary annually in a report on the implementation of projects, activities, and other measures under the block grant program. In general, state strategic plans shall include—

''(1) A description of goals and objectives, including outcome-related goals for designated program activities;

''(2) A description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technologies, and the human capital, information and other resources required to meet the goals and objectives;

''(3) A description of performance indicators to be used in measuring or assessing the relevant output service levels and outcomes of the program activities; and

''(4) A description of the program evaluation to be used in comparing actual results with established goals and objectives.

''(g) ANNUAL REPORTS.—The state department of agriculture shall annually submit to the Secretary and make publicly available a report that describes—

''(1) The progress achieved, the funds expended, the purposes for which funds were expended and monitoring results obtained by the agricultural stewardship planning committee or local advisory group, where applicable; and

''(2) The plans and objectives of the State for future activities under the program.

''(h) COORDINATION WITH FEDERAL AGENCIES.—To the maximum extent possible, the Secretary shall coordinate with other federal departments and agencies to acknowledge and ensure that the block grant program is consistent with and is meeting the needs and desired public benefits of other federal programs on a state-by-state basis.

''(i) PAYMENTS.—The agricultural stewardship program may be used as a means of providing compensation to owners and operators for implementing on-farm practices that enhance environmental goals. The type of financial assistance may be in the form of cost-share payments, incentive payments or Farmland Stewardship Agreements, as determined by guidelines established by the state department of agriculture and the agricultural stewardship planning committee.

''(j) PROGRAM EXPENDITURES.—States shall have flexibility to target resources where needed, including the ability to allocate dollars between payments to owners and operators or technical assistance based upon needs and priorities.

''(k) METHOD OF PAYMENT.—A state department of agriculture may collaborate with the agricultural stewardship planning committee or other local advisory group to determine payment levels and methods for individual program activities and projects, including any conditions, limitations or restrictions. Payments may be made—

''(1) To compensate for a verifiable or measurable loss;

''(2) Under a binding agreement providing for payments to carry out specific activities, measures, practices or services prioritized by the state department of agriculture, the agricultural stewardship planning committee or a local advisory board; or

''(3) To fund portions of projects and measures to complement other federal programs, including the Conservation Reserve Program, the Environmental Quality Incentives Program, the Wetlands Reserve Program, the Forestry Incentives Program, the Farmland Protection Program, and the Wildlife Habitat Incentives Program.''.

SEC. 257. SMALL WATERSHED REHABILITATION PROGRAM.

Section 14(h) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)) is amended—

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

(2) by striking all that follows paragraph (1) and inserting the following:

''(2) $15,000,000 for fiscal year 2002 and each succeeding fiscal year.''.

SEC. 258. PROVISION OF ASSISTANCE FOR REPAUPO CREEK TIDE GATE AND DIKE RESTORATION PROJECT, NEW JERSEY.

Notwithstanding section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203), the Secretary of Agriculture, acting through the Natural Resources Conservation Service, shall provide assistance for planning and implementation of the Repaupo Creek Tide Gate and Dike Restoration Project in the State of New Jersey.

SEC. 259. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

Section 1256 of the Food Security Act of 1985 (16 U.S.C. 2101 note) is amended to read as follows:

''SEC. 1256. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

''(a) IN GENERAL.—The Secretary shall establish a national grassroots water protection program to more effectively use onsite technical assistance capabilities of each State rural water association that, as of the date of enactment of the Farm Security Act of 2001, operates a wellhead or groundwater protection program in the State.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each fiscal year.''.

Subtitle G—Repeals

SEC. 261. PROVISIONS OF THE FOOD SECURITY ACT OF 1985.

(a) WETLANDS MITIGATION BANKING PROGRAM.—Section 1222 of the Food Security Act of 1985 (16 U.S.C. 3822) is amended by striking subsection (k).

(b) CONSERVATION RESERVE PROGRAM.—

(1) REPEALS.—(A) Section 1234(f) of such Act (16 U.S.C. 3834(f)) is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(B) Section 1236 of such Act (16 U.S.C. 3836) is repealed.

(2) CONFORMING AMENDMENTS.—(A) Section 1232(a)(5) of such Act (16 U.S.C. 3832(a)(5)) is amended by striking ''in addition to the remedies provided under section 1236(d),''.

(B) Section 1234(d)(4) of such Act (16 U.S.C. 3834(d)(4)) is amended by striking ''subsection (f)(4)'' and inserting ''subsection (f)(3)''.

(c) WETLANDS RESERVE PROGRAM.—Section 1237D(c) of such Act (16 U.S.C. 3837d(c)) is amended by striking paragraph (3).

(d) ENVIRONMENTAL EASEMENT PROGRAM.—

(1) REPEAL.—Chapter 3 of subtitle D of title XII of such Act (16 U.S.C. 3839–3839d) is repealed.

(2) CONFORMING AMENDMENT.—Section 1243(b)(3) of such Act (16 U.S.C. 3843(b)(3)) is amended by striking ''or 3''.

(e) CONSERVATION FARM OPTION.—Chapter 5 of subtitle D of title XII of such Act (16 U.S.C. 3839bb) is repealed.

SEC. 262. NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION ACT.

Subtitle F of title III of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 5801–5809) is repealed.

TITLE III—TRADE

SEC. 301. MARKET ACCESS PROGRAM.

Section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended—

(1) by striking ''and not more'' and inserting ''not more'';

(2) by inserting ''and not more than $200,000,000 for each of fiscal years 2002 through 2011,'' after ''2002,''; and

(3) by striking ''2002'' and inserting ''2001''.

SEC. 302. FOOD FOR PROGRESS.

(a) IN GENERAL.—Subsections (f)(3), (g), (k), and (l)(1) of section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) are each amended by striking ''2002'' and inserting ''2011''.

(b) INCREASE IN FUNDING.—Section 1110(l)(1) of the Food Security Act of 1985 (7 U.S.C.1736o(l)(1)) is amended—

(1) by striking ''2002'' and inserting ''2011''; and

(2) by striking ''$10,000,000'' and inserting ''$15,000,000.

(c) EXCLUSION FROM LIMITATION.—Section 1110(e)(2) of the Food Security Act of 1985 (7

U.S.C. 1736o(e)(2)) is amended by inserting '', and subsection (g) does not apply to such commodities furnished on a grant basis or on credit terms under title I of the Agricultural Trade Development Act of 1954'' before the final period.

(d) TRANSPORTATION COSTS.—Section 1110(f)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(f)(3)) is amended by striking ''$30,000,000'' and inserting ''$40,000,000''.

(e) AMOUNTS OF COMMODITIES.—Section 1110(g) of the Food Security Act of 1985 (7 U.S.C. 1736o(g)) is amended by striking ''500,000'' and inserting ''1,000,000''.

(f) MULTIYEAR BASIS.—Section 1110(j) of the Food Security Act of 1985 (7 U.S.C. 1736o(j)) is amended—

(1) by striking ''may'' and inserting ''is encouraged''; and

(2) by inserting ''to'' before ''approve''.

(g) MONETIZATION.—Section 1110(l)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(l)(3)) is amended by striking ''local currencies'' and inserting ''proceeds''.

(h) NEW PROVISIONS.—Section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) is amended by adding at the end the following:

''(p) The Secretary is encouraged to finalize program agreements and resource requests for programs under this section before the beginning of the relevant fiscal year. By November 1 of the relevant fiscal year, the Secretary shall provide to the Committee on Agriculture and the Committee on International Relations of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of approved programs, countries, and commodities, and the total amounts of funds approved for transportation and administrative costs, under this section.''.

SEC. 303. SURPLUS COMMODITIES FOR DEVELOPING OR FRIENDLY COUNTRIES.

(a) USE OF CURRENCIES.—Section 416(b)(7)(D) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)) is amended—

(1) in clauses (i) and (iii), by striking ''foreign currency'' each place it appears;

(2) in clause (ii)—

(A) by striking ''Foreign currencies'' and inserting ''Proceeds''; and

(B) by striking ''foreign currency''; and

(3) in clause (iv)—

(A) by striking ''Foreign currency proceeds'' and inserting ''Proceeds'';

(B) by striking ''country of origin'' the second place it appears and all that follows through ''as necessary to expedite'' and inserting ''country of origin as necessary to expedite'';

(C) by striking ''; or'' and inserting a period; and

(D) by striking subclause (II).

(b) IMPLEMENTATION OF AGREEMENTS.—Section 416(b)(8)(A) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(8)(A)) is amended—

(1) by inserting ''(i)'' after ''(A)''; and

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

''(ii) The Secretary shall publish in the Federal Register, not later than October 31 of each fiscal year, an estimate of the commodities that shall be available under this section for that fiscal year.

''(iii) The Secretary is encouraged to finalize program agreements under this section not later than December 31 of each fiscal year.''.

SEC. 304. EXPORT ENHANCEMENT PROGRAM.

Section 301(e)(1)(G) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by inserting ''and for each fiscal year thereafter through fiscal year 2011'' after ''2002''.

SEC. 305. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

(a) IN GENERAL.—Section 703 of the Agricultural Trade Act of 1978 (7 U.S.C.5723) is amended—

(1) by inserting ''(a) PRIOR YEARS.—'' before ''There'';

(2) by striking ''2002'' and inserting ''2001''; and

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

''(b) FISCAL 2002 AND LATER.—For each of fiscal years 2002 through 2011 there are authorized to be appropriated such sums as may be necessary to carry out this title, and, in addition to any sums so appropriated, the Secretary shall use $37,000,000 of the funds of, or an equal value of the commodities of, the Commodity Credit Corporation to carry out this title.''.

(b) VALUE ADDED PRODUCTS.—

(1) IN GENERAL.—Section 702(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5721 et seq.) is amended by inserting '', with a significant emphasis on the importance of the export of value-added United States agricultural products into emerging markets'' after ''products''.

(2) REPORT TO CONGRESS.—Section 702 of the Agricultural Trade Act of 1978 (7 U.S.C. 5722) is amended by adding at the end the following:

''(c) REPORT TO CONGRESS.—

''(1) IN GENERAL.—The Secretary shall report annually to appropriate congressional committees the amount of funding provided, types of programs funded, the value added products that have been targeted, and the foreign markets for those products that have been developed.

''(2) DEFINITION.—In this subsection, the term 'appropriate congressional committees' means—

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

''(B) the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations of the Senate.''.

SEC. 306. EXPORT CREDIT GUARANTEE PROGRAM.

(a) REAUTHORIZATION.—Section 211(b)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is amended by striking ''2002'' and inserting ''2011''.

(b) PROCESSED AND HIGH VALUE PRODUCTS.—Section 202(k)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(k)(1)) is amended by striking '', 2001, and 2002'' and inserting ''through 2011''.

SEC. 307. FOOD FOR PEACE (PUBLIC LAW 480).

The Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) is amended—

(1) in section 2 (7 U.S.C. 1691), by striking paragraph (2) and inserting the following:

''(2) promote broad-based, equitable, and sustainable development, including agricultural development as well as conflict prevention;'';

(2) in section 202(e)(1) (7 U.S.C. 1722(e)(1)), by striking ''not less than $10,000,000, and not more than $28,000,000'' and inserting ''not less than 5 percent and not more than 10 percent of such funds'';

(3) in section 203(a) (7 U.S.C. 1723(a)), by striking ''the recipient country, or in a country'' and inserting ''one or more recipient countries, or one or more countries'';

(4) in section 203(c) (7 U.S.C. 1723(c))—

(A) by striking ''foreign currency''; and

(B) by striking ''the recipient country, or in a country'' and inserting ''one or more recipient countries, or one or more countries'';

(5) in section 203(d) (7 U.S.C. 1723(d))—

(A) by striking ''Foreign currencies'' and inserting ''Proceeds'';

(B) in paragraph (2)—

(i) by striking ''income generating'' and inserting ''income-generating''; and

(ii) by striking ''the recipient country or within a country'' and inserting ''one or more recipient countries, or one or more countries''; and

(C) in paragraph (3), by inserting a comma after ''invested'' and ''used'';

(6) in section 204(a) (7 U.S.C. 1724(a))—

(A) by striking ''1996 through 2002'' and inserting ''2002 through 2011''; and

(B) by striking ''2,025,000'' and inserting ''2,250,000'';

(7) in section 205(f) (7 U.S.C. 1725(f)), by striking ''2002'' and inserting ''2011'';

(8) by striking section 206 (7 U.S.C. 1726);

(9) in section 207(a) (7 U.S.C. 1726a(a))—

(A) by redesignating paragraph (2) as paragraph (3); and

(B) by striking paragraph (1) and inserting the following:

''(1) RECIPIENT COUNTRIES.—A proposal to enter into a non-emergency food assistance agreement under this title shall identify the recipient country or countries subject to the agreement.

''(2) TIME FOR DECISION.—Not later than 120 days after receipt by the Administrator of a proposal submitted by an eligible organization under this title, the Administrator shall make a decision concerning such proposal.'';

(10) in section 208(f), by striking ''2002'' and inserting ''2011'';

(11) in section 403 (7 U.S.C. 1733), by inserting after subsection (k) the following:

''(l) SALES PROCEDURES.—Subsections (b) and (h) shall apply to sales of commodities to generate proceeds for titles II and III of this Act, section 416(b) of the Agricultural Act of 1949, and section 1110 of the Food and Security Act of 1985. Such sales transactions may be in United States dollars and other currencies.'';

(12) in section 407(c)(4), by striking ''2001 and 2002'' and inserting ''2001 through 2011'';

(13) in section 407(c)(1) (7 U.S.C. 1736a(c)(1))—

(A) by striking ''The Administrator'' and inserting ''(A) The Administrator''; and

(B) by adding at the end the following:

''(B) In the case of commodities made available for nonemergency assistance under title II for least developed countries that meet the poverty and other eligibility criteria established by the International Bank for Reconstruction and Development for financing under the International Development Association, the Administrator may pay the transportation costs incurred in moving the commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs.''.

(14) in section 408, by striking ''2002'' and inserting ''2011''; and

(15) in section 501(c), by striking ''2002'' and inserting ''2011''.

SEC. 308. EMERGING MARKETS.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note) is amended—

(1) in subsections (a) and (d)(1)(A)(i), by striking ''2002'' and inserting ''2011''; and

(2) in subsection (d)(1)(H), by striking ''$10,000,000 in any fiscal year'' and inserting ''$13,000,000 for each of fiscal years 2002 through 2011''.

SEC. 309. BILL EMERSON HUMANITARIAN TRUST.

Subsections (b)(2)(B)(i), (h)(1), and (h)(2) of section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1) are each

amended by striking ''2002'' and inserting ''2011''.

SEC. 310. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish an export assistance program (referred to in this section as the ''program'') to address unique barriers that prohibit or threaten the export of United States specialty crops.

(b) PURPOSE.—The program shall provide direct assistance through public and private sector projects and technical assistance to remove, resolve, or mitigate sanitary and phytosanitary and related barriers to trade.

(c) PRIORITY.—The program shall address time sensitive and strategic market access projects based on—

(1) trade effect on market retention, market access, and market expansion; and

(2) trade impact.

(d) FUNDING.—The Secretary shall make available $3,000,000 for each of fiscal years 2002 through 2011 of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation.

SEC. 311. FARMERS FOR AFRICA AND CARIBBEAN BASIN PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) Many African farmers and farmers in Caribbean Basin countries use antiquated techniques to produce their crops, which result in poor crop quality and low crop yields.

(2) Many of these farmers are losing business to farmers in European and Asian countries who use advanced planting and production techniques and are supplying agricultural produce to restaurants, resorts, tourists, grocery stores, and other consumers in Africa and Caribbean Basin countries.

(3) A need exists for the training of African farmers and farmers in Caribbean Basin countries and other developing countries in farming techniques that are appropriate for the majority of eligible farmers in African or Caribbean countries, including standard growing practices, insecticide and sanitation procedures, and other farming methods that will produce increased yields of more nutritious and healthful crops.

(4) African-American and other American farmers, as well as banking and insurance professionals, are a ready source of agribusiness expertise that would be invaluable for African farmers and farmers in Caribbean Basin countries.

(5) A United States commitment is appropriate to support the development of a comprehensive agricultural skills training program for these farmers that focuses on—

(A) improving knowledge of insecticide and sanitation procedures to prevent crop destruction;

(B) teaching modern farming techniques, including the identification and development of standard growing practices and the establishment of systems for recordkeeping, that would facilitate a continual analysis of crop production;

(C) the use and maintenance of farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries;

(D) expansion of small farming operations into agribusiness enterprises through the development and use of village banking systems and the use of agricultural risk insurance pilot products, resulting in increased access to credit for these farmers; and

(E) marketing crop yields to prospective purchasers (businesses and individuals) for local needs and export.

(6) The participation of African-American and other American farmers and American agricultural farming specialists in such a training program promises the added benefit of improving access to African and Caribbean Basin markets for American farmers and United States farm equipment and products and business linkages for United States insurance providers offering technical assistance on, among other things, agricultural risk insurance products.

(7) Existing programs that promote the exchange of agricultural knowledge and expertise through the exchange of American and foreign farmers have been effective in promoting improved agricultural techniques and food security, and, thus, the extension of additional resources to such farmer-to- farmer exchanges is warranted.

(b) DEFINITIONS.—In this section:

(1) AGRICULTURAL FARMING SPECIALIST.—The term ''agricultural farming specialist'' means an individual trained to transfer information and technical support relating to agribusiness, food security, the mitigation and alleviation of hunger, the mitigation of agricultural and farm risk, maximization of crop yields, agricultural trade, and other needs specific to a geographical location as determined by the President.

(2) CARIBBEAN BASIN COUNTRY.—The term ''Caribbean Basin country'' means a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702).

(3) ELIGIBLE FARMER.—The term ''eligible farmer'' means an individual owning or working on farm land (as defined by a particular country's laws relating to property) in the sub-Saharan region of the continent of Africa, in a Caribbean Basin country, or in any other developing country in which the President determines there is a need for farming expertise or for information or technical support described in paragraph (1).

(4) PROGRAM.—The term ''Program'' means the Farmers for Africa and Caribbean Basin Program established under this section.

(c) ESTABLISHMENT OF PROGRAM.—The President shall establish a grant program, to be known as the ''Farmers for Africa and Caribbean Basin Program'', to assist eligible organizations in carrying out bilateral exchange programs whereby African-American and other American farmers and American agricultural farming specialists share technical knowledge with eligible farmers regarding—

(1) maximization of crop yields;

(2) use of agricultural risk insurance as financial tools and a means of risk management (as allowed by Annex II of the World Trade Organization rules);

(3) expansion of trade in agricultural products;

(4) enhancement of local food security;

(5) the mitigation and alleviation of hunger;

(6) marketing agricultural products in local, regional, and international markets; and

(7) other ways to improve farming in countries in which there are eligible farmers.

(d) ELIGIBLE GRANTEES.—The President may make a grant under the Program to—

(1) a college or university, including a historically black college or university, or a foundation maintained by a college or university; and

(2) a private organization or corporation, including grassroots organizations, with an established and demonstrated capacity to carry out such a bilateral exchange program.

(e) TERMS OF PROGRAM.—(1) It is the goal of the Program that at least 1,000 farmers participate in the training program by December 31, 2005, of which 80 percent of the total number of participating farmers will be African farmers or farmers in Caribbean Basin countries and 20 percent of the total number of participating farmers will be American farmers.

(2) Training under the Program will be provided to eligible farmers in groups to ensure that information is shared and passed on to other eligible farmers. Eligible farmers will be trained to be specialists in their home communities and will be encouraged not to retain enhanced farming technology for their own personal enrichment.

(3) Through partnerships with American businesses, the Program will utilize the commercial industrial capability of businesses dealing in agriculture to train eligible farmers on farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries and to introduce eligible farmers to the use of insurance as a risk management tool.

(f) SELECTION OF PARTICIPANTS.—(1) The selection of eligible farmers, as well as African-American and other American farmers and agricultural farming specialists, to participate in the Program shall be made by grant recipients using an application process approved by the President.

(2) Participating farmers must have sufficient farm or agribusiness experience and have obtained certain targets regarding the productivity of their farm or agribusiness.

(g) GRANT PERIOD.—The President may make grants under the Program during a period of 5 years beginning on October 1 of the first fiscal year for which funds are made available to carry out the Program.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2011.

SEC. 312. GEORGE MCGOVERN-ROBERT DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

(a) IN GENERAL.—The President may, subject to subsection (j), direct the procurement of commodities and the provision of financial and technical assistance to carry out—

(1) preschool and school feeding programs in foreign countries to improve food security, reduce the incidence of hunger, and improve literacy and primary education, particularly with respect to girls; and

(2) maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants, and children who are 5 years of age or younger.

(b) ELIGIBLE COMMODITIES AND COST ITEMS.—Notwithstanding any other provision of law—

(1) any agricultural commodity is eligible for distribution under this section;

(2) as necessary to achieve the purposes of this section—

(A) funds may be used to pay the transportation costs incurred in moving commodities (including prepositioned commodities) provided under this section from the designated points of entry or ports of entry of one or more recipient countries to storage and distribution sites in these countries, and associated storage and distribution costs;

(B) funds may be used to pay the costs of activities conducted in the recipient countries by a nonprofit voluntary organization, cooperative, or intergovernmental agency or organization that would enhance the effectiveness of the activities implemented by such entities under this section; and

(C) funds may be provided to meet the allowable administrative expenses of private

voluntary organizations, cooperatives, or intergovernmental organizations which are implementing activities under this section; and

(3) for the purposes of this section, the term ''agricultural commodities'' includes any agricultural commodity, or the products thereof, produced in the United States.

(c) GENERAL AUTHORITIES.—The President shall designate one or more Federal agencies to—

(1) implement the program established under this section;

(2) ensure that the program established under this section is consistent with the foreign policy and development assistance objectives of the United States; and

(3) consider, in determining whether a country should receive assistance under this section, whether the government of the country is taking concrete steps to improve the preschool and school systems in its country.

(d) ELIGIBLE RECIPIENTS.—Assistance may be provided under this section to private voluntary organizations, cooperatives, intergovernmental organizations, governments and their agencies, and other organizations.

(e) PROCEDURES.—

(1) IN GENERAL.—In carrying out subsection (a) the President shall assure that procedures are established that—

(A) provide for the submission of proposals by eligible recipients, each of which may include one or more recipient countries, for commodities and other assistance under this section;

(B) provide for eligible commodities and assistance on a multi-year basis;

(C) ensure eligible recipients demonstrate the organizational capacity and the ability to develop, implement, monitor, report on, and provide accountability for activities conducted under this section;

(D) provide for the expedited development, review, and approval of proposals submitted in accordance with this section;

(E) ensure monitoring and reporting by eligible recipients on the use of commodities and other assistance provided under this section; and

(F) allow for the sale or barter of commodities by eligible recipients to acquire funds to implement activities that improve the food security of women and children or otherwise enhance the effectiveness of programs and activities authorized under this section.

(2) PRIORITIES FOR PROGRAM FUNDING.—In carrying out paragraph (1) with respect to criteria for determining the use of commodities and other assistance provided for programs and activities authorized under this section, the implementing agency may consider the ability of eligible recipients to—

(A) identify and assess the needs of beneficiaries, especially malnourished or undernourished mothers and their children who are 5 years of age or younger, and school-age children who are malnourished, undernourished, or do not regularly attend school;

(B)(i) in the case of preschool and school-age children, target low-income areas where children's enrollment and attendance in school is low or girls' enrollment and participation in preschool or school is low, and incorporate developmental objectives for improving literacy and primary education, particularly with respect to girls; and

(ii) in the case of programs to benefit mothers and children who are 5 years of age or younger, coordinate supplementary feeding and nutrition programs with existing or newly-established maternal, infant, and children programs that provide health-needs interventions, and which may include maternal, prenatal, and postnatal and newborn care;

(C) involve indigenous institutions as well as local communities and governments in the development and implementation to foster local capacity building and leadership; and

(D) carry out multiyear programs that foster local self-sufficiency and ensure the longevity of recipient country programs.

(f) USE OF FOOD AND NUTRITION SERVICE.—The Food and Nutrition Service of the Department of Agriculture may provide technical advice on the establishment of programs under subsection (a)(1) and on their implementation in the field in recipient countries.

(g) MULTILATERAL INVOLVEMENT.—The President is urged to engage existing international food aid coordinating mechanisms to ensure multilateral commitments to, and participation in, programs like those supported under this section. The President shall report annually to the Committee on International Relations and the Committee on Agriculture of the United States House of Representatives and the Committee on Foreign Relations and the Committee on Agriculture, Nutrition, and Forestry of the United States Senate on the commitments and activities of governments, including the United States government, in the global effort to reduce child hunger and increase school attendance.

(h) PRIVATE SECTOR INVOLVEMENT.—The President is urged to encourage the support and active involvement of the private sector, foundations, and other individuals and organizations in programs assisted under this section.

(i) REQUIREMENT TO SAFEGUARD LOCAL PRODUCTION AND USUAL MARKETING.—The requirement of section 403(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(a) and 1733(h)) applies with respect to the availability of commodities under this section.

(j) FUNDING.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary to carry out this section for each of fiscal years 2002 through 2011. Nothing in this section shall be interpreted to preclude the use of authorities in effect before the date of the enactment of this Act to carry out the ongoing Global Food for Education Initiative.

(2) ADMINISTRATIVE EXPENSES.—Funds made available to carry out the purposes of this section may be used to pay the administrative expenses of any agency of the Federal Government implementing or assisting in the implementation of this section.

SEC. 313. STUDY ON FEE FOR SERVICES.

(a) STUDY.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall provide a report to the designated congressional committees on the feasibility of instituting a program which would charge and retain a fee to cover the costs for providing persons with commercial services performed abroad on matters within the authority of the Department of Agriculture administered through the Foreign Agriculture Service or any successor agency.

(b) DEFINITION.—In this section, the term ''designated congressional committees'' means the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.

SEC. 314. NATIONAL EXPORT STRATEGY REPORT.

(a) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Agriculture shall provide to the designated congressional committees a report on the policies and programs that the Department of Agriculture has undertaken to implement the National Export Strategy Report. The report shall contain a description of the effective coordination of these policies and programs through all other appropriate Federal agencies participating in the Trade Promotion Coordinating Committee and the steps the Department of Agriculture is taking to reduce the level of protectionism in agricultural trade, to foster market growth, and to improve the commercial potential of markets in both developed and developing countries for United States agricultural commodities.

(b) DEFINITION.—In this section, the term ''designated congressional committees'' means the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.

TITLE IV—NUTRITION PROGRAMS

Subtitle A—Food Stamp Program

SEC. 401. SIMPLIFIED DEFINITION OF INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) in paragraph (3)—

(A) by striking ''and (C)'' and inserting ''(C)''; and

(B) by inserting after ''premiums,'' the following:

''and (D) to the extent that any other educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like, are required to be excluded under title XIX of the Social Security Act, the state agency may exclude it under this subsection,'';

(2) by striking ''and (15)'' and inserting ''(15)'';

(3) by inserting before the period at the end the following:

'', (16) any state complementary assistance program payments that are excluded pursuant to subsections (a) and (b) of section 1931 of title XIX of the Social Security Act, and (17) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), except that this paragraph shall not authorize a State agency to exclude earned income, payments under title I, II, IV, X, XIV, or XVI of the Social Security Act, or such other types of income whose consideration the Secretary determines essential to equitable determinations of eligibility and benefit levels except to the extent that those types of income may be excluded under other paragraphs of this subsection''.

SEC. 402. STANDARD DEDUCTION.

Section 5(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(1)) is amended—

(1) by striking ''of $134, $229, $189, $269, and $118'' and inserting ''equal to 9.7 percent of the eligibility limit established under section 5(c)(1) for fiscal year 2002 but not more than 9.7 percent of the eligibility limit established under section 5(c)(1) for a household of six for fiscal year 2002 nor less than $134, $229, $189, $269, and $118''; and

(2) by inserting before the period at the end the following:

'', except that the standard deduction for Guam shall be determined with reference to 2 times the eligibility limits under section

5(c)(1) for fiscal year 2002 for the 48 contiguous states and the District of Columbia''.

SEC. 403. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.

(a) IN GENERAL.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

''(s) TRANSITIONAL BENEFITS OPTION.—

''(1) IN GENERAL.—A State may provide transitional food stamp benefits to a household that is no longer eligible to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(2) TRANSITIONAL BENEFITS PERIOD.—Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the date on which cash assistance is terminated.

''(3) AMOUNT.—During the transitional benefits period under paragraph (2), a household shall receive an amount equal to the allotment received in the month immediately preceding the date on which cash assistance is terminated. A household receiving benefits under this subsection may apply for recertification at any time during the transitional benefit period. If a household reapplies, its allotment shall be determined without regard to this subsection for all subsequent months.

''(4) DETERMINATION OF FUTURE ELIGIBILITY.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

''(A) require a household to cooperate in a redetermination of eligibility to receive an authorization card; and

''(B) renew eligibility for a new certification period for the household without regard to whether the previous certification period has expired.

''(5) LIMITATION.—A household sanctioned under section 6, or for a failure to perform an action required by Federal, State, or local law relating to such cash assistance program, shall not be eligible for transitional benefits under this subsection.''.

(b) CONFORMING AMENDMENTS.—(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following: ''The limits in this section may be extended until the end of any transitional benefit period established under section 11(s).''.

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking ''No household'' and inserting ''Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household''.

SEC. 404. QUALITY CONTROL SYSTEMS.

(a) TARGETED QUALITY CONTROL SYSTEM.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended—

(1) in paragraph (1)(C)—

(A) in the matter preceding clause (i), by inserting ''the Secretary determines that a 95 percent statistical probability exists that for the 3d consecutive year'' after ''year in which''; and

(B) in clause (i)(II)(aa)(bbb) by striking ''the national performance measure for the fiscal year'' and inserting ''10 percent'';

(2) in the 1st sentence of paragraph (4)—

(A) by striking ''or claim'' and inserting ''claim''; and

(B) by inserting ''or performance under the measures established under paragraph (10),'' after ''for payment error,'';

(3) in paragraph (5), by inserting ''to comply with paragraph (10) and'' before ''to establish'';

(4) in the 1st sentence of paragraph (6), by inserting ''one percentage point more than'' after ''measure that shall be''; and

(5) by inserting at the end the following:

''(10)(A) In addition to the measures established under paragraph (1), the Secretary shall measure the performance of State agencies in each of the following regards—

''(i) compliance with the deadlines established under paragraphs (3) and (9) of section 11(e); and

''(ii) the percentage of negative eligibility decisions that are made correctly.

''(B) For each fiscal year, the Secretary shall make excellence bonus payments of $1,000,000 each to the 5 States with the highest combined performance in the 2 measures in subparagraph (A) and to the 5 States whose combined performance under the 2 measures in subparagraph (A) most improved in such fiscal year.

''(C) For any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that a State agency's performance with respect to any of the 2 performance measures established in subparagraph (A) is substantially worse than a level the Secretary deems reasonable, other than for good cause shown, the Secretary shall investigate that State agency's administration of the food stamp program. If this investigation determines that the State's administration has been deficient, the Secretary shall require the State agency to take prompt corrective action.''.

(b) IMPLEMENTATION.—The amendment made by subsection (a)(5) shall apply to all fiscal years beginning on or after October 1, 2001, and ending before October 1, 2007. All other amendments made by this section shall apply to all fiscal years beginning on or after October 1, 1999.

SEC. 405. SIMPLIFIED APPLICATION AND ELIGIBILITY DETERMINATION SYSTEMS.

Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by inserting at the end the following:

''(l) SIMPLIFICATION OF SYSTEMS.—The Secretary shall expend up to $9,500,000 million in each fiscal year to pay 100 percent of the costs of State agencies to develop and implement simple application and eligibility determination systems.''.

SEC. 406. AUTHORIZATION OF APPROPRIATIONS.

(a) EMPLOYMENT AND TRAINING PROGRAMS.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)(vii) by striking ''fiscal year 2002'' and inserting ''each of the fiscal years 2003 through 2011''; and

(2) in subparagraph (B) by striking ''2002'' and inserting ''2011''.

(b) COST ALLOCATION.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in subparagraph (A) by striking ''2002'' and inserting ''2011''; and

(2) in subparagraph (B)(ii) by striking ''2002'' and inserting ''2011''.

(c) CASH PAYMENT PILOT PROJECTS.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking ''2002'' and inserting ''2011''.

(d) OUTREACH DEMONSTRATION PROJECTS.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(i)(1)(A)) is amended by striking ''1992 through 2002'' and inserting ''2003 through 2011''.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking ''1996 through 2002'' and inserting ''2003 through 2011''.

(f) PUERTO RICO.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

(1) in subparagraph (A)—

(A) in clause (ii) by striking ''and'' at the end;

(B) in clause (iii) by adding ''and'' at the end; and

(C) by inserting after clause (iii) the following:

''(iv) for each of fiscal years 2003 through 2011, the amount equal to the amount required to be paid under this subparagraph for the preceding fiscal year, as adjusted by the percentage by which the thrifty food plan is adjusted under section 3(o)(4) for the current fiscal year for which the amount is determined under this clause;''; and

(2) in subparagraph (B)—

(A) by inserting ''(i)'' after ''(B)''; and

(B) by adding at the end the following:

''(ii) Notwithstanding subparagraph (A) and clause (i), the Commonwealth may spend up to $6,000,000 of the amount required under subparagraph (A) to be paid for fiscal year 2002 to pay 100 percent of the cost to upgrade and modernize the electronic data processing system used to provide such food assistance and to implement systems to simplify the determination of eligibility to receive such assistance.''.

(g) TERRITORY OF AMERICAN SAMOA.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is amended—

(1) by striking ''Effective October 1, 1995, from'' and inserting ''From''; and

(2) by striking ''$5,300,000 for each of fiscal years 1996 through 2002'' and inserting ''$5,750,000 for fiscal year 2002 and $5,800,000 for each of fiscal years 2003 though 2011''.

(h) ASSISTANCE FOR COMMUNITY FOOD PROJECTS.—Section 25(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2034(b)(2)) is amended—

(1) in subparagraph (A) by striking ''and'' at the end;

(2) in subparagraph (B)—

(A) by striking ''2002'' and inserting ''2001''; and

(B) by striking the period at the end and inserting ''; and''; and

(3) by inserting after subparagraph (B) the following:

''(C) $7,500,000 for each of the fiscal years 2002 through 2011.''.

(i) AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

(1) in subsection (a)—

(A) by striking ''1997 through 2002'' and inserting ''2002 through 2011''; and

(B) by striking ''$100,000,000'' and inserting ''$140,000,000''; and

(2) by adding at the end the following:

''(c) USE OF FUNDS FOR RELATED COSTS.—For each of the fiscal years 2002 through 2011, the Secretary shall use $10,000,000 of the funds made available under subsection (a) to pay for the direct and indirect costs of the States related to the processing, storing, transporting, and distributing to eligible recipient agencies of commodities purchased by the Secretary under such subsection and commodities secured from other sources, including commodities secured by gleaning (as defined in section 111 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note)).''.

(j) SPECIAL EFFECTIVE DATE.—The amendments made by subsections (g), (h), and (i) shall take effect on October 1, 2001.

Subtitle B—Commodity Distribution

SEC. 441. DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.

Section 1114(a) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e) is amended by striking ''2002'' and inserting ''2011''.

SEC. 442. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

The Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

(1) in section 4(a) by striking ''1991 through 2002'' and inserting ''2003 through 2011''; and

(2) in subsections (a)(2) and (d)(2) of section 5 by striking ''1991 through 2002'' and inserting ''2003 through 2011''.

SEC. 443. EMERGENCY FOOD ASSISTANCE.

The 1st sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended—

(1) by striking ''1991 through 2002'' and inserting ''2003 through 2011'';

(2) by striking ''administrative''; and

(3) by inserting ''storage,'' after ''processing,''.

Subtitle C—Miscellaneous Provisions

SEC. 461. HUNGER FELLOWSHIP PROGRAM.

(a) SHORT TITLE; FINDINGS.—

(1) SHORT TITLE.—This section may be cited as the ''Congressional Hunger Fellows Act of 2001''.

(2) FINDINGS.—The Congress finds as follows:

(A) There is a critical need for compassionate individuals who are committed to assisting people who suffer from hunger as well as a need for such individuals to initiate and administer solutions to the hunger problem.

(B) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated his commitment to solving the problem of hunger in a bipartisan manner, his commitment to public service, and his great affection for the institution and the ideals of the United States Congress.

(C) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated his compassion for those in need, his high regard for public service, and his lively exercise of political talents.

(D) The special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all.

(E) These two outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, and therefore it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by creating a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(b) ESTABLISHMENT.—There is established as an independent entity of the legislative branch of the United States Government the Congressional Hunger Fellows Program (hereinafter in this section referred to as the ''Program'').

(c) BOARD OF TRUSTEES.—

(1) IN GENERAL.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) MEMBERS OF THE BOARD OF TRUSTEES.—

(A) APPOINTMENT.—The Board shall be composed of 6 voting members appointed under clause (i) and one nonvoting ex officio member designated in clause (ii) as follows:

(i) VOTING MEMBERS.—(I) The Speaker of the House of Representatives shall appoint two members.

(II) The minority leader of the House of Representatives shall appoint one member.

(III) The majority leader of the Senate shall appoint two members.

(IV) The minority leader of the Senate shall appoint one member.

(ii) NONVOTING MEMBER.—The Executive Director of the program shall serve as a nonvoting ex officio member of the Board.

(B) TERMS.—Members of the Board shall serve a term of 4 years.

(C) VACANCY.—

(i) AUTHORITY OF BOARD.—A vacancy in the membership of the Board does not affect the power of the remaining members to carry out this section.

(ii) APPOINTMENT OF SUCCESSORS.—A vacancy in the membership of the Board shall be filled in the same manner in which the original appointment was made.

(iii) INCOMPLETE TERM.—If a member of the Board does not serve the full term applicable to the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(D) CHAIRPERSON.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(E) COMPENSATION.—

(i) IN GENERAL.—Subject to clause (ii), members of the Board may not receive compensation for service on the Board.

(ii) TRAVEL.—Members of the Board may be reimbursed for travel, subsistence, and other necessary expenses incurred in carrying out the duties of the program.

(3) DUTIES.—

(A) BYLAWS.—

(i) ESTABLISHMENT.—The Board shall establish such bylaws and other regulations as may be appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) CONTENTS.—Such bylaws and other regulations shall include provisions—

(I) for appropriate fiscal control, funds accountability, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in the procurement and employment actions taken by the Board or by any officer or employee of the Board and in the selection and placement of individuals in the fellowships developed under the program;

(III) for the resolution of a tie vote of the members of the Board; and

(IV) for authorization of travel for members of the Board.

(iii) TRANSMITTAL TO CONGRESS.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall transmit to the appropriate congressional committees a copy of such bylaws.

(B) BUDGET.—For each fiscal year the program is in operation, the Board shall determine a budget for the program for that fiscal year. All spending by the program shall be pursuant to such budget unless a change is approved by the Board.

(C) PROCESS FOR SELECTION AND PLACEMENT OF FELLOWS.—The Board shall review and approve the process established by the Executive Director for the selection and placement of individuals in the fellowships developed under the program.

(D) ALLOCATION OF FUNDS TO FELLOWSHIPS.—The Board of Trustees shall determine the priority of the programs to be carried out under this section and the amount of funds to be allocated for the Emerson and Leland fellowships.

(d) PURPOSES; AUTHORITY OF PROGRAM.—

(1) PURPOSES.—The purposes of the program are—

(A) to encourage future leaders of the United States to pursue careers in humanitarian service, to recognize the needs of people who are hungry and poor, and to provide assistance and compassion for those in need;

(B) to increase awareness of the importance of public service; and

(C) to provide training and development opportunities for such leaders through placement in programs operated by appropriate organizations or entities.

(2) AUTHORITY.—The program is authorized to develop such fellowships to carry out the purposes of this section, including the fellowships described in paragraph (3).

(3) FELLOWSHIPS.—

(A) IN GENERAL.—The program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) CURRICULUM.—

(i) IN GENERAL.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(II) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) FOCUS OF BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(iii) FOCUS OF MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iv) WORKPLAN.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the program shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship, including specific duties and responsibilities related to those objectives.

(C) PERIOD OF FELLOWSHIP.—

(i) EMERSON FELLOW.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for no more than 1 year.

(ii) LELAND FELLOW.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for no more than 2 years. Not less than 1 year of the fellowship shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) SELECTION OF FELLOWS.—

(i) IN GENERAL.—A fellowship shall be awarded pursuant to a nationwide competition established by the program.

(ii) QUALIFICATION.—A successful applicant shall be an individual who has demonstrated—

(I) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(II) a commitment to social change;

(III) leadership potential or actual leadership experience;

(IV) diverse life experience;

(V) proficient writing and speaking skills;

(VI) an ability to live in poor or diverse communities; and

(VII) such other attributes as determined to be appropriate by the Board.

(iii) AMOUNT OF AWARD.—

(I) IN GENERAL.—Each individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subclause (II), an end-of-service award as determined by the program.

(II) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each individual awarded a fellowship under this paragraph shall be

entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(iv) RECOGNITION OF FELLOWSHIP AWARD.—

(I) EMERSON FELLOW.—An individual awarded a fellowship from the Bill Emerson Hunger Fellowship shall be known as an ''Emerson Fellow''.

(II) LELAND FELLOW.—An individual awarded a fellowship from the Mickey Leland Hunger Fellowship shall be known as a ''Leland Fellow''.

(4) EVALUATION.—The program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships. Such evaluations shall include the following:

(A) An assessment of the successful completion of the work plan of the fellow.

(B) An assessment of the impact of the fellowship on the fellows.

(C) An assessment of the accomplishment of the purposes of the program.

(D) An assessment of the impact of the fellow on the community.

(e) TRUST FUND.—

(1) ESTABLISHMENT.—There is established the Congressional Hunger Fellows Trust Fund (hereinafter in this section referred to as the ''Fund'') in the Treasury of the United States, consisting of amounts appropriated to the Fund under subsection (i), amounts credited to it under paragraph (3), and amounts received under subsection (g)(3)(A).

(2) INVESTMENT OF FUNDS.—The Secretary of the Treasury shall invest the full amount of the Fund. Each investment shall be made in an interest bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Secretary in consultation with the Board, has a maturity suitable for the Fund.

(3) RETURN ON INVESTMENT.—Except as provided in subsection (f)(2), the Secretary of the Treasury shall credit to the Fund the interest on, and the proceeds from the sale or redemption of, obligations held in the Fund.

(f) EXPENDITURES; AUDITS.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the program from the amounts described in subsection (e)(3) and subsection (g)(3)(A) such sums as the Board determines are necessary to enable the program to carry out the provisions of this section.

(2) LIMITATION.—The Secretary may not transfer to the program the amounts appropriated to the Fund under subsection (i).

(3) USE OF FUNDS.—Funds transferred to the program under paragraph (1) shall be used for the following purposes:

(A) STIPENDS FOR FELLOWS.—To provide for a living allowance for the fellows.

(B) TRAVEL OF FELLOWS.—To defray the costs of transportation of the fellows to the fellowship placement sites.

(C) INSURANCE.—To defray the costs of appropriate insurance of the fellows, the program, and the Board.

(D) TRAINING OF FELLOWS.—To defray the costs of preservice and midservice education and training of fellows.

(E) SUPPORT STAFF.—Staff described in subsection (g).

(F) AWARDS.—End-of-service awards under subsection (d)(3)(D)(iii)(II).

(G) ADDITIONAL APPROVED USES.—For such other purposes that the Board determines appropriate to carry out the program.

(4) AUDIT BY GAO.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the program.

(B) BOOKS.—The program shall make available to the Comptroller General all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the program and necessary to facilitate such audit.

(C) REPORT TO CONGRESS.—The Comptroller General shall submit a copy of the results of each such audit to the appropriate congressional committees.

(g) STAFF; POWERS OF PROGRAM.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall appoint an Executive Director of the program who shall administer the program. The Executive Director shall carry out such other functions consistent with the provisions of this section as the Board shall prescribe.

(B) RESTRICTION.—The Executive Director may not serve as Chairperson of the Board.

(C) COMPENSATION.—The Executive Director shall be paid at a rate not to exceed the rate of basic pay payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) STAFF.—

(A) IN GENERAL.—With the approval of a majority of the Board, the Executive Director may appoint and fix the pay of additional personnel as the Executive Director considers necessary and appropriate to carry out the functions of the provisions of this section.

(B) COMPENSATION.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate of basic pay payable for level GS–15 of the General Schedule.

(3) POWERS.—In order to carry out the provisions of this section, the program may perform the following functions:

(A) GIFTS.—The program may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the program. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Fund and shall be available for disbursement upon order of the Board.

(B) EXPERTS AND CONSULTANTS.—The program may procure temporary and intermittent services under section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS–15 of the General Schedule.

(C) CONTRACT AUTHORITY.—The program may contract, with the approval of a majority of the members of the Board, with and compensate Government and private agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(D) OTHER NECESSARY EXPENDITURES.—The program shall make such other expenditures which the program considers necessary to carry out the provisions of this section, but excluding project development.

(h) REPORT.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the program carried out during the previous fiscal year, and shall include the following:

(1) An analysis of the evaluations conducted under subsection (d)(4) (relating to evaluations of the Emerson and Leland fellowships and accomplishment of the program purposes) during that fiscal year.

(2) A statement of the total amount of funds attributable to gifts received by the program in that fiscal year (as authorized under subsection (g)(3)(A)), and the total amount of such funds that were expended to carry out the program that fiscal year.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $18,000,000 to carry out the provisions of this section.

(j) DEFINITION.—In this section, the term ''appropriate congressional committees'' means—

(1) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(2) the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations of the Senate.

SEC. 462. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title shall take effect on October 1, 2002.

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

SEC. 501. DIRECT LOANS.

Section 302(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(b)(1)) is amended by striking ''operated'' and inserting ''participated in the business operations of''.

SEC. 502. FINANCING OF BRIDGE LOANS.

Section 303(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923(a)(1)) is amended—

(1) in subparagraph (C), by striking ''or'' at the end;

(2) in subparagraph (D), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(E) refinancing, during a fiscal year, a short-term, temporary bridge loan made by a commercial or cooperative lender to a beginning farmer or rancher for the acquisition of land for a farm or ranch, if—

''(i) the Secretary approved an application for a direct farm ownership loan to the beginning farmer or rancher for acquisition of the land; and

''(ii) funds for direct farm ownership loans under section 346(b) were not available at the time at which the application was approved.''.

SEC. 503. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP LOANS.

Section 305 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925) is amended by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—The Secretary shall not make or insure a loan under section 302, 303, 304, 310D, or 310E that would cause the unpaid indebtedness under those sections of any 1 borrower to exceed the lesser of—

''(1) the value of the farm or other security; or

''(2)(A) in the case of a loan made by the Secretary—

''(i) to a beginning farmer or rancher, $250,000, as adjusted (beginning with fiscal year 2003) by the inflation percentage applicable to the fiscal year in which the loan is made; or

''(ii) to a borrower other than a beginning farmer or rancher, $200,000; or

''(B) in the case of a loan guaranteed by the Secretary, $700,000, as—

''(i) adjusted (beginning with fiscal year 2000) by the inflation percentage applicable to the fiscal year in which the loan is guaranteed; and

''(ii) reduced by the amount of any unpaid indebtedness of the borrower on loans under subtitle B that are guaranteed by the Secretary.''.

SEC. 504. JOINT FINANCING ARRANGEMENTS.

Section 307(a)(3)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)(D)) is amended—

(1) by striking ''If'' and inserting the following:

''(i) IN GENERAL.—Subject to clause (ii), if''; and

(2) by adding at the end the following:

''(ii) BEGINNING FARMERS AND RANCHERS.—The interest rate charged a beginning farmer or rancher for a loan described in clause (i) shall be 50 basis points less than the rate charged farmers and ranchers that are not beginning farmers or ranchers.''.

SEC. 505. GUARANTEE PERCENTAGE FOR BEGINNING FARMERS AND RANCHERS.

Section 309(h)(6) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)(6)) is amended by striking ''GUARANTEED UP'' and all that follows through ''more than'' and inserting ''GUARANTEED AT 95 PERCENT.—The Secretary shall guarantee''.

SEC. 506. GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER OR RANCHER PROGRAMS.

Section 309 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929) is amended by adding at the end the following:

''(j) GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER OR RANCHER PROGRAMS.—The Secretary may guarantee under this title a loan made under a State beginning farmer or rancher program, including a loan financed by the net proceeds of a qualified small issue agricultural bond for land or property described in section 144(a)(12)(B)(ii) of the Internal Revenue Code of 1986.''.

SEC. 507. DOWN PAYMENT LOAN PROGRAM.

Section 310E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''30 percent'' and inserting ''40 percent''; and

(B) in paragraph (3), by striking ''10 years'' and inserting ''20 years''; and

(2) in subsection (c)(3)(B), by striking ''10-year'' and inserting ''20-year''.

SEC. 508. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

(a) IN GENERAL.—Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 et seq.) is amended by adding at the end the following:

''SEC. 310F. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

''(a) IN GENERAL.—Not later than October 1, 2002, the Secretary shall carry out a pilot program in not fewer than 10 geographically dispersed States, as determined by the Secretary, to guarantee up to 5 loans per State in each of fiscal years 2003 through 2006 made by a private seller of a farm or ranch to a qualified beginning farmer or rancher on a contract land sale basis, if the loan meets applicable underwriting criteria and a commercial lending institution agrees to serve as escrow agent.

''(b) DATE OF COMMENCEMENT OF PROGRAM.—The Secretary shall commence the pilot program on making a determination that guarantees of contract land sales present a risk that is comparable with the risk presented in the case of guarantees to commercial lenders.''.

(b) REGULATIONS.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary of Agriculture shall promulgate such regulations as are necessary to implement the amendment made by subsection (a).

(2) PROCEDURE.—The promulgation of the regulations and administration of the amendment made by subsection (a) shall be made without regard to—

(A) the notice and comment provisions of section 553 of title 5, United States Code;

(B) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(C) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act'').

(3) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out the amendment made by subsection (a), the Secretary shall use the authority provided under section 808 of title 5, United States Code.

Subtitle B—Operating Loans

SEC. 511. DIRECT LOANS.

Section 311(c)(1)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)(1)(A)) is amended by striking ''who has not'' and all that follows through ''5 years''.

SEC. 512. AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL FARM OPERATIONS; WAIVER OF LIMITATIONS FOR TRIBAL OPERATIONS AND OTHER OPERATIONS.

(a) AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL OPERATIONS.—Section 309(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)) is amended—

(1) in paragraph (4), by striking ''paragraphs (5) and (6)'' and inserting ''paragraphs (5), (6), and (7)''; and

(2) by adding at the end the following:

''(7) AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL OPERATIONS.—In the case of an operating loan made to a Native American farmer or rancher whose farm or ranch is within an Indian reservation (as defined in section 335(e)(1)(A)(ii)), the Secretary shall guarantee 95 percent of the loan.''.

(b) WAIVER OF LIMITATIONS.—Section 311(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)) is amended—

(1) in paragraph (1), by striking ''paragraph (3)'' and inserting ''paragraphs (3) and (4)''; and

(2) by adding at the end the following:

''(4) WAIVERS.—

''(A) TRIBAL FARM AND RANCH OPERATIONS.—The Secretary shall waive the limitation under paragraph (1)(C) for a direct loan made under this subtitle to a Native American farmer or rancher whose farm or ranch is within an Indian reservation (as defined in section 335(e)(1)(A)(ii)) if the Secretary determines that commercial credit is not generally available for such farm or ranch operations.

''(B) OTHER FARM AND RANCH OPERATIONS.—On a case-by-case determination not subject to administrative appeal, the Secretary may grant a borrower a waiver, 1 time only for a period of 2 years, of the limitation under paragraph (1)(C) for a direct operating loan if the borrower demonstrates to the satisfaction of the Secretary that—

''(i) the borrower has a viable farm or ranch operation;

''(ii) the borrower applied for commercial credit from at least 2 commercial lenders;

''(iii) the borrower was unable to obtain a commercial loan (including a loan guaranteed by the Secretary); and

''(iv) the borrower successfully has completed, or will complete within 1 year, borrower training under section 359 (from which requirement the Secretary shall not grant a waiver under section 359(f)).''.

Subtitle C—Administrative Provisions

SEC. 521. ELIGIBILITY OF LIMITED LIABILITY COMPANIES FOR FARM OWNERSHIP LOANS, FARM OPERATING LOANS, AND EMERGENCY LOANS.

(a) IN GENERAL.—Sections 302(a), 311(a), and 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(a), 1941(a), 1961(a)) are amended by striking ''and joint operations'' each place it appears and inserting ''joint operations, and limited liability companies''.

(b) CONFORMING AMENDMENT.—Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking ''or joint operations'' each place it appears and inserting ''joint operations, or limited liability companies''.

SEC. 522. DEBT SETTLEMENT.

Section 331(b)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)(4)) is amended by striking ''carried out—'' and all that follows through ''(B) after'' and inserting ''carried out after''.

SEC. 523. TEMPORARY AUTHORITY TO ENTER INTO CONTRACTS; PRIVATE COLLECTION AGENCIES.

(a) IN GENERAL.—Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended by striking subsections (d) and (e).

(b) APPLICATION.—The amendment made by subsection (a) shall not apply to a contract entered into before the effective date of this Act.

SEC. 524. INTEREST RATE OPTIONS FOR LOANS IN SERVICING.

Section 331B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981b) is amended—

(1) by striking ''lower of (1) the'' and inserting the following: ''lowest of—

''(1) the''; and

(2) by striking ''original loan or (2) the'' and inserting the following: ''original loan;

''(2) the rate being charged by the Secretary for loans, other than guaranteed loans, of the same type at the time at which the borrower applies for a deferral, consolidation, rescheduling, or reamortization; or

''(3) the''.

SEC. 525. ANNUAL REVIEW OF BORROWERS.

Section 333 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983) is amended by striking paragraph (2) and inserting the following:

''(2) except with respect to a loan under section 306, 310B, or 314—

''(A) an annual review of the credit history and business operation of the borrower; and

''(B) an annual review of the continued eligibility of the borrower for the loan;''.

SEC. 526. SIMPLIFIED LOAN APPLICATIONS.

Section 333A(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(g)(1)) is amended by striking ''of loans the principal amount of which is $50,000 or less'' and inserting ''of farmer program loans the principal amount of which is $100,000 or less''.

SEC. 527. INVENTORY PROPERTY.

Section 335(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B)—

(i) in clause (i), by striking ''75 days'' and inserting ''135 days''; and

(ii) by adding at the end the following:

''(iv) COMBINING AND DIVIDING OF PROPERTY.—To the maximum extent practicable, the Secretary shall maximize the opportunity for beginning farmers and ranchers to

purchase real property acquired by the Secretary under this title by combining or dividing inventory parcels of the property in such manner as the Secretary determines to be appropriate.''; and

(B) in subparagraph (C)—

(i) by striking ''75 days'' and inserting ''135 days''; and

(ii) by striking ''75-day period'' and inserting ''135-day period'';

(2) by striking paragraph (2) and inserting the following:

''(2) PREVIOUS LEASE.—In the case of real property acquired before April 4, 1996, that the Secretary leased before April 4, 1996, not later than 60 days after the lease expires, the Secretary shall offer to sell the property in accordance with paragraph (1).''; and

(3) in paragraph (3)—

(A) in subparagraph (A), by striking ''subparagraph (B)'' and inserting ''subparagraphs (B) and (C)''; and

(B) by adding at the end the following:

''(C) OFFER TO SELL OR GRANT FOR FARMLAND PRESERVATION.—For the purpose of farmland preservation, the Secretary shall—

''(i) in consultation with the State Conservationist of each State in which inventory property is located, identify each parcel of inventory property in the State that should be preserved for agricultural use; and

''(ii) offer to sell or grant an easement, restriction, development right, or similar legal right to each parcel identified under clause (i) to a State, a political subdivision of a State, or a private nonprofit organization separately from the underlying fee or other rights to the property owned by the United States.''.

SEC. 528. DEFINITIONS.

(a) QUALIFIED BEGINNING FARMER OR RANCHER.—Section 343(a)(11)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(11)(F)) is amended by striking ''25 percent'' and inserting ''30 percent''.

(b) DEBT FORGIVENESS.—Section 343(a)(12) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(12)) is amended by striking subparagraph (B) and inserting the following:

''(B) EXCEPTIONS.—The term 'debt forgiveness' does not include—

''(i) consolidation, rescheduling, reamortization, or deferral of a loan; or

''(ii) any write-down provided as part of a resolution of a discrimination complaint against the Secretary.''.

SEC. 529. LOAN AUTHORIZATION LEVELS.

Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended—

(1) in subsection (b)—

(A) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—The Secretary may make or guarantee loans under subtitles A and B from the Agricultural Credit Insurance Fund provided for in section 309 for not more than $3,750,000,000 for each of fiscal years 2002 through 2006, of which, for each fiscal year—

''(A) $750,000,000 shall be for direct loans, of which—

''(i) $200,000,000 shall be for farm ownership loans under subtitle A; and

''(ii) $550,000,000 shall be for operating loans under subtitle B; and

''(B) $3,000,000,000 shall be for guaranteed loans, of which—

''(i) $1,000,000,000 shall be for guarantees of farm ownership loans under subtitle A; and

''(ii) $2,000,000,000 shall be for guarantees of operating loans under subtitle B.''; and

(B) in paragraph (2)(A)(ii), by striking ''farmers and ranchers'' and all that follows and inserting ''farmers and ranchers 35 percent for each of fiscal years 2002 through 2006.''; and

(2) in subsection (c), by striking the last sentence.

SEC. 530. INTEREST RATE REDUCTION PROGRAM.

Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(1) in subsection (a)—

(A) by striking ''PROGRAM.—'' and all that follows through ''The Secretary'' and inserting ''PROGRAM.—The Secretary''; and

(B) by striking paragraph (2);

(2) by striking subsection (c) and inserting the following:

''(c) AMOUNT OF INTEREST RATE REDUCTION.—

''(1) IN GENERAL.—In return for a contract entered into by a lender under subsection (b) for the reduction of the interest rate paid on a loan, the Secretary shall make payments to the lender in an amount equal to not more than 100 percent of the cost of reducing the annual rate of interest payable on the loan, except that such payments shall not exceed the cost of reducing the rate by more than—

''(A) in the case of a borrower other than a beginning farmer or rancher, 3 percent; and

''(B) in the case of a beginning farmer or rancher, 4 percent.

''(2) BEGINNING FARMERS AND RANCHERS.—The percentage reduction of the interest rate for which payments are authorized to be made for a beginning farmer or rancher under paragraph (1) shall be 1 percent more than the percentage reduction for farmers and ranchers that are not beginning farmers or ranchers.''; and

(3) in subsection (e), by striking paragraph (2) and inserting the following:

''(2) MAXIMUM AMOUNT OF FUNDS.—

''(A) IN GENERAL.—The total amount of funds used by the Secretary to carry out this section for a fiscal year shall not exceed $750,000,000.

''(B) BEGINNING FARMERS AND RANCHERS.—

''(i) IN GENERAL.—The Secretary shall reserve not less than 25 percent of the funds used by the Secretary under subparagraph (A) to make payments for guaranteed loans made to beginning farmers and ranchers.

''(ii) DURATION OF RESERVATION OF FUNDS.—Funds reserved for beginning farmers or ranchers under clause (i) for a fiscal year shall be reserved only until April 1 of the fiscal year.''.

SEC. 531. OPTIONS FOR SATISFACTION OF OBLIGATION TO PAY RECAPTURE AMOUNT FOR SHARED APPRECIATION AGREEMENTS.

(a) IN GENERAL.—Section 353(e)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)) is amended—

(1) in subparagraph (C), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and adjusting the margins appropriately;

(2) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively, and adjusting the margins appropriately;

(3) by striking the paragraph heading and inserting the following:

''(7) OPTIONS FOR SATISFACTION OF OBLIGATION TO PAY RECAPTURE AMOUNT.—

''(A) IN GENERAL.—As an alternative to repaying the full recapture amount at the end of the term of the agreement (as determined by the Secretary in accordance with this section), a borrower may satisfy the obligation to pay the amount of recapture by—

''(i) financing the recapture payment in accordance with subparagraph (B); or

''(ii) granting the Secretary an agricultural use protection and conservation easement on the property subject to the shared appreciation agreement in accordance with subparagraph (C).

''(B) FINANCING OF RECAPTURE PAYMENT.—''; and

(4) by adding at the end the following:

''(C) AGRICULTURAL USE PROTECTION AND CONSERVATION EASEMENT.—

''(i) IN GENERAL.—Subject to clause (iii), the Secretary shall accept an agricultural use protection and conservation easement from the borrower for all of the real security property subject to the shared appreciation agreement in lieu of payment of the recapture amount.

''(ii) TERM.—The term of an easement accepted by the Secretary under this subparagraph shall be 25 years.

''(iii) CONDITIONS.—The easement shall require that the property subject to the easement shall continue to be used or conserved for agricultural and conservation uses in accordance with sound farming and conservation practices, as determined by the Secretary.

''(iv) REPLACEMENT OF METHOD OF SATISFYING OBLIGATION.—A borrower that has begun financing of a recapture payment under subparagraph (B) may replace that financing with an agricultural use protection and conservation easement under this subparagraph.''.

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to a shared appreciation agreement that—

(1) matures on or after the date of enactment of this Act; or

(2) matured before the date of enactment of this Act, if—

(A) the recapture amount was reamortized under section 353(e)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)) (as in effect on the day before the date of enactment of this Act); or

(B)(i) the recapture amount had not been paid before the date of enactment of this Act because of circumstances beyond the control of the borrower; and

(ii) the borrower acted in good faith (as determined by the Secretary) in attempting to repay the recapture amount.

SEC. 532. WAIVER OF BORROWER TRAINING CERTIFICATION REQUIREMENT.

Section 359 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a) is amended by striking subsection (f) and inserting the following:

''(f) WAIVERS.—

''(1) IN GENERAL.—The Secretary may waive the requirements of this section for an individual borrower if the Secretary determines that the borrower demonstrates adequate knowledge in areas described in this section.

''(2) CRITERIA.—The Secretary shall establish criteria providing for the application of paragraph (1) consistently in all counties nationwide.''.

SEC. 533. ANNUAL REVIEW OF BORROWERS.

Section 360(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(d)(1)) is amended by striking ''biannual'' and inserting ''annual''.

Subtitle D—Farm Credit

SEC. 541. REPEAL OF BURDENSOME APPROVAL REQUIREMENTS.

(a) BANKS FOR COOPERATIVES.—Section 3.1(11)(B) of the Farm Credit Act of 1971 (12 U.S.C. 2122(11)(B)) is amended—

(1) by striking clause (iii); and

(2) by redesignating clause (iv) as clause (iii).

(b) OTHER SYSTEM BANKS; ASSOCIATIONS.—Section 4.18A of the Farm Credit Act of 1971 (12 U.S.C. 2206a) is amended—

(1) in subsection (a)(1), by striking ''3.11(11)(B)(iv)'' and inserting ''3.11(11)(B)(iii)''; and

(2) by striking subsection (c).

SEC. 542. BANKS FOR COOPERATIVES.

Section 3.7(b) of the Farm Credit Act of 1971 (12 U.S.C. 2128(b)) is amended—

(1) in paragraphs (1) and (2)(A)(i), by striking ''farm supplies'' each place it appears and inserting ''agricultural supplies''; and

(2) by adding at the end the following:

''(4) DEFINITION OF AGRICULTURAL SUPPLY.—In this subsection, the term 'agricultural supply' includes—

''(A) a farm supply; and

''(B)(i) agriculture-related processing equipment;

''(ii) agriculture-related machinery; and

''(iii) other capital-related goods related to the storage or handling of agricultural commodities or products.''.

SEC. 543. INSURANCE CORPORATION PREMIUMS.

(a) REDUCTION IN PREMIUMS FOR GSE-GUARANTEED LOANS.—

(1) IN GENERAL.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) is amended—

(A) in subsection (a)—

(i) in paragraph (1)—

(I) in subparagraph (A), by striking ''government-guaranteed loans provided for in subparagraph (C)'' and inserting ''loans provided for in subparagraphs (C) and (D)'';

(II) in subparagraph (B), by striking ''and'' at the end;

(III) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(IV) by adding at the end the following:

''(D) the annual average principal outstanding for such year on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans made by the bank that are in accrual status, multiplied by a factor, not to exceed 0.0015, determined by the Corporation at the sole discretion of the Corporation.''; and

(ii) by adding at the end the following:

''(4) DEFINITION OF GOVERNMENT SPONSORED ENTERPRISE-GUARANTEED LOAN.—In this section and sections 1.12(b) and 5.56(a), the term 'Government Sponsored Enterprise-guaranteed loan' means a loan or credit, or portion of a loan or credit, that is guaranteed by an entity that is chartered by Congress to serve a public purpose and the debt obligations of which are not explicitly guaranteed by the United States, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank System, and the Federal Agricultural Mortgage Corporation, but not including any other institution of the Farm Credit System.''; and

(B) in subsection (e)(4)(B), by striking ''government-guaranteed loans described in subsection (a)(1)(C)'' and inserting ''loans described in subparagraph (C) or (D) of subsection (a)(1)''.

(2) CONFORMING AMENDMENTS.—

(A) Section 1.12(b) of the Farm Credit Act of 1971 (12 U.S.C. 2020(b)) is amended—

(i) in paragraph (1), by inserting ''and Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4)) provided for in paragraph (4)'' after ''government-guaranteed loans (as defined in section 5.55(a)(3)) provided for in paragraph (3)'';

(ii) in paragraph (2), by striking ''and'' at the end;

(iii) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(4) the annual average principal outstanding for such year on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as so defined) made by the association, or by the other financing institution and funded by or discounted with the Farm Credit Bank, that are in accrual status, multiplied by the factor, not to exceed 0.0015, determined by the Corporation for the purpose of setting the premium for such guaranteed portions of loans under section 5.55(a)(1)(D).''.

(B) Section 5.56(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–5(a)) is amended—

(i) in paragraph (1), by inserting ''and Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4))'' after ''government-guaranteed loans'';

(ii) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(iii) by inserting after paragraph (3) the following:

''(4) the annual average principal outstanding on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4)) that are in accrual status;''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date on which Farm Credit System Insurance Corporation premiums are due from insured Farm Credit System banks under section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) for calendar year 2001.

SEC. 544. BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.2(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–2(b)) is amended—

(1) in paragraph (2)—

(A) by striking ''15'' and inserting ''17'';

(B) in subparagraph (A), by striking ''common stock'' and all that follows and inserting ''Class A voting common stock;'';

(C) in subparagraph (B), by striking ''common stock'' and all that follows and inserting ''Class B voting common stock;'';

(D) by redesignating subparagraph (C) as subparagraph (D); and

(E) by inserting after subparagraph (B) the following:

''(C) 2 members shall be elected by holders of Class A voting common stock and Class B voting common stock, 1 of whom shall be the chief executive officer of the Corporation and 1 of whom shall be another executive officer of the Corporation; and'';

(2) in paragraph (3), by striking ''(2)(C)'' and inserting ''(2)(D)'';

(3) in paragraph (4)—

(A) in subparagraph (A), by striking ''(A) or (B)'' and inserting ''(A), (B), or (C)''; and

(B) in subparagraph (B), by striking ''(2)(C)'' and inserting ''(2)(D)'';

(4) in paragraph (5)(A)—

(A) by inserting ''executive officers of the Corporation or'' after ''from among persons who are''; and

(B) by striking ''such a representative'' and inserting ''such an executive officer or representative'';

(5) in paragraph (6)(B), by striking ''(A) and (B)'' and inserting ''(A), (B), and (C)'';

(6) in paragraph (7), by striking ''8 members'' and inserting ''Nine members'';

(7) in paragraph (8)—

(A) in the paragraph heading, by inserting ''OR EXECUTIVE OFFICERS OF THE CORPORATION'' after ''EMPLOYEES''; and

(B) by inserting ''or executive officers of the Corporation'' after ''United States''; and

(8) by striking paragraph (9) and inserting the following:

''(9) CHAIRPERSON.—

''(A) ELECTION.—The permanent board shall annually elect a chairperson from among the members of the permanent board.

''(B) TERM.—The term of the chairperson shall coincide with the term served by elected members of the permanent board under paragraph (6)(B).''.

Subtitle E—General Provisions

SEC. 551. INAPPLICABILITY OF FINALITY RULE.

Section 281(a)(1) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7001(a)(1)) is amended—

(1) by striking ''This subsection'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), this subsection''; and

(2) by adding at the end the following:

''(B) AGRICULTURAL CREDIT DECISIONS.—This subsection shall not apply with respect to an agricultural credit decision made by such a State, county, or area committee, or employee of such a committee, under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.).''.

SEC. 552. TECHNICAL AMENDMENTS.

(a) Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking ''Disaster Relief and Emergency Assistance Act'' each place it appears and inserting ''Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)''.

(b) Section 336(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1986(b)) is amended in the second sentence by striking ''provided for in section 332 of this title''.

(c) Section 359(c)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a(c)(1)) is amended by striking ''established pursuant to section 332,''.

(d) Section 360(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(a)) is amended by striking ''established pursuant to section 332''.

SEC. 553. EFFECT OF AMENDMENTS.

(a) IN GENERAL.—Except as otherwise specifically provided in this title and notwithstanding any other provision of law, this title and the amendments made by this title shall not affect the authority of the Secretary of Agriculture to carry out a farm credit program for any of the 1996 through 2001 fiscal years under a provision of law in effect immediately before the enactment of this Act.

(b) LIABILITY.—A provision of this title or an amendment made by this title shall not affect the liability of any person under any provision of law as in effect immediately before the enactment of this Act.

SEC. 554. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b) and section 543(b), this title and the amendments made by this title take effect on October 1, 2001.

(b) BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.—The amendments made by section 544 take effect on the date of enactment of this Act.

TITLE VI—RURAL DEVELOPMENT

SEC. 601. FUNDING FOR RURAL LOCAL TELEVISION BROADCAST SIGNAL LOAN GUARANTEES.

Section 1011(a) of the Launching Our Communities' Access to Local Television Act of 2000 (title X of H.R. 5548, as enacted by section 1(a)(2) of Public Law 106–553) is amended by adding at the end the following: ''In addition, a total of $200,000,000 of the funds of the Commodity Credit Corporation shall be available during fiscal years 2002 through 2006, without fiscal year limitation, for loan guarantees under this title.''.

SEC. 602. EXPANDED ELIGIBILITY FOR VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.

Section 231(a) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) ESTABLISHMENT AND PURPOSES.—

''(A) IN GENERAL.—In each of fiscal years 2002 through 2011, the Secretary shall award competitive grants—

''(i) to eligible independent producers (as determined by the Secretary) of value-added agricultural commodities and products of agricultural commodities to assist an eligible producer—

''(I) to develop a business plan for viable marketing opportunities for a value-added agricultural commodity or product of an agricultural commodity; or

''(II) to develop strategies for the ventures that are intended to create marketing opportunities for the producers; and

''(ii) to public bodies, institutions of higher learning, and trade associations to assist such entities—

''(I) to develop a business plan for viable marketing opportunities in emerging markets for a value-added agricultural commodity or product of an agricultural commodity; or

''(II) to develop strategies for the ventures that are intended to create marketing opportunities in emerging markets for the producers.

''(B) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $50,000,000 for each of fiscal years 2002 through 2011.'';

(2) by striking ''producer'' each place it appears thereafter and inserting ''grantee''; and

(3) in the heading for paragraph (3), by striking ''PRODUCER'' and inserting ''GRANTEE''.

SEC. 603. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.

(a) PURPOSES.—The purposes of this section are to carry out a demonstration program under which agricultural producers are provided—

(1) technical assistance, including engineering services, applied research, scale production, and similar services to enable the producers to establish businesses for further processing of agricultural products;

(2) marketing, market development, and business planning; and

(3) overall organizational, outreach, and development assistance to increase the viability, growth, and sustainability of value-added agricultural businesses.

(b) NATURE OF PROGRAM.—The Secretary of Agriculture (in this section referred to as the ''Secretary'') shall—

(1) make grants to eligible applicants for the purposes of enabling the applicants to obtain the assistance described in subsection (a); and

(2) provide assistance to eligible applicants through the research and technical services of the Department of Agriculture.

(c) ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—An applicant shall be eligible for a grant and assistance described in subsection (b) to establish an Agriculture Innovation Center if—

(A) the applicant—

(i) has provided services similar to those described in subsection (a); or

(ii) shows the capability of providing the services;

(B) the application of the applicant for the grant and assistance sets forth a plan, in accordance with regulations which shall be prescribed by the Secretary, outlining support of the applicant in the agricultural community, the technical and other expertise of the applicant, and the goals of the applicant for increasing and improving the ability of local producers to develop markets and processes for value-added agricultural products;

(C) the applicant demonstrates that resources (in cash or in kind) of definite value are available, or have been committed to be made available, to the applicant, to increase and improve the ability of local producers to develop markets and processes for value-added agricultural products; and

(D) the applicant meets the requirement of paragraph (2).

(2) BOARD OF DIRECTORS.—The requirement of this paragraph is that the applicant shall have a board of directors comprised of representatives of the following groups:

(A) The 2 general agricultural organizations with the greatest number of members in the State in which the applicant is located.

(B) The Department of Agriculture or similar State organization or department, for the State.

(C) Organizations representing the 4 highest grossing commodities produced in the State, according to annual gross cash sales.

(d) GRANTS AND ASSISTANCE.—

(1) IN GENERAL.—Subject to subsection (g), the Secretary shall make annual grants to eligible applicants under this section, each of which grants shall not exceed the lesser of—

(A) $1,000,000; or

(B) twice the dollar value of the resources (in cash or in kind) that the applicant has demonstrated are available, or have been committed to be made available, to the applicant in accordance with subsection (c)(1)(C).

(2) INITIAL LIMITATION.—In the first year of the demonstration program under this section, the Secretary shall make grants under this section, on a competitive basis, to not more than 5 eligible applicants.

(3) EXPANSION OF DEMONSTRATION PROGRAM.—In the second year of the demonstration program under this section, the Secretary may make grants under this section to not more than 10 eligible applicants, in addition to any entities to which grants are made under paragraph (2) for such year.

(4) STATE LIMITATION.—In the first 3 years of the demonstration program under this section, the Secretary shall not make an Agricultural Innovation Center Demonstration Program grant under this section to more than 1 entity in a single State.

(e) USE OF FUNDS.—An entity to which a grant is made under this section may use the grant only for the following purposes, but only to the extent that the use is not described in section 231(d) of the Agricultural Risk Protection Act of 2000:

(1) Applied research.

(2) Consulting services.

(3) Hiring of employees, at the discretion of the board of directors of the entity.

(4) The making of matching grants, each of which shall be not more than $5,000, to agricultural producers, so long as the aggregate amount of all such matching grants shall be not more than $50,000.

(5) Legal services.

(f) RULE OF INTERPRETATION.—This section shall not be construed to prevent a recipient of a grant under this section from collaborating with any other institution with respect to activities conducted using the grant.

(g) AVAILABILITY OF FUNDS.—Of the amount made available under section 231(a)(1) of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 7 U.S.C. 1621 note), the Secretary shall use to carry out this section—

(1) not less than $5,000,000 for fiscal year 2002; and

(2) not less than $10,000,000 for each of the fiscal years 2003 and 2004.

(h) REPORT ON BEST PRACTICES.—

(1) EFFECTS ON THE AGRICULTURAL SECTOR.—The Secretary shall utilize $300,000 per year of the funds made available pursuant to this section to support research at any university into the effects of value-added projects on agricultural producers and the commodity markets. The research should systematically examine possible effects on demand for agricultural commodities, market prices, farm income, and Federal outlays on commodity programs using linked, long-term, global projections of the agricultural sector.

(2) DEPARTMENT OF AGRICULTURE.—Not later than 3 years after the first 10 grants are made under this section, the Secretary shall prepare and submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives a written report on the effectiveness of the demonstration program conducted under this section at improving the production of value-added agricultural products and on the effects of the program on the economic viability of the producers, which shall include the best practices and innovations found at each of the Agriculture Innovation Centers established under the demonstration program under this section, and detail the number and type of agricultural projects assisted, and the type of assistance provided, under this section.

SEC. 604. FUNDING OF COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out section 306A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a) $30,000,000 for each of fiscal years 2002 though 2011.

(b) EXTENSION OF PROGRAM.—Section 306A(i) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a(i)) is amended by striking ''2002'' and inserting ''2011''.

(c) MISCELLANEOUS AMENDMENTS.—Section 306A of such Act (7 U.S.C. 1926a) is amended—

(1) in the heading by striking ''**emergency**'';

(2) in subsection (a)(1)—

(A) by striking ''after'' and inserting ''when''; and

(B) by inserting ''is imminent'' after ''communities''; and

(3) in subsection (c), by striking ''shall—'' and all that follows and inserting ''shall be a public or private nonprofit entity.''.

SEC. 605. LOAN GUARANTEES FOR THE FINANCING OF THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.

Section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) is amended—

(1) by inserting ''(a)'' before ''The Secretary''; and

(2) by adding after and below the end the following:

''(b) LOAN GUARANTEES FOR THE FINANCING OF THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.—The Secretary may provide a loan guarantee, on such terms and conditions as the Secretary deems appropriate, for the purpose of financing the purchase of a renewable energy system, including a wind energy system and anaerobic digestors for the purpose of energy generation, by any person or

individual who is a farmer, a rancher, or an owner of a small business (as defined by the Secretary) that is located in a rural area (as defined by the Secretary). In providing guarantees under this subsection, the Secretary shall give priority to loans used primarily for power generation on a farm, ranch, or small business (as so defined).''.

SEC. 606. LOANS AND LOAN GUARANTEES FOR RENEWABLE ENERGY SYSTEMS.

Section 310B(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)(3)) is amended by inserting ''and other renewable energy systems including wind energy systems and anaerobic digestors for the purpose of energy generation'' after ''solar energy systems''.

SEC. 607. RURAL BUSINESS OPPORTUNITY GRANTS.

Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 608. GRANTS FOR WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

Section 306D(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d(d)(1)) is amended by striking ''and 2002'' and inserting ''through 2011''.

SEC. 609. RURAL COOPERATIVE DEVELOPMENT GRANTS.

Section 310B(e)(9) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(9)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 610. NATIONAL RESERVE ACCOUNT OF RURAL DEVELOPMENT TRUST FUND.

Section 381E(e)(3)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009d(e)(3)(F)) is amended by striking ''fiscal year 2002'' and inserting ''each of the fiscal years 2002 through 2011''.

SEC. 611. RURAL VENTURE CAPITAL DEMONSTRATION PROGRAM.

Section 381O(b)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009n(b)(3)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 612. INCREASE IN LIMIT ON CERTAIN LOANS FOR RURAL DEVELOPMENT.

Section 310B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)) is amended by striking ''$25,000,000'' and inserting ''$100,000,000''.

SEC. 613. PILOT PROGRAM FOR DEVELOPMENT AND IMPLEMENTATION OF STRATEGIC REGIONAL DEVELOPMENT PLANS.

(a) DEVELOPMENT.—

(1) SELECTION OF STATES.—The Secretary of Agriculture (in this section referred to as the ''Secretary'') shall, on a competitive basis, select States in which to implement strategic regional development plans developed under this subsection.

(2) GRANTS.—

(A) AUTHORITY.—

(i) IN GENERAL.—From the funds made available to carry out this subsection, the Secretary shall make a matching grant to 1 or more entities in each State selected under subsection (a), to develop a strategic regional development plan that provides for rural economic development in a region in the State in which the entity is located.

(ii) PRIORITY.—In making grants under this subsection, the Secretary shall give priority to entities that represent a regional coalition of community-based planning, development, governmental, and business organizations.

(B) TERMS OF MATCH.—In order for an entity to be eligible for a matching grant under this subsection, the entity shall make a commitment to the Secretary to provide funds for the development of a strategic regional development plan of the kind referred to in subparagraph (A) in an amount that is not less than the amount of the matching grant.

(C) LIMITATION.—The Secretary shall not make a grant under this subsection in an amount that exceeds $150,000.

(3) FUNDING.—

(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section for each of fiscal years 2002 through 2011 the total obtained by adding—

(i) $2,000,000; and

(ii) 2/13 of the amounts made available by section 943 of the Farm Security Act of 2001 for grants under this section.

(B) AVAILABILITY.—Funds made available pursuant to subparagraph (A) shall remain available without fiscal year limitation.

(b) STRATEGIC PLANNING IMPLEMENTATION.—

(1) The Secretary shall use the authorities provided in the provisions of law specified in section 793(c)(1)(A)(ii) of the Federal Agriculture Improvement and Reform Act of 1996 to implement the strategic regional development plans developed pursuant to subsection (a) of this section.

(2) FUNDING.—

(A) IN GENERAL.—The Secretary shall use $13,000,000 of the funds of the Commodity Credit Corporation, plus 11/13 of the amounts made available by section 943 of the Farm Security Act of 2001 for grants under this section, in each of fiscal years 2002 through 2011 to carry out this subsection.

(B) AVAILABILITY.—Funds made available pursuant to subparagraph (A) shall remain available without fiscal year limitation.

(c) USE OF FUNDS.—The amounts made available under subsections (a) and (b) may be used as the Secretary deems appropriate to carry out any provision of this section.

SEC. 614. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

(a) IN GENERAL.—Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922–1949) is amended by inserting after section 306D the following:

"SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

''(a) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this section, the term 'eligible individual' means an individual who is a member of a household, the combined income of whose members for the most recent 12-month period for which the information is available, is not more than 100 percent of the median nonmetropolitan household income for the State or territory in which the individual resides, according to the most recent decennial census of the United States.

''(b) GRANTS.—The Secretary may make grants to private nonprofit organizations for the purpose of assisting eligible individuals in obtaining financing for the construction, refurbishing, and servicing of individual household water well systems in rural areas that are owned (or to be owned) by the eligible individuals.

''(c) USE OF FUNDS.—A grant made under this section may be—

''(1) used, or invested to provide income to be used, to carry out subsection (b); and

''(2) used to pay administrative expenses associated with providing the assistance described in subsection (b).

''(d) PRIORITY IN AWARDING GRANTS.—In awarding grants under this section, the Secretary shall give priority to an applicant that has substantial expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water.''.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on October 1, 2001.

SEC. 615. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

Subtitle E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009–2009n) is amended by adding at the end the following:

"SEC. 381P. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

''(a) RURAL AREA DEFINED.—In this section, the term 'rural area' means such areas as the Secretary may determine.

''(b) ESTABLISHMENT.—There is established a National Rural Development Partnership (in this section referred to as the 'Partnership'), which shall be composed of—

''(1) the National Rural Development Coordinating Committee established in accordance with subsection (c); and

''(2) State rural development councils established in accordance with subsection (d).

''(c) NATIONAL RURAL DEVELOPMENT COORDINATING COMMITTEE.—

''(1) COMPOSITION.—The National Rural Development Coordinating Committee (in this section referred to as the 'Coordinating Committee') may be composed of—

''(A) representatives of all Federal departments and agencies with policies and programs that affect or benefit rural areas;

''(B) representatives of national associations of State, regional, local, and tribal governments and intergovernmental and multijurisdictional agencies and organizations;

''(C) national public interest groups; and

''(D) other national nonprofit organizations that elect to participate in the activities of the Coordinating Committee.

''(2) FUNCTIONS.—The Coordinating Committee may—

''(A) provide support for the work of the State rural development councils established in accordance with subsection (d); and

''(B) develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting rural areas.

''(d) STATE RURAL DEVELOPMENT COUNCILS.—

''(1) COMPOSITION.—A State rural development council may—

''(A) be composed of representatives of Federal, State, local, and tribal governments, and nonprofit organizations, the private sector, and other entities committed to rural advancement; and

''(B) have a nonpartisan and nondiscriminatory membership that is broad and representative of the economic, social, and political diversity of the State.

''(2) FUNCTIONS.—A State rural development council may—

''(A) facilitate collaboration among Federal, State, local, and tribal governments and the private and non-profit sectors in the planning and implementation of programs and policies that affect the rural areas of the State, and to do so in such a way that provides the greatest degree of flexibility and innovation in responding to the unique needs of the State and the rural areas; and

''(B) in conjunction with the Coordinating Committee, develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting the rural areas of the State.

''(e) ADMINISTRATION OF THE PARTNERSHIP.—The Secretary may provide for any additional support staff to the Partnership as the Secretary determines to be necessary to carry out the duties of the Partnership.

''(f) TERMINATION.—The authority provided by this section shall terminate on the date that is 5 years after the date of the enactment of this section.''.

SEC. 616. ELIGIBILITY OF RURAL EMPOWERMENT ZONES, RURAL ENTERPRISE COMMUNITIES, AND CHAMPION COMMUNITIES FOR DIRECT AND GUARANTEED LOANS FOR ESSENTIAL COMMUNITY FACILITIES.

Section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)) is amended by inserting after the 1st sentence the following: ''The Secretary may also make or insure loans to communities that have been designated as rural empowerment zones or rural enterprise communities pursuant to part I of subchapter U of chapter 1 of the Internal Revenue Code of 1986, as rural enterprise communities pursuant to section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999, or as champion communities (as determined by the Secretary), to provide for the installation or improvement of essential community facilities including necessary related equipment, and to furnish financial assistance or other aid in planning projects for such purposes.''.

SEC. 617. GRANTS TO TRAIN FARM WORKERS IN NEW TECHNOLOGIES AND TO TRAIN FARM WORKERS IN SPECIALIZED SKILLS NECESSARY FOR HIGHER VALUE CROPS.

(a) IN GENERAL.—The Secretary of Agriculture may make a grant to a nonprofit organization with the capacity to train farm workers, or to a consortium of non-profit organizations, agribusinesses, State and local governments, agricultural labor organizations, and community-based organizations with that capacity.

(b) USE OF FUNDS.—An entity to which a grant is made under this section shall use the grant to train farm workers to use new technologies and develop specialized skills for agricultural development.

(c) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this section, there are authorized to be appropriated to the Secretary of Agriculture not more than $10,000,000 for each of fiscal years 2002 through 2011.

SEC. 618. LOAN GUARANTEES FOR THE PURCHASE OF STOCK IN A FARMER COOPERATIVE SEEKING TO MODERNIZE OR EXPAND.

Section 310B(g)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)(2)) is amended by striking ''start-up'' and all that follows and inserting ''capital stock of a farmer cooperative established for an agricultural purpose.''.

SEC. 619. INTANGIBLE ASSETS AND SUBORDINATED UNSECURED DEBT REQUIRED TO BE CONSIDERED IN DETERMINING ELIGIBILITY OF FARMER-OWNED COOPERATIVE FOR BUSINESS AND INDUSTRY GUARANTEED LOAN.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding at the end the following:

''(h) INTANGIBLE ASSETS AND SUBORDINATED UNSECURED DEBT REQUIRED TO BE CONSIDERED IN DETERMINING ELIGIBILITY OF FARMER-OWNED COOPERATIVE FOR BUSINESS AND INDUSTRY GUARANTEED LOAN.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary may consider the value of the intangible assets and subordinated unsecured debt of the cooperative organization.''.

SEC. 620. BAN ON LIMITING ELIGIBILITY OF FARMER COOPERATIVE FOR BUSINESS AND INDUSTRY LOAN GUARANTEE BASED ON POPULATION OF AREA IN WHICH COOPERATIVE IS LOCATED; REFINANCING.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is further amended by adding at the end of the following:

''(i) SPECIAL RULES APPLICABLE TO FARMER COOPERATIVES UNDER THE BUSINESS AND INDUSTRY LOAN PROGRAM.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary shall not apply any lending restriction based on population to the area in which the cooperative organization is located.

''(j) REFINANCING.—A cooperative organization owned by farmers that is eligible to receive a business or industry guaranteed loan under subsection (a) shall be eligible to refinance an existing loan with the same lender or a new lender if—

''(1) the original loan—

''(A) is current and performing; and

''(B) is not in default; and

''(2) the cooperative organization has adequate security or collateral (including tangible and intangible assets).''.

SEC. 621. RURAL WATER AND WASTE FACILITY GRANTS.

Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended by striking ''aggregating not to exceed $590,000,000 in any fiscal year''.

SEC. 622. RURAL WATER CIRCUIT RIDER PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a national rural water and wastewater circuit rider grant program that shall be modeled after the National Rural Water Association Rural Water Circuit Rider Program that receives funding from the Rural Utilities Service.

(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Secretary of Agriculture $15,000,000 for each fiscal year.

SEC. 623. RURAL WATER GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a national grassroots source water protection program that will utilize the on-site technical assistance capabilities of State rural water associations that are operating wellhead or ground water protection programs in each State.

(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Secretary of Agriculture $5,000,000 for each fiscal year.

SEC. 624. DELTA REGIONAL AUTHORITY.

Section 382N of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–13) is amended by striking ''2002'' and inserting ''2011''.

SEC. 625. PREDEVELOPMENT AND SMALL CAPITALIZATION LOAN FUND.

The Secretary of Agriculture may make grants to private, nonprofit, multi-State rural community assistance programs to capitalize revolving funds for the purpose of financing eligible projects of predevelopment, repair, and improvement costs of existing water and wastewater systems. Financing provided using funds appropriated to carry out this program may not exceed $300,000.

SEC. 626. RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM.

The Secretary of Agriculture may use an additional source of funding for economic development programs administered by the Department of Agriculture through guaranteeing fees on guarantees of bonds and notes issued by cooperative lenders for electricity and telecommunications purposes.

TITLE VII—RESEARCH AND RELATED MATTERS

Subtitle A—Extensions

SEC. 700. MARKET EXPANSION RESEARCH.

Section 1436(b)(3)(C) of the Food Security Act of 1985 (7 U.S.C. 1632(b)(3)(C)) is amended by striking ''1990'' and inserting ''2011''.

SEC. 701. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 702. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

Section 1417(l) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(l)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 703. POLICY RESEARCH CENTERS.

Section 1419A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 704. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Section 1424(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 705. PILOT RESEARCH PROGRAM TO COMBINE MEDICAL AND AGRICULTURAL RESEARCH.

Section 1424A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174a(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 706. NUTRITION EDUCATION PROGRAM.

Section 1425(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 707. CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.

Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 708. APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS.

Section 1434(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 709. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is

amended by striking ''2002'' and inserting ''2011''.

SEC. 710. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS AT 1890 LAND-GRANT INSTITUTIONS.

Sections 1448(a)(1) and (f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c(a)(1) and (f)) are amended by striking ''2002'' each place it appears and inserting ''2011''.

SEC. 711. HISPANIC-SERVING INSTITUTIONS.

Section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(c)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 712. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

Section 1459A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b(c)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 713. UNIVERSITY RESEARCH.

Subsections (a) and (b) of section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a) and (b)) are amended by striking ''2002'' each place it appears and inserting ''2011''.

SEC. 714. EXTENSION SERVICE.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking ''2002'' and inserting ''2011''.

SEC. 715. SUPPLEMENTAL AND ALTERNATIVE CROPS.

Section 1473D(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 716. AGRICULTURE RESEARCH FACILITIES.

The first sentence of section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking ''2002'' and inserting ''2011''.

SEC. 717. RANGELAND RESEARCH.

Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 718. NATIONAL GENETICS RESOURCES PROGRAM.

Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 719. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.

Section 1672(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 720. NUTRIENT MANAGEMENT RESEARCH AND EXTENSION INITIATIVE.

Section 1672A(g) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 721. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 1664(g)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5908(g)(1)) is amended by striking ''2002'' and inserting ''2011''.

(b) CAPITALIZATION.—Section 1664(g)(2) of such Act (7 U.S.C. 5908(g)(2)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 723. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 724. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL PRODUCT QUALITY RESEARCH.

Section 402(g) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7622(g)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 725. BIOBASED PRODUCTS.

(a) PILOT PROJECT.—Section 404(e)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking ''2001'' and inserting ''2011''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 404(h) of such Act (7 U.S.C. 7624(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 726. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.

Section 406(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(e)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 727. INSTITUTIONAL CAPACITY BUILDING GRANTS.

(a) GENERALLY.—Section 535(b)(1) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''2000'' and inserting ''2011''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 535(c) of such Act is amended by striking ''2000'' and inserting ''2011''.

SEC. 728. 1994 INSTITUTION RESEARCH GRANTS.

Section 536(c) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''2002'' and inserting ''2011''.

SEC. 729. ENDOWMENT FOR 1994 INSTITUTIONS.

The first sentence of section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''$4,600,000'' and all that follows through the period and inserting ''such sums as are necessary to carry out this section for each of fiscal years 1996 through 2011.''.

SEC. 730. PRECISION AGRICULTURE.

Section 403(i) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623(i)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 731. THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.

Section 405(h) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 732. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.

Section 408(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 733. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE PROGRAM.

Section 604 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7642) is amended by adding at the end the following:

''(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 734. OFFICE OF PEST MANAGEMENT POLICY.

Section 614(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 735. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

Section 1408(h) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 736. GRANTS FOR RESEARCH ON PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 737. BIOMASS RESEARCH AND DEVELOPMENT.

Title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624 note) is amended—

(1) in section 307(f), by striking ''2005'' and inserting ''2011''; and

(2) in section 310, by striking ''2005'' and inserting ''2011''.

SEC. 738. AGRICULTURAL EXPERIMENT STATIONS RESEARCH FACILITIES.

Section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 739. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS NATIONAL RESEARCH INITIATIVE.

Section 2(b)(10) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(10)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 740. FEDERAL AGRICULTURAL RESEARCH FACILITIES AUTHORIZATION OF APPROPRIATIONS.

Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1556) is amended by striking ''2002'' and inserting ''2011''.

SEC. 740A. COTTON CLASSIFICATION SERVICES.

The first sentence of section 3a of the Act of March 3, 1927 (commonly known as the ''Cotton Statistics and Estimates Act''; 7 U.S.C. 473a) is amended by striking ''2002'' and inserting ''2011''.

SEC. 740B. CRITICAL AGRICULTURAL MATERIALS RESEARCH.

Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 740C. PRIVATE NONINDUSTRIAL HARDWOOD RESEARCH PROGRAM.

(a) IN GENERAL.—The Secretary shall establish a program to provide competitive grants to producers to be used for basic hardwood research projects directed at—

(1) improving timber management techniques;

(2) increasing timber production;

(3) expanding genetic research; and

(4) addressing invasive and endangered species.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2011.

Subtitle B—Modifications

SEC. 741. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 534(a)(1)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''$50,000'' and inserting ''$100,000''.

(b) WITHDRAWALS AND EXPENDITURES.—Section 533(c)(4)(A) of such Act is amended by striking ''section 390(3)'' and all that follows through ''1998)'' and inserting ''section 2(a)(7) of the Tribally Controlled College or University Assistance Act of 1978)''.

(c) ACCREDITATION.—Section 533(a)(3) of such Act is amended by striking ''under sections 534 and 535'' and inserting ''under sections 534, 535, and 536''.

(d) 1994 INSTITUTIONS.—Section 532 of such Act is amended by striking paragraphs (1) through (30) and inserting the following:

''(1) Bay Mills Community College.

''(2) Blackfeet Community College.

''(3) Cankdeska Cikana Community College.

''(4) College of Menominee Nation.

''(5) Crownpoint Institute of Technology.

''(6) D–Q University.

''(7) Diné College.

''(8) Dull Knife Memorial College.

''(9) Fond du Lac Tribal and Community College.

''(10) Fort Belknap College.

''(11) Fort Berthold Community College.

''(12) Fort Peck Community College.

''(13) Haskell Indian Nations University.

''(14) Institute of American Indian and Alaska Native Culture and Arts Development.

''(15) Lac Courte Oreilles Ojibwa Community College.

''(16) Leech Lake Tribal College.

''(17) Little Big Horn College.

''(18) Little Priest Tribal College.

''(19) Nebraska Indian Community College.

''(20) Northwest Indian College.

''(21) Oglala Lakota College.

''(22) Salish Kootenai College.

''(23) Sinte Gleska University.

''(24) Sisseton Wahpeton Community College.

''(25) Si Tanka/Huron University.

''(26) Sitting Bull College.

''(27) Southwestern Indian Polytechnic Institute.

''(28) Stone Child College.

''(29) Turtle Mountain Community College.

''(30) United Tribes Technical College.''.

SEC. 742. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.

Section 1404(4) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(4)) is amended—

(1) by striking the period at the end of subparagraph (E) and inserting '', or''; and

(2) by adding at the end the following: ''(F) is one of the 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994).''.

SEC. 743. AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION REFORM ACT OF 1998.

(a) PRIORITY MISSION AREAS.—Section 401(c)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(c)(2)) is amended—

(1) by striking ''and'' at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting ''; and''; and

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

''(G) alternative fuels and renewable energy sources.''.

(b) PRECISION AGRICULTURE.—Section 403 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623) is amended—

(1) in subsection (a)(5)(F), by inserting ''(including improved use of energy inputs)'' after ''farm production efficiencies''; and

(2) in subsection (d)—

(A) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

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

''(4) Improve on farm energy use efficiencies.''.

(c) THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.—Section 405(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(a)) is amended by striking ''and marketing'' and inserting '', marketing, and efficient use''.

(d) COORDINATED PROGRAM OF RESEARCH, EXTENSION, AND EDUCATION TO IMPROVE VIABILITY OF SMALL- AND MEDIUM-SIZE DAIRY, LIVESTOCK, AND POULTRY OPERATIONS.—Section 407(b)(3) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7627(b)(3)) is amended by inserting ''(including improved use of energy inputs)'' after ''poultry systems that increase efficiencies''.

(e) SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.—

(1) RESEARCH GRANT AUTHORIZED.—Section 408(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(a)) is amended to read as follows:

''(a) RESEARCH GRANT AUTHORIZED.—The Secretary of Agriculture may make grants to consortia of land-grant colleges and universities to enhance the ability of the consortia to carry out multi-State research projects aimed at understanding and combating diseases of wheat, triticale, and barley caused by Fusarium graminearum and related fungi (referred to in this section as 'wheat scab') or by Tilletia indica and related fungi (referred to in this section as 'Karnal bunt').''.

(2) RESEARCH COMPONENTS.—Section 408(b) of such Act (7 U.S.C. 7628(b)) is amended—

(A) in paragraph (1), by inserting ''or of Karnal bunt,'' after ''epidemiology of wheat scab'';

(B) in paragraph (1), by inserting '', triticale,'' after ''occurring in wheat'';

(C) in paragraph (2), by inserting ''or Karnal bunt'' after ''wheat scab'';

(D) in paragraph (3)(A), by striking ''and barley for the presence of'' and inserting '', triticale, and barley for the presence of Karnal bunt or of'';

(E) in paragraph (3)(B), by striking ''and barley infected with wheat scab'' and inserting '', triticale, and barley infected with wheat scab or with Karnal bunt'';

(F) in paragraph (3)(C), by inserting ''wheat scab'' after ''to render'';

(G) in paragraph (4), by striking ''and barley to wheat scab'' and inserting '', triticale, and barley to wheat scab and to Karnal bunt''; and

(H) in paragraph (5)—

(i) by inserting ''and Karnal bunt'' after ''wheat scab''; and

(ii) by inserting '', triticale,'' after ''resistant wheat''.

(3) COMMUNICATIONS NETWORKS.—Section 408(c) of such Act (7 U.S.C. 7628(c)) is amended by inserting ''or Karnal bunt'' after ''wheat scab''.

(4) TECHNICAL AMENDMENTS.—(A) The section heading for section 408 of such Act is amended by striking ''**AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM**'' and inserting ''**, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA**''.

(B) The table of sections for such Act is amended by striking ''and barley caused by fusarium graminearum'' in the item relating to section 408 and inserting '', triticale, and barley caused by Fusarium graminearum or by Tilletia indica''.

(f) PROGRAM TO CONTROL JOHNE'S DISEASE.—Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is amended by adding at the end the following new section:

''SEC. 409. BOVINE JOHNE'S DISEASE CONTROL PROGRAM.

''(a) ESTABLISHMENT.—The Secretary of Agriculture, in coordination with State veterinarians and other appropriate State animal health professionals, may establish a program to conduct research, testing, and evaluation of programs for the control and management of Johne's disease in livestock.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section for each of fiscal years 2003 through 2011.''.

SEC. 744. FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.

(a) AGRICULTURAL GENOME INITIATIVE.—Section 1671(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924(b)) is amended—

(1) in paragraph (3), by inserting ''pathogens and'' before ''diseases causing economic hardship'';

(2) in paragraph (6), by striking ''and'' at the end;

(3) by redesignating paragraph (7) as paragraph (8); and

(4) by inserting after paragraph (6) the following new paragraph:

''(7) reducing the economic impact of plant pathogens on commercially important crop plants; and''.

(b) HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.—Section 1672(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is amended by adding at the end the following new paragraphs:

''(25) RESEARCH TO PROTECT THE UNITED STATES FOOD SUPPLY AND AGRICULTURE FROM BIOTERRORISM.—Research grants may be made under this section for the purpose of developing technologies, which support the capability to deal with the threat of agricultural bioterrorism.

''(26) WIND EROSION RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of validating wind erosion models.

''(27) CROP LOSS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of validating crop loss models.

''(28) LAND USE MANAGEMENT RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purposes of evaluating the environmental benefits of land use management tools such as those provided in the Farmland Protection Program.

''(29) WATER AND AIR QUALITY RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of better understanding agricultural impacts to air and water quality and means to address them.

''(30) REVENUE AND INSURANCE TOOLS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section

for the purposes of better understanding the impact of revenue and insurance tools on farm income.

''(31) AGROTOURISM RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of better understanding the economic, environmental, and food systems impacts on agrotourism.

''(32) HARVESTING PRODUCTIVITY FOR FRUITS AND VEGETABLES.—Research and extension grants may be made under this section for the purpose of improving harvesting productivity for fruits and vegetables (including citrus), including the development of mechanical harvesting technologies and effective, economical, and safe abscission compounds.

''(33) NITROGEN-FIXATION BY PLANTS.—Research and extension grants may be made under this section for the purpose of enhancing the nitrogen-fixing ability and efficiency of legumes, developing new varieties of legumes that fix nitrogen more efficiently, and developing new varieties of other commercially important crops that potentially are able to fix nitrogen.

''(34) AGRICULTURAL MARKETING.—Extension grants may be made under this section for the purpose of providing education materials, information, and outreach programs regarding commodity and livestock marketing strategies for agricultural producers and for cooperatives and other marketers of any agricultural commodity, including livestock.

''(35) ENVIRONMENT AND PRIVATE LANDS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of researching the use of computer models to aid in assessment of best management practices on a watershed basis, working with government, industry, and private landowners to help craft industry-led solutions to identified environmental issues, researching and monitoring water, air, or soil environmental quality to aid in the development of new approaches to local environmental concerns, and working with local, State, and federal officials to help craft effective environmental solutions that respect private property rights and agricultural production realities.

''(36) LIVESTOCK DISEASE RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of identifying possible livestock disease threats, educating the public regarding livestock disease threats, training persons to deal with such threats, and conducting related research.

''(37) PLANT GENE EXPRESSION.—Research and development grants may be made under this section for the purpose of plant gene expression research to accelerate the application of basic plant genomic science to the development and testing of new varieties of enhanced food crops, crops that can be used as renewable energy sources, and other alternative uses of agricultural crops.''.

SEC. 745. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.

(a) NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMIC ADVISORY BOARD.—Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended—

(1) in subsection (b)(3)—

(A) by redesignating subparagraphs (R) through (DD) as subparagraphs (S) through (EE), respectively; and

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

''(R) 1 member representing a nonland grant college or university with a historic commitment to research in the food and agricultural sciences.'';

(2) in subsection (c)(1), by striking ''and land-grant colleges and universities'' and inserting '', land-grant colleges and universities, and the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies of the Committee on Appropriations of the House of Representatives, and the Subcommittee on Agriculture, Rural Development and Related Agencies of the Committee on Appropriations of the Senate'';

(3) in subsection (d)(1), inserting ''consult with any appropriate agencies of the Department of Agriculture and'' after ''the Advisory Board shall''; and

(4) in subsection (b)(1), by striking ''30 members'' and inserting ''31 members''.

(b) GRANTS FOR RESEARCH ON PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.—Section 1419 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154) is amended—

(1) in subsection (a)(2), by inserting ''and animal fats and oils'' after ''industrial oilseed crops''; and

(2) in subsection (a)(4), by inserting ''or triglycerides'' after ''other industrial hydrocarbons''.

(c) FAS OVERSEAS INTERN PROGRAM.—Section 1458(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is amended—

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

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

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

''(10) establish a program, to be coordinated by the Cooperative State Research, Education, and Extension Service and the Foreign Agricultural Service, to place interns from United States colleges and universities at Foreign Agricultural Service field offices overseas.''.

SEC. 746. BIOMASS RESEARCH AND DEVELOPMENT.

Title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624 note) is amended—

(1) in section 302(3), by inserting ''or biodiesel'' after ''such as ethanol'';

(2) in section 303(3), by inserting ''animal byproducts,'' after ''fibers,''; and

(3) in section 306(b)(1)—

(A) by redesignating subparagraphs (E) through (J) as subparagraphs (F) through (K), respectively; and

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

''(E) an individual affiliated with a livestock trade association;''.

SEC. 747. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

Section 1668 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5921) is amended to read as follows:

''SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

''(a) PURPOSE.—It is the purpose of this section—

''(1) to authorize and support environmental assessment research to help identify and analyze environmental effects of biotechnology; and

''(2) to authorize research to help regulators develop long-term policies concerning the introduction of such technology.

''(b) GRANT PROGRAM.—The Secretary of Agriculture shall establish a grant program within the Cooperative State Research, Education, and Extension Service and the Agricultural Research Service to provide the necessary funding for environmental assessment research concerning the introduction of genetically engineered plants and animals into the environment.

''(c) TYPES OF RESEARCH.—Types of research for which grants may be made under this section shall include the following:

''(1) Research designed to identify and develop appropriate management practices to minimize physical and biological risks associated with genetically engineered animals and plants once they are introduced into the environment.

''(2) Research designed to develop methods to monitor the dispersal of genetically engineered animals and plants.

''(3) Research designed to further existing knowledge with respect to the characteristics, rates and methods of gene transfer that may occur between genetically engineered plants and animals and related wild and agricultural organisms.

''(4) Environmental assessment research designed to provide analysis, which compares the relative impacts of plants and animals modified through genetic engineering to other types of production systems.

''(5) Other areas of research designed to further the purposes of this section.

''(d) ELIGIBILITY REQUIREMENTS.—Grants under this section shall be—

''(1) made on the basis of the quality of the proposed research project; and

''(2) available to any public or private research or educational institution or organization.

''(e) CONSULTATION.—In considering specific areas of research for funding under this section, the Secretary of Agriculture shall consult with the Administrator of the Animal and Plant Health Inspection Service and the National Agricultural Research, Extension, Education, and Economics Advisory Board.

''(f) PROGRAM COORDINATION.—The Secretary of Agriculture shall coordinate research funded under this section with the Office of Research and Development of the Environmental Protection Agency in order to avoid duplication of research activities.

''(g) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated such sums as necessary to carry out this section.

''(2) WITHHOLDINGS FROM BIOTECHNOLOGY OUTLAYS.—The Secretary of Agriculture shall withhold from outlays of the Department of Agriculture for research on biotechnology, as defined and determined by the Secretary, at least 3 percent of such amount for the purpose of making grants under this section for research on biotechnology risk assessment. Except that, funding from this authorization should be collected and applied to the maximum extent practicable to risk assessment research on all categories identified as biotechnology by the Secretary.''.

SEC. 748. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS.

Section 2(a) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(a)) is amended by adding at the end the following new paragraph:

''(3) DETERMINATION OF HIGH PRIORITY RESEARCH.—Research priorities shall be determined by the Secretary on an annual basis,

taking into account input as gathered by the Secretary through the National Agricultural Research, Extension, Education, and Economics Advisory Board.''.

SEC. 749. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES OF 1890 INSTITUTIONS.

Section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222d) is amended—

(1) by amending subsection (c) to read as follows:

''(c) MATCHING FORMULA.—For each of fiscal years 2003 through 2011, the State shall provide matching funds from non-Federal sources. Such matching funds shall be for an amount equal to not less than 60 percent of the formula funds to be distributed to the eligible institution, and shall increase by 10 percent each fiscal year thereafter until fiscal year 2007.''; and

(2) by amending subsection (d) to read as follows:

''(d) WAIVER AUTHORITY.—Notwithstanding subsection (f), the Secretary may waive the matching funds requirement under subsection (c) above the 50 percent level for fiscal years 2003 through 2011 for an eligible institution of a State if the Secretary determines that the State will be unlikely to satisfy the matching requirement.''.

SEC. 749A. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES FOR THE UNITED STATES TERRITORIES.

(a) RESEARCH MATCHING REQUIREMENT.—Section 3(d)(4) of the Hatch Act of 1887 (7 U.S.C. 361c(d)(4)) is amended by striking ''the same matching funds'' and all that follows through the end of the sentence and inserting ''matching funds requirements from non-Federal sources for fiscal years 2003 through 2011 in an amount equal to not less than 50 percent of the formula funds to be distributed to the Territory. The Secretary may waive the matching funds requirements for a Territory for any of the fiscal years 2003 through 2011 if the Secretary determines that the Territory will be unlikely to satisfy the matching funds requirement for that fiscal year.''.

(b) EXTENSION MATCHING REQUIREMENT.—Section 3(e)(4) of the Smith-Lever Act (7 U.S.C. 343(e)(4)) is amended by striking ''the same matching funds'' and all that follows through the end of the sentence and inserting ''matching funds requirements from non-Federal sources for fiscal years 2003 through 2011 in an amount equal to not less than 50 percent of the formula funds to be distributed to the Territory. The Secretary may waive the matching funds requirements for a Territory for any of the fiscal years 2003 through 2011 if the Secretary determines that the Territory will be unlikely to satisfy the matching funds requirement for that fiscal year.''.

SEC. 750. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

(a) FUNDING.—Section 401(b)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)(1)) is amended to read as follows:

''(1) IN GENERAL.—

''(A) TOTAL AMOUNT TO BE TRANSFERRED.—On October 1, 2003, and each October 1 thereafter through September 30, 2011, the Secretary of Agriculture shall deposit funds of the Commodity Credit Corporation into the Account. The total amount of Commodity Credit Corporation funds deposited into the Account under this subparagraph shall equal $1,160,000,000.

''(B) EQUAL AMOUNTS.—To the maximum extent practicable, the amounts deposited into the Account pursuant to subparagraph (A) shall be deposited in equal amounts for each fiscal year.

''(C) AVAILABILITY OF FUNDS.—Amounts deposited into the Account pursuant to subparagraph (A) shall remain available until expended.''.

(b) AVAILABILITY OF FUNDS.—Section 401(f)(6) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(f)(6)) is amended to read as follows:

''(6) AVAILABILITY OF FUNDS.—Funds made available under this section to the Secretary prior to October 1, 2003, for grants under this section shall be available to the Secretary for a 2-year period.''.

SEC. 751. CARBON CYCLE RESEARCH.

Section 221 of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 114 Stat. 407) is amended—

(1) in subsection (a), by striking ''Of the amount'' and all that follows through ''to provide'' and inserting ''To the extent funds are made available for this purpose, the Secretary shall provide'';

(2) in subsection (d), by striking ''under subsection (a)'' and inserting ''for this section''; and

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

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal years 2002 through 2011 such sums as may be necessary to carry out this section.''.

SEC. 752. DEFINITION OF FOOD AND AGRICULTURAL SCIENCES.

Section 2(3) of the Research Facilities Act (7 U.S.C. 390(2)(3)) is amended to read as follows:

''(3) FOOD AND AGRICULTURAL SCIENCES.—The term 'food and agricultural sciences' has the meaning given that term in section 1404(8) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(8)).''.

SEC. 753. FEDERAL EXTENSION SERVICE.

Section 3(b)(3) of the Smith-Lever Act (7 U.S.C. 343(b)(3)) is amended by striking ''$5,000,000'' and inserting ''such sums as are necessary''.

SEC. 754. POLICY RESEARCH CENTERS.

Section 1419A(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(c)(3)) is amended by striking ''collect and analyze data'' and inserting ''collect, analyze, and disseminate data''.

SEC. 755. ANIMALS USED IN RESEARCH.

Section 2(g) of the Animal Welfare Act (7 U.S.C. 2132(g)) is amended by inserting ''birds, rats of the genus *Rattus*, and mice of the genus *Mus*, that are bred for use in research, and'' after ''excludes''.

Subtitle C—Related Matters

SEC. 761. RESIDENT INSTRUCTION AT LAND-GRANT COLLEGES IN UNITED STATES TERRITORIES.

(a) PURPOSE.—It is the purpose of this section to promote and strengthen higher education in the food and agricultural sciences at agricultural and mechanical colleges located in the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau (hereinafter referred to in this section as ''eligible institutions'') by formulating and administering programs to enhance teaching programs in agriculture, natural resources, forestry, veterinary medicine, home economics, and disciplines closely allied to the food and agriculture production and delivery system.

(b) GRANTS.—The Secretary of Agriculture shall make competitive grants to those eligible institutions having a demonstrable capacity to carry out the teaching of food and agricultural sciences.

(c) USE OF GRANT FUNDS.—Grants made under subsection (b) shall be used to—

(1) strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified State, regional, national, or international education needs in the food and agricultural sciences;

(2) attract and support undergraduate and graduate students in order to educate them in identified areas of national need to the food and agriculture sciences;

(3) facilitate cooperative initiatives between two or more eligible institutions or between eligible institutions and units of State Government, organizational in the private sector, to maximize the development and use of resources such as faculty, facilities, and equipment to improve food and agricultural sciences teaching programs; and

(4) conduct undergraduate scholarship programs to assist in meeting national needs for training food and agricultural scientists.

(d) GRANT REQUIREMENTS.—

(1) The Secretary of Agriculture shall ensure that each eligible institution, prior to receiving grant funds under subsection (b), shall have a significant demonstrable commitment to higher education programs in the food and agricultural sciences and to each specific subject area for which grant funds under this subsection are to be used.

(2) The Secretary of Agriculture may require that any grant awarded under this section contain provisions that require funds to be targeted to meet the needs identified in section 1402 of the National Agriculture Research, Extension, and Teaching Policy Act of 1977.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary for each of the fiscal years 2002 through 2011 to carry out this section.

SEC. 762. DECLARATION OF EXTRAORDINARY EMERGENCY AND RESULTING AUTHORITIES.

(a) REVIEW OF PAYMENT OF COMPENSATION.—Section 415(e) of the Plant Protection Act (7 U.S.C. 7715(e)) is amended by inserting before the final period the following: ''or review by any officer of the Government other than the Secretary or the designee of the Secretary''.

(b) REVIEW OF CERTAIN DECISIONS.—

(1) PLANT PROTECTION ACT.—Section 442 of the Plant Protection Act (7 U.S.C. 7772) is amended by adding at the end following new subsection:

''(f) SECRETARIAL DISCRETION.—The action of any officer, employee, or agent of the Secretary in carrying out this section, including determining the amount of and making any payment authorized to be made under this section, shall not be subject to review by any officer of the Government other than the Secretary or the designee of the Secretary.''.

(2) OTHER PLANT AND ANIMAL PEST AND DISEASE LAWS.—Section 11 of the Act of May 29, 1884 (21 U.S.C. 114a; commonly known as the ''Animal Industry Act'') and the first section of the Act of September 25, 1981 (7 U.S.C. 147b), are each amended by adding at the end the following new sentence: ''The action of

any officer, employee, or agent of the Secretary in carrying out this section, including determining the amount of and making any payment authorized to be made under this section, shall not be subject to review by any officer of the Government other than the Secretary or the designee of the Secretary.''.

(c) METHYL BROMIDE.—The Plant Protection Act (7 U.S.C. 7701 et seq.) is amended by inserting after section 418 the following new section:

''SEC. 419. METHYL BROMIDE.

''(a) IN GENERAL.—The Secretary, upon request of State, local, or tribal authorities, shall determine whether methyl bromide treatments or applications required by State, local, or tribal authorities to prevent the introduction, establishment, or spread of plant pests (including diseases) or noxious weeds should be authorized as an official control or official requirement.

''(b) ADMINISTRATION.—

''(1) TIMELINE FOR DETERMINATION.—The Secretary shall make the determination required by subsection (a) not later than 90 days after receiving the request for such a determination.

''(2) REGULATIONS.—The promulgation of regulations for and the administration of this section shall be made without regard to—

''(A) the notice and comment provisions of section 553 of title 5, United States Code;

''(B) the Statement of Policy of the Secretary of Agriculture, effective July 24, 1971 (36 Fed. Reg. 13804; relating to notices of proposed rulemaking and public participation in rulemaking); and

''(C) chapter 35 of title 44, United States Code (commonly known as the 'Paperwork Reduction Act').

''(c) REGISTRY.—Not later than 180 days after the date of the enactment of this section, the Secretary shall publish, and thereafter maintain, a registry of State, local, and tribal requirements authorized by the Secretary under this section.''.

SEC. 763. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR THE DEVELOPING WORLD.

(a) GRANT PROGRAM.—The Secretary of Agriculture shall establish a program to award grants to entities described in subsection (b) for the development of agricultural biotechnology with respect to the developing world. The Secretary shall administer and oversee the program through the Foreign Agricultural Service of the Department of Agriculture.

(b) PARTNERSHIPS.—(1) In order to be eligible to receive a grant under this section, the grantee must be a participating institution of higher education, a nonprofit organization, or consortium of for profit institutions with in-country agricultural research institutions.

(2) A participating institution of higher education shall be an historically black or land-grant college or university, an Hispanic serving institution, or a tribal college or university that has agriculture or the biosciences in its curricula.

(c) COMPETITIVE AWARD.—Grants shall be awarded under this section on a merit-reviewed competitive basis.

(d) USE OF FUNDS.—The activities for which the grant funds may be expended include the following:

(1) Enhancing the nutritional content of agricultural products that can be grown in the developing world to address malnutrition through biotechnology.

(2) Increasing the yield and safety of agricultural products that can be grown in the developing world through biotechnology.

(3) Increasing through biotechnology the yield of agricultural products that can be grown in the developing world that are drought and stress-resistant.

(4) Extending the growing range of crops that can be grown in the developing world through biotechnology.

(5) Enhancing the shelf-life of fruits and vegetables grown in the developing world through biotechnology.

(6) Developing environmentally sustainable agricultural products through biotechnology.

(7) Developing vaccines to immunize against life-threatening illnesses and other medications that can be administered by consuming genetically engineered agricultural products.

(e) FUNDING SOURCE.—Of the funds deposited in the Treasury account known as the Initiative for Future Agriculture and Food Systems on October 1, 2003, and each October 1 thereafter through October 1, 2007, the Secretary of Agriculture shall use $5,000,000 during each of fiscal years 2004 through 2008 to carry out this section.

Subtitle D—Repeal of Certain Activities and Authorities

SEC. 771. FOOD SAFETY RESEARCH INFORMATION OFFICE AND NATIONAL CONFERENCE.

(a) REPEAL.—Subsections (b) and (c) of section 615 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7654(b) and (c)) are repealed.

(b) CONFORMING AMENDMENTS.—

(1) GENERALLY.—Section 615 of such Act is amended—

(A) in the section heading, by striking ''**AND NATIONAL CONFERENCE**'';

(B) by striking ''(a) FOOD SAFETY RESEARCH INFORMATION OFFICE.—'';

(C) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c), respectively, and moving the margins 2 ems to the left;

(D) in subsection (b) (as so redesignated), by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively, and moving the margins 2 ems to the left; and

(E) in subsection (c) (as so redesignated), by striking ''this subsection'' and inserting ''this section''.

(2) TABLE OF SECTIONS.—The table of sections for such Act is amended by striking ''and National Conference'' in the item relating to section 615.

SEC. 772. REIMBURSEMENT OF EXPENSES UNDER SHEEP PROMOTION, RESEARCH, AND INFORMATION ACT OF 1994.

Section 617 of the Agricultural Research, Extension, and Education Reform Act of 1998 (Public Law 105–185; 112 Stat. 607) is repealed.

SEC. 773. NATIONAL GENETIC RESOURCES PROGRAM.

Section 1634 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5843) is repealed.

SEC. 774. NATIONAL ADVISORY BOARD ON AGRICULTURAL WEATHER.

(a) REPEAL.—Section 1639 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5853) is repealed.

(b) CONFORMING AMENDMENT.—Section 1640(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5854(b)) is amended by striking ''take into'' and all that follows through ''Weather and''.

SEC. 775. AGRICULTURAL INFORMATION EXCHANGE WITH IRELAND.

Section 1420 of the National Agricultural Research, Extension and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1551) is repealed.

SEC. 776. PESTICIDE RESISTANCE STUDY.

Section 1437 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1558) is repealed.

SEC. 777. EXPANSION OF EDUCATION STUDY.

Section 1438 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1559) is repealed.

SEC. 778. SUPPORT FOR ADVISORY BOARD.

(a) REPEAL.—Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) is repealed.

(b) CONFORMING AMENDMENT.—Section 1413(c) of such Act (7 U.S.C. 3128(c)) is amended by striking ''section 1412 of this title and''.

SEC. 779. TASK FORCE ON 10-YEAR STRATEGIC PLAN FOR AGRICULTURAL RESEARCH FACILITIES.

(a) REPEAL.—Section 4 of the Research Facilities Act (7 U.S.C. 390b) is repealed.

(b) CONFORMING AMENDMENT.—Section 2 of such Act (7 U.S.C. 390) is amended by striking paragraph (5).

Subtitle E—Agriculture Facility Protection

SEC. 790. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRICULTURAL ENTERPRISES, RESEARCH FACILITIES, AND OTHER ENTITIES.

(a) DEFINITIONS.—The Research Facilities Act (7 U.S.C. 390 et seq.) is amended—

(1) by redesignating section 6 as section 7; and

(2) by inserting after section 5 the following new section:

''SEC. 6. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRICULTURAL ENTERPRISES, RESEARCH FACILITIES, AND OTHER ENTITIES AGAINST DISRUPTION.

''(a) DEFINITIONS.—For the purposes of this section, the following definitions apply:

''(1) ANIMAL OR AGRICULTURAL ENTERPRISE.—The term 'animal or agricultural enterprise' means any of the following:

''(A) A commercial, governmental, or academic enterprise that uses animals, plants, or other biological materials for food or fiber production, breeding, processing, research, or testing.

''(B) A zoo, aquarium, circus, rodeo, or other entity that exhibits or uses animals, plants, or other biological materials for educational or entertainment purposes.

''(C) A fair or similar event intended to advance agricultural arts and sciences.

''(D) A facility managed or occupied by an association, federation, foundation, council, or other group or entity of food or fiber producers, processors, or agricultural or biomedical researchers intended to advance agricultural or biomedical arts and sciences.

''(2) ECONOMIC DAMAGE.—The term 'economic damage' means the replacement of the following:

''(A) The cost of lost or damaged property (including all real and personal property) of an animal or agricultural enterprise.

''(B) The cost of repeating an interrupted or invalidated experiment.

''(C) The loss of revenue (including costs related to business recovery) directly related to the disruption of an animal or agricultural enterprise.

''(D) The cost of the tuition and expenses of any student to complete an academic program that was disrupted, or to complete a replacement program, when the tuition and expenses are incurred as a result of the damage or loss of the property of an animal or agricultural enterprise.

''(3) PROPERTY OF AN ANIMAL OR AGRICULTURAL ENTERPRISE.—The term 'property of

an animal or agricultural enterprise' means real and personal property of or used by any of the following:

''(A) An animal or agricultural enterprise.

''(B) An employee of an animal or agricultural enterprise.

''(C) A student attending an academic animal or agricultural enterprise.

''(4) DISRUPTION.—The term 'disruption' does not include any lawful disruption that results from lawful public, governmental, or animal or agricultural enterprise employee reaction to the disclosure of information about an animal or agricultural enterprise.

''(b) VIOLATION.—A person may not recklessly, knowingly, or intentionally cause, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.

''(c) ASSESSMENT OF CIVIL PENALTY.—

''(1) IN GENERAL.—The Secretary may impose on any person that the Secretary determines violates subsection (b) a civil penalty in an amount determined under paragraphs (2) and (3). The civil penalty may be assessed only on the record after an opportunity for a hearing.

''(2) RECOVERY OF DEPARTMENT COSTS.—The civil penalty assessed by the Secretary against a person for a violation of subsection (b) shall be not less than the total cost incurred by the Secretary for investigation of the violation, conducting any hearing regarding the violation, and assessing the civil penalty.

''(3) RECOVERY OF ECONOMIC DAMAGE.—In addition to the amount determined under paragraph (2), the amount of the civil penalty shall include an amount not less than the total cost (or, in the case of knowing or intentional disruption, not less than 150 percent of the total cost) of the economic damage incurred by the animal or agricultural enterprise, any employee of the animal or agricultural enterprise, or any student attending an academic animal or agricultural enterprise as a result of the damage or loss of the property of an animal or agricultural enterprise.

''(d) IDENTIFICATION.—The Secretary shall identify for each civil penalty assessed under subsection (c), the portion of the amount of the civil penalty that represents the recovery of Department costs and the portion that represents the recovery of economic losses.

''(e) OTHER FACTORS IN DETERMINING PENALTY.— In determining the amount of a civil penalty under subsection (c), the Secretary shall consider the following:

''(1) The nature, circumstance, extent, and gravity of the violation or violations.

''(2) The ability of the injured animal or agricultural enterprise to continue to operate, costs incurred by the animal or agricultural enterprise to recover lost business, and the effect of the violation on earnings of employees of the animal or agricultural enterprise.

''(3) The interruptions experienced by students attending an academic animal or agricultural enterprise.

''(4) Whether the violator has previously violated subsection (a).

''(5) The violator's degree of culpability.

''(f) FUND TO ASSIST VICTIMS OF DISRUPTION.—

''(1) FUND ESTABLISHED.—There is established in the Treasury a fund which shall consist of that portion of each civil penalty collected under subsection (c) that represents the recovery of economic damages.

''(2) USE OF AMOUNTS IN FUND.—The Secretary of Agriculture shall use amounts in the fund to compensate animal or agricultural enterprises, employees of an animal or agricultural enterprise, and student attending an academic animal or agricultural enterprise for economic losses incurred as a result of the disruption of the functioning of an animal or agricultural enterprise in violation of subsection (b).''.

TITLE VIII—FORESTRY INITIATIVES

SEC. 801. REPEAL OF FORESTRY INCENTIVES PROGRAM AND STEWARDSHIP INCENTIVE PROGRAM.

The Cooperative Forestry Assistance Act of 1978 is amended by striking section 4 (16 U.S.C. 2103) and section 6 (16 U.S.C. 2103b).

SEC. 802. ESTABLISHMENT OF FOREST LAND ENHANCEMENT PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) There is a growing dependence on private nonindustrial forest lands to supply the necessary market commodities and nonmarket values, such as habitat for fish and wildlife, aesthetics, outdoor recreation opportunities, and other forest resources, required by a growing population.

(2) There is a strong demand for expanded assistance programs for owners of nonindustrial private forest land since the majority of the wood supply of the United States comes from nonindustrial private forest land.

(3) The soil, carbon stores, water and air quality of the United States can be maintained and improved through good stewardship of nonindustrial private forest lands.

(4) The products and services resulting from stewardship of nonindustrial private forest lands provide income and employment that contribute to the economic health and diversity of rural communities.

(5) Wildfires threaten human lives, property, forests, and other resources, and Federal and State cooperation in forest fire prevention and control has proven effective and valuable, in that properly managed forest stands are less susceptible to catastrophic fire, as dramatized by the catastrophic fire seasons of 1998 and 2000.

(6) Owners of private nonindustrial forest lands are being faced with increased pressure to convert their forestland to development and other uses.

(7) Complex, long-rotation forest investments, including sustainable hardwood management, are often the most difficult commitment for small, nonindustrial private forest landowners and, thus, should receive equal consideration under cost-share programs.

(8) The investment of one Federal dollar in State and private forestry programs is estimated to leverage $9 on average from State, local, and private sources.

(b) PURPOSE.—It is the purpose of this section to strengthen the commitment of the Department of Agriculture to sustainable forestry and to establish a coordinated and cooperative Federal, State, and local sustainable forest program for the establishment, management, maintenance, enhancement, and restoration of forests on nonindustrial private forest lands in the United States.

(c) FOREST LAND ENHANCEMENT PROGRAM.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 3 (16 U.S.C. 2102) the following new section 4:

''SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.

''(a) ESTABLISHMENT.—

''(1) ESTABLISHMENT; PURPOSE.—The Secretary shall establish a Forest Land Enhancement Program (in this section referred to as the 'Program') for the purpose of providing financial, technical, educational, and related assistance to State foresters to encourage the long-term sustainability of nonindustrial private forest lands in the United States by assisting the owners of such lands in more actively managing their forest and related resources by utilizing existing State, Federal, and private sector resource management expertise, financial assistance, and educational programs.

''(2) ADMINISTRATION.—The Secretary shall carry out the Program within, and administer the Program through, the Natural Resources Conservation Service.

''(3) COORDINATION.—The Secretary shall implement the Program in coordination with State foresters.

''(b) PROGRAM OBJECTIVES.—In implementing the Program, the Secretary shall target resources to achieve the following objectives:

''(1) Investment in practices to establish, restore, protect, manage, maintain, and enhance the health and productivity of the nonindustrial private forest lands in the United States for timber, habitat for flora and fauna, water quality, and wetlands.

''(2) Ensuring that afforestation, reforestation, improvement of poorly stocked stands, timber stand improvement, practices necessary to improve seedling growth and survival, and growth enhancement practices occur where needed to enhance and sustain the long-term productivity of timber and nontimber forest resources to help meet future public demand for all forest resources and provide environmental benefits.

''(3) Reduce the risks and help restore, recover, and mitigate the damage to forests caused by fire, insects, invasive species, disease, and damaging weather.

''(4) Increase and enhance carbon sequestration opportunities.

''(5) Enhance implementation of agroforestry practices.

''(6) Maintain and enhance the forest landbase and leverage State and local financial and technical assistance to owners that promote the same conservation and environmental values.

''(c) ELIGIBILITY.—

''(1) IN GENERAL.—An owner of nonindustrial private forest land is eligible for cost-sharing assistance under the Program if the owner—

''(A) agrees to develop and implement an individual stewardship, forest, or stand management plan addressing site specific activities and practices in cooperation with, and approved by, the State forester, state official, or private sector program in consultation with the State forester;

''(B) agrees to implement approved activities in accordance with the plan for a period of not less than 10 years, unless the State forester approves a modification to such plan; and

''(C) meets the acreage restrictions as determined by the State forester in conjunction with the State Forest Stewardship Coordinating Committee established under section 19.

''(2) STATE PRIORITIES.—The Secretary, in consultation with the State forester and the State Forest Stewardship Coordinating Committee may develop State priorities for cost sharing under the Program that will promote forest management objectives in that State.

''(3) DEVELOPMENT OF PLAN.—An owner shall be eligible for cost-share assistance for

the development of the individual stewardship, forest, or stand management plan required by paragraph (1).

''(d) APPROVED ACTIVITIES.—

''(1) DEVELOPMENT.—The Secretary, in consultation with the State forester and the State Forest Stewardship Coordinating Committee, shall develop a list of approved forest activities and practices that will be eligible for cost-share assistance under the Program within each State.

''(2) TYPE OF ACTIVITIES.—In developing a list of approved activities and practices under paragraph (1), the Secretary shall attempt to achieve the establishment, restoration, management, maintenance, and enhancement of forests and trees for the following:

''(A) The sustainable growth and management of forests for timber production.

''(B) The restoration, use, and enhancement of forest wetlands and riparian areas.

''(C) The protection of water quality and watersheds through the application of State-developed forestry best management practices.

''(D) Energy conservation and carbon sequestration purposes.

''(E) Habitat for flora and fauna.

''(F) The control, detection, and monitoring of invasive species on forestlands as well as preventing the spread and providing for the restoration of lands affected by invasive species.

''(G) Hazardous fuels reduction and other management activities that reduce the risks and help restore, recover, and mitigate the damage to forests caused by fire.

''(H) The development of forest or stand management plans.

''(I) Other activities approved by the Secretary, in coordination with the State forester and the State Forest Stewardship Coordinating Committee.

''(e) COOPERATION.—In implementing the Program, the Secretary shall cooperate with other Federal, State, and local natural resource management agencies, institutions of higher education, and the private sector.

''(f) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—

''(1) IN GENERAL.—The Secretary shall share the cost of implementing the approved activities that the Secretary determines are appropriate, in the case of an owner that has entered into an agreement to place nonindustrial private forest lands of the owner in the Program.

''(2) RATE.—The Secretary shall determine the appropriate reimbursement rate for cost-share payments under paragraph (1) and the schedule for making such payments.

''(3) MAXIMUM.—The Secretary shall not make cost-share payments under this subsection to an owner in an amount in excess of 75 percent of the total cost, or a lower percentage as determined by the State forester, to such owner for implementing the practices under an approved plan. The maximum payments to any one owner shall be determined by the Secretary.

''(4) CONSULTATION.—The Secretary shall make determinations under this subsection in consultation with the State forester.

''(g) RECAPTURE.—

''(1) IN GENERAL.—The Secretary shall establish and implement a mechanism to recapture payments made to an owner in the event that the owner fails to implement any approved activity specified in the individual stewardship, forest, or stand management plan for which such owner received cost-share payments.

''(2) ADDITIONAL REMEDY.—The remedy provided in paragraph (1) is in addition to any other remedy available to the Secretary.

''(h) DISTRIBUTION.—The Secretary shall distribute funds available for cost sharing under the Program among the States only after giving appropriate consideration to—

''(1) the total acreage of nonindustrial private forest land in each State;

''(2) the potential productivity of such land;

''(3) the number of owners eligible for cost sharing in each State;

''(4) the opportunities to enhance non-timber resources on such forest lands;

''(5) the anticipated demand for timber and nontimber resources in each State;

''(6) the need to improve forest health to minimize the damaging effects of catastrophic fire, insects, disease, or weather; and

''(7) the need and demand for agroforestry practices in each State.

''(i) DEFINITIONS.—In this section:

''(1) NONINDUSTRIAL PRIVATE FOREST LANDS.—The term 'nonindustrial private forest lands' means rural lands, as determined by the Secretary, that—

''(A) have existing tree cover or are suitable for growing trees; and

''(B) are owned or controlled by any nonindustrial private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) so long as the individual, group, association, corporation, tribe, or entity has definitive decision-making authority over the lands, including through long-term leases and other land tenure systems, for a period of time long enough to ensure compliance with the Program.

''(2) OWNER.—The term 'owner' includes a private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) that has definitive decision-making authority over nonindustrial private forest lands through a long-term lease or other land tenure systems.

''(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(4) STATE FORESTER.—The term 'State forester' means the director or other head of a State Forestry Agency or equivalent State official.

''(j) AVAILABILITY OF FUNDS.—The Secretary shall use $200,000,000 of funds of the Commodity Credit Corporation to carry out the Program during the period beginning on October 1, 2001, and ending on September 30, 2011.''.

(d) CONFORMING AMENDMENT.—Section 246(b)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(2)) is amended by striking ''forestry incentive program'' and inserting ''Forest Land Enhancement Program''.

SEC. 803. RENEWABLE RESOURCES EXTENSION ACTIVITIES.

(a) EXTENSION AND AUTHORIZATION INCREASE.—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended—

(1) by striking ''$15,000,000'' and inserting ''$30,000,000''; and

(2) by striking ''2002'' and inserting ''2011''.

(b) SUSTAINABLE FORESTRY OUTREACH INITIATIVE.—The Renewable Resources Extension Act of 1978 is amended by inserting after section 5A (16 U.S.C. 1674a) the following new section:

''SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.

''The Secretary shall establish a program to be known as the 'Sustainable Forestry Outreach Initiative' for the purpose of educating landowners regarding the following:

''(1) The value and benefits of practicing sustainable forestry.

''(2) The importance of professional forestry advice in achieving their sustainable forestry objectives.

''(3) The variety of public and private sector resources available to assist them in planning for and practicing sustainable forestry.''.

SEC. 804. ENHANCED COMMUNITY FIRE PROTECTION.

(a) FINDINGS.—Congress finds the following:

(1) The severity and intensity of wildland fires has increased dramatically over the past few decades as a result of past fire and land management policies.

(2) The record 2000 fire season is a prime example of what can be expected if action is not taken.

(3) These wildfires threaten not only the nation's forested resources, but the thousands of communities intermingled with the wildlands in the wildland-urban interface.

(4) The National Fire Plan developed in response to the 2000 fire season is the proper, coordinated, and most effective means to address this wildfire issue.

(5) Whereas adequate authorities exist to tackle the wildfire issues at the landscape level on Federal lands, there is limited authority to take action on most private lands where the largest threat to life and property lies.

(6) There is a significant Federal interest in enhancing community protection from wildfire.

(b) ENHANCED PROTECTION.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 10 (16 U.S.C. 2106) the following new section:

''SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.

''(a) COOPERATIVE MANAGEMENT RELATED TO WILDFIRE THREATS.—The Secretary may cooperate with State foresters and equivalent State officials in the management of lands in the United States for the following purposes:

''(1) Aid in wildfire prevention and control.

''(2) Protect communities from wildfire threats.

''(3) Enhance the growth and maintenance of trees and forests that promote overall forest health.

''(4) Ensure the continued production of all forest resources, including timber, outdoor recreation opportunities, wildlife habitat, and clean water, through conservation of forest cover on watersheds, shelterbelts, and windbreaks.

''(b) COMMUNITY AND PRIVATE LAND FIRE ASSISTANCE PROGRAM.—

''(1) ESTABLISHMENT; PURPOSE.—The Secretary shall establish a Community and Private Land Fire Assistance program (in this section referred to as the 'Program')—

''(A) to focus the Federal role in promoting optimal firefighting efficiency at the Federal, State, and local levels;

''(B) to augment Federal projects that establish landscape level protection from wildfires;

''(C) to expand outreach and education programs to homeowners and communities about fire prevention; and

''(D) to establish defensible space around private landowners homes and property against wildfires.

''(2) ADMINISTRATION AND IMPLEMENTATION.—The Program shall be administered by the Forest Service and implemented through

the State forester or equivalent State official.

''(3) COMPONENTS.—In coordination with existing authorities under this Act, the Secretary may undertake on both Federal and non-Federal lands—

''(A) fuel hazard mitigation and prevention;

''(B) invasive species management;

''(C) multi-resource wildfire planning;

''(D) community protection planning;

''(E) community and landowner education enterprises, including the program known as FIREWISE;

''(F) market development and expansion;

''(G) improved wood utilization;

''(H) special restoration projects.

''(4) CONSIDERATIONS.—The Secretary shall use local contract personnel wherever possible to carry out projects under the Program.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated to the Secretary $35,000,000 for each of fiscal years 2002 through 2011, and such sums as may be necessary thereafter, to carry out this section.''.

SEC. 805. INTERNATIONAL FORESTRY PROGRAM.

Section 2405(d) of the Global Climate Change Prevention Act of 1990 (title XXIV of Public Law 101–624; 7 U.S.C. 6704(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 806. WILDFIRE PREVENTION AND HAZARDOUS FUEL PURCHASE PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) the damage caused by wildfire disasters has been equivalent in magnitude to the damage resulting from the Northridge earthquake, Hurricane Andrew, and the recent flooding of the Mississippi River and the Red River;

(2) more than 20,000 communities in the United States are at risk from wildfire and approximately 11,000 of those communities are located near Federal land;

(3) the accumulation of heavy forest fuel loads continues to increase as a result of disease, insect infestations, and drought, further increasing the risk of fire each year;

(4) modification of forest fuel load conditions through the removal of hazardous fuels would—

(A) minimize catastrophic damage from wildfires;

(B) reduce the need for emergency funding to respond to wildfires; and

(C) protect lives, communities, watersheds, and wildlife habitat;

(5) the hazardous fuels removed from forest land represent an abundant renewable resource, as well as a significant supply of biomass for biomass-to-energy facilities;

(6) the United States should invest in technologies that promote economic and entrepreneurial opportunities in processing forest products removed through hazardous fuel reduction activities; and

(7) the United States should—

(A) develop and expand markets for traditionally underused wood and other biomass as a value-added outlet for excessive forest fuels; and

(B) commit resources to support planning, assessments, and project reviews to ensure that hazardous fuels management is accomplished expeditiously and in an environmentally sound manner.

(b) DEFINITIONS.—In this section:

(1) BIOMASS-TO-ENERGY FACILITY.—The term ''biomass-to-energy facility'' means a facility that uses biomass as a raw material to produce electric energy, useful heat, or a transportation fuel.

(2) ELIGIBLE COMMUNITY.—The term ''eligible community'' means—

(A) any town, township, municipality, or other similar unit of local government (as determined by the Secretary), or any area represented by a nonprofit corporation or institution organized under Federal or State law to promote broad-based economic development, that—

(i) has a population of not more than 10,000 individuals;

(ii) is located within a county in which at least 15 percent of the total primary and secondary labor and proprietor income is derived from forestry, wood products, and forest-related industries, such as recreation, forage production, and tourism; and

(iii) is located near forest land, the condition of which land the Secretary determines poses a substantial present or potential hazard to the safety of—

(I) a forest ecosystem;

(II) wildlife; or

(III) in the case of a wildfire, human, community, or firefighter safety, in a year in which drought conditions are present; and

(B) any county that is not contained within a metropolitan statistical area that meets the conditions described in clauses (ii) and (iii) of subparagraph (A).

(3) FOREST BIOMASS.—The term ''forest biomass'' means fuel and biomass accumulation from precommercial thinnings, slash, and brush on forest land of the United States.

(4) HAZARDOUS FUEL.—

(A) IN GENERAL.—The term ''hazardous fuel'' means any excessive accumulation of organic material on public and private forest land (especially land in an urban-wildland interface area or in an area that is located near an eligible community and designated as condition class 2 under the report of the Forest Service entitled 'Protecting People and Sustainable Resources in Fire-Adapted Ecosystems', dated October 13, 2000, or that is designated as condition class 3 under that report) that the Secretary determines poses a substantial present or potential hazard to the safety of—

(i) a forest ecosystem;

(ii) wildlife; or

(iii) in the case of wildfire, human, community, or firefighter safety, in a year in which drought conditions are present.

(B) EXCLUSION.—The term ''hazardous fuel'' does not include forest biomass.

(5) INDIAN TRIBE.—The term ''Indian tribe'' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(6) SECRETARY.—The term ''Secretary'' means—

(A) the Secretary of Agriculture (or a designee), with respect to National Forest System land and private land in the United States; and

(B) the Secretary of the Interior (or a designee) with respect to Federal land under the jurisdiction of the Secretary of the Interior or an Indian tribe.

(c) HAZARDOUS FUEL GRANT PROGRAM.—

(1) GRANTS.—

(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary may make grants to persons that operate biomass-to-energy facilities to offset the costs incurred by those persons in purchasing hazardous fuels derived from public and private forest land adjacent to eligible communities.

(B) SELECTION CRITERIA.—The Secretary shall select recipients for grants under subparagraph (A) based on—

(i) planned purchases by the recipients of hazardous fuels, as demonstrated by the recipient through the submission to the Secretary of such assurances as the Secretary may require; and

(ii) the level of anticipated benefits of those purchases in reducing the risk of wildfires.

(2) GRANT AMOUNTS.—

(A) IN GENERAL.—A grant under this subsection shall—

(i) be based on—

(I) the distance required to transport hazardous fuels to a biomass-to-energy facility; and

(II) the cost of removal of hazardous fuels; and

(ii) be in an amount that is at least equal to the product obtained by multiplying—

(I) the number of tons of hazardous fuels delivered to a grant recipient; by

(II) an amount that is at least $5 but not more than $10 per ton of hazardous fuels, as determined by the Secretary taking into consideration the factors described in clause (i).

(B) LIMITATION ON INDIVIDUAL GRANTS.—

(i) IN GENERAL.—Except as provided in clause (ii), a grant under subparagraph (A) shall not exceed $1,500,000 for any biomass-to-energy facility for any year.

(ii) SMALL BIOMASS-TO-ENERGY FACILITIES.—A biomass-to-energy facility that has an annual production of 5 megawatts or less shall not be subject to the limitation under clause (i).

(3) MONITORING OF GRANT RECIPIENT ACTIVITIES.—

(A) IN GENERAL.—As a condition of receipt of a grant under this subsection, a grant recipient shall keep such records as the Secretary may require, including records that—

(i) completely and accurately disclose the use of grant funds; and

(ii) describe all transactions involved in the purchase of hazardous fuels derived from forest land.

(B) ACCESS.—On notice by the Secretary, the operator of a biomass-to-energy facility that purchases hazardous fuels, or uses hazardous fuels purchased, with funds from a grant under this subsection shall provide the Secretary with—

(i) reasonable access to the biomass-to-facility; and

(ii) an opportunity to examine the inventory and records of the biomass-to-energy facility.

(4) MONITORING OF EFFECT OF TREATMENTS.—The Secretary shall monitor Federal land from which hazardous fuels are removed and sold to a biomass-to-energy facility under this subsection to determine and document the reduction in fire hazards on that land.

(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $50,000,000 for each fiscal year.

(d) LONG-TERM FOREST STEWARDSHIP CONTRACTS FOR HAZARDOUS FUELS REMOVAL.—

(1) ANNUAL ASSESSMENT OF TREATMENT ACREAGE.—

(A) IN GENERAL.—Subject to the availability of appropriations, not later than March 1 of each of fiscal years 2002 through 2006, the Secretary shall submit to Congress an assessment of the number of acres of Federal forest land recommended to be treated during the subsequent fiscal year using stewardship end result contracts authorized by paragraph (3).

(B) COMPONENTS.—The assessment shall—

(i) be based on the treatment schedules contained in the report entitled 'Protecting People and Sustaining Resources in Fire-

Adapted Ecosystems', dated October 13, 2000 and incorporated into the National Fire Plan;

(ii) identify the acreage by condition class, type of treatment, and treatment year to achieve the restoration goals outlined in the report within 10-, 15-, and 20-year time periods;

(iii) give priority to condition class 3 areas (as described in subsection (a)(4)(A)), include modifications in the restoration goals based on the effects of—

(I) fire;

(II) hazardous fuel treatments under the National Fire Plan; or

(III) updates in data;

(iv) provide information relating to the type of material and estimated quantities and range of sizes of material that shall be included in the treatments;

(v) describe the land allocation categories in which the contract authorities shall be used; and

(vi) give priority to areas described in subsection (a)(4)(A).

(2) FUNDING RECOMMENDATION.—The Secretary shall include in the annual assessment under paragraph (1) a request for funds sufficient to implement the recommendations contained in the assessment using stewardship end result contracts described in paragraph (3) in any case in which the Secretary determines that the objectives of the National Fire Plan would best be accomplished through forest stewardship end result contracting.

(3) STEWARDSHIP END RESULT CONTRACTING.—

(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary may enter into stewardship end result contracts to implement the National Fire Plan on National Forest System land based on the stewardship treatment schedules provided in the annual assessments conducted under paragraph (1).

(B) PERIOD OF CONTRACTS.—The contracting goals and authorities described in subsections (b) through (g) of section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999 (commonly known as the 'Stewardship End Result Contracting Demonstration Project') (16 U.S.C. 2104 note; Public Law 105–277), shall apply to contracts entered into under this paragraph, except that the period of each such contract shall be 10 years.

(C) STATUS REPORT.—Beginning with the assessment required under paragraph (1) for fiscal year 2003, the Secretary shall include in the annual assessment under paragraph (1) a status report of the stewardship end result contracts entered into under this paragraph.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.

(e) TERMINATION OF AUTHORITY.—The authority provided under this section shall terminate on September 30, 2006.

SEC. 807. MCINTIRE-STENNIS COOPERATIVE FORESTRY RESEARCH PROGRAM.

It is the sense of Congress to reaffirm the importance of Public Law 87–88 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Cooperative Forestry Act.

TITLE IX—MISCELLANEOUS PROVISIONS

Subtitle A—Tree Assistance Program

SEC. 901. ELIGIBILITY.

(a) LOSS.—Subject to the limitation in subsection (b), the Secretary of Agriculture shall provide assistance, as specified in section 902, to eligible orchardists that planted trees for commercial purposes but lost such trees as a result of a natural disaster, as determined by the Secretary.

(b) LIMITATION.—An eligible orchardist shall qualify for assistance under subsection (a) only if such orchardist's tree mortality, as a result of the natural disaster, exceeds 15 percent (adjusted for normal mortality).

SEC. 902. ASSISTANCE.

The assistance provided by the Secretary of Agriculture to eligible orchardists for losses described in section 901 shall consist of either—

(1) reimbursement of 75 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or

(2) at the discretion of the Secretary, sufficient seedlings to reestablish the stand.

SA 2679. Mr. DURBIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of section 164 and insert a period and the following:

SEC. 165. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND; FOOD STAMP PROGRAM FUNDING INCREASES.

(a) RESTRICTION.—Section 194 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127; 110 Stat. 945) is amended to read as follows:

"SEC. 194. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND.

''(a) DEFINITION OF AGRICULTURAL COMMODITY.—In this section:

''(1) IN GENERAL.—The term 'agricultural commodity' has the meaning given the term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

''(2) EXCLUSIONS.—The term 'agricultural commodity' does not include forage, livestock, timber, forest products, or hay.

''(b) COMMODITIES.—

''(1) IN GENERAL.—Notwithstanding any other provision of this title, except as provided in paragraph (2), the Secretary shall not provide a payment, loan, or other benefit under this title to an owner or producer, with respect to land or a loan commodity planted or considered planted on land during a crop year unless the land has been planted, considered planted, or devoted to an agricultural commodity during —

''(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

''(B) at least 3 of the 10 crop years preceding the 2002 crop year.

''(2) CROP ROTATION.—Paragraph (1) shall not apply to an owner or producer, with respect to any agricultural commodity planted or considered planted, on land if the land—

''(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

''(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

''(c) CROP INSURANCE.—Notwithstanding any provision of the Federal Crop Insurance Act (7 U.S.C.1501 et seq.), the Federal Crop Insurance Corporation shall not pay premium subsidies or administrative costs of a reinsured company for insurance regarding a crop insurance policy of a producer under that Act unless, the land that is covered by the insurance policy—

''(1) has been planted, considered planted, or devoted to an agricultural commodity during—

''(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

''(B) at least 3 of the 10 crop years preceding the 2002 crop year; or

''(2)(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

''(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

''(d) CONSERVATION RESERVE LAND.—For purposes of this section, land that is enrolled in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C.3831 et seq.) shall be considered planted to an agricultural commodity.''.

(b) FOOD STAMP PROGRAM.—

(1) EXCLUSION OF LICENSED VEHICLES FROM FINANCIAL RESOURCES.—

(A) IN GENERAL.—Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended by striking subparagraph (C) and inserting the following:

''(C) EXCLUDED VEHICLES.—Financial resources under this paragraph shall not include—

''(i) 1 licensed vehicle per household; and

''(ii) a vehicle (and any other property, real or personal, to the extent that the property is directly related to the maintenance or use of the vehicle) if the vehicle is—

''(I) used to produce earned income;

''(II) necessary for the transportation of a physically disabled household member; or

''(III) depended on by a household to carry fuel for heating or water for home use and provides the primary source of fuel or water, respectively, for the household.''.

(B) CONFORMING AMENDMENT.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (h).

(2) NUTRITION ASSISTANCE FOR ELDERLY INDIVIDUALS.—

(A) RESTORATION OF ELIGIBILITY.—Section 402(a)(2)(I) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(I)) is amended by striking ''who'' and all that follows and inserting the following: ''who—

''(i) is lawfully residing in the United States; and

''(ii) is 65 years of age or older.''.

(B) CONFORMING AMENDMENTS.—

(i) Section 421(d)(3) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(d)(3)) (as added by section 452(a)(2)(B)) is amended by striking ''section 402(a)(2)(J)'' and inserting ''subparagraph (I) or (J) of section 402(a)(2)''.

(ii) Section 423(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1183a note; Public Law 104–193) is amended by adding at the end the following:

''(12) Benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).''.

(iii) Section 5(i)(2)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)(2)(E)) (as amended by section 452(a)(2)(C)) is amended by inserting before the period at the end the following: ''or is 65 years of age or older''.

(C) APPLICABILITY.—The amendments made by this paragraph shall apply to fiscal year 2004 and each fiscal year thereafter.

SA 2680. Mr. CRAIG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 1022. STUDY OF PROPOSAL TO PROHIBIT PACKERS FROM OWNING, FEEDING, OR CONTROLLING LIVESTOCK.

(a) IN GENERAL.—Not later than 270 days after the date of enactment of this Act, the Secretary of Agriculture shall complete a study to determine the impact that prohibiting packers described in subsection (b) from owning, feeding, or controlling livestock intended for slaughter more than 14 days prior to slaughter would have on—

(1) livestock producers that market under contract, grid, basis contract, or forward contract;

(2) rural communities and employees of commercial feedlots associated with a packer;

(3) private or cooperative joint ventures in packing facilities;

(4) livestock producers that market feeder livestock to feedlots owned or controlled by packers;

(5) the market price for livestock (both cash and future prices);

(6) the ability of livestock producers to obtain credit from commercial sources;

(7) specialized programs for marketing specific cuts of meat;

(8) the ability of the United States to compete in international livestock markets; and

(9) future investment decisions by packers and the potential location of new livestock packing operations.

(b) PACKERS.—The packers referred to in subsection (a) are packers that slaughter more than 2 percent of the slaughter of a particular type of livestock slaughtered in the United States in any year.

(c) CONSIDERATION.—In conducting the study under subsection (a), the Secretary of Agriculture shall—

(1) consider the legal conditions that have existed in the past regarding the feeding by packers of livestock intended for slaughter; and

(2) determine the impact of those legal conditions.

(d) EFFECTIVENESS OF OTHER PROVISION.—The section entitled ''**PROHIBITION ON PACKERS OWNING, FEEDING, OR CONTROLLING LIVESTOCK**'', amending section 202 of the Packers and Stockyards Act, 1921 (7 U.S.C. 192), shall have no effect.

SA 2681. Mr. CRAIG submitted an amendment intended to be proposed by him to the bill S. 1731 to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. STUDY OF PROPOSAL TO PROHIBIT PACKERS FROM OWNING, FEEDING, OR CONTROLLING LIVESTOCK.

(a) IN GENERAL.—Not later than 270 days after the date of enactment of this Act, the Secretary of Agriculture shall complete a study to determine the impact that prohibiting packers described in subsection (b) from owning, feeding, or controlling livestock intended for slaughter more than 14 days prior to slaughter would have on—

(1) livestock producers that market under contract, grid, basis contract, or forward contract;

(2) rural communities and employees of commercial feedlots associated with a packer;

(3) private or cooperative joint ventures in packing facilities;

(4) livestock producers that market feeder livestock to feedlots owned or controlled by packers;

(5) the market price for livestock (both cash and future prices);

(6) the ability of livestock producers to obtain credit from commercial sources;

(7) specialized programs for marketing specific cuts of meat;

(8) the ability of the United States to compete in international livestock markets; and

(9) future investment decisions by packers and the potential location of new livestock packing operations.

(b) PACKERS.—The packers referred to in subsection (a) are packers that slaughter more than 2 percent of the slaughter of a particular type of livestock slaughtered in the United States in any year.

(c) CONSIDERATION.—In conducting the study under subsection (a), the Secretary of Agriculture shall—

(1) consider the legal conditions that have existed in the past regarding the feeding by packers of livestock intended for slaughter; and

(2) determine the impact of those legal conditions.

(d) EFFECTIVENESS OF OTHER PROVISION.—The section entitled ''**PROHIBITION ON PACKERS OWNING, FEEDING, OR CONTROLLING LIVESTOCK**'', amending section 202 of the Packers and Stockyards Act, 1921 (7 U.S.C. 192), shall have no effect.

SA 2682. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 165 and insert the following:

SEC. 165. PAYMENT AND NET INCOME LIMITATIONS.

(a) PAYMENT LIMITATIONS.—

(1) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (4) and inserting the following:

''(1) LIMITATION ON DIRECT PAYMENTS.—The total amount of direct payments made to a person during any fiscal year may not exceed $80,000, with a separate limitation for—

''(A) all contract commodities; and

''(B) peanuts.

''(2) LIMITATION ON COUNTER-CYCLICAL PAYMENTS.—The total amount of counter-cyclical payments made to a person during any fiscal year may not exceed $75,000, with a separate limitation for—

''(A) all contract commodities; and

''(B) peanuts.

''(3) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—

''(A) IN GENERAL.—The total amount of the payments and benefits specified in subparagraph (B) that a person shall be entitled to receive under title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.) for 1 or more loan commodities during any crop year may not exceed $75,000, with a separate limitation for—

''(i) all loan commodities (other than wool and honey);

''(ii) wool;

''(iii) honey; and

''(iv) peanuts.

''(B) DESCRIPTION OF PAYMENTS AND BENEFITS SUBJECT TO LIMITATION.—The payments referred to in subparagraph (A) are the following:

''(i) MARKETING LOAN GAINS.—Any gain realized by a producer from repaying a marketing assistance loan under section 131 or 158G(a) of the Federal Agriculture Improvement and Reform Act of 1996 for a crop of any loan commodity or peanuts, respectively, at a lower level than the original loan rate established for the loan commodity or peanuts under section 132 or 158G(d) of that Act, respectively.

''(ii) LOAN DEFICIENCY PAYMENTS.—Any loan deficiency payment received for a loan commodity or peanuts under section 135 or 158G(e) of that Act, respectively.

''(4) DEFINITIONS.—In paragraphs (1) through (3):

''(A) CONTRACT COMMODITY.—The term 'contract commodity' has the meaning given the term in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202).

''(B) COUNTER-CYCLICAL PAYMENT.—The term 'counter-cyclical payment'' means a payment made under section 114 or 158D of that Act.

''(C) DIRECT PAYMENT.—The term 'direct payment' means a payment made under section 113 or 158C of that Act.

''(D) LOAN COMMODITY.—The term 'loan commodity' has the meaning given the term in section 102 of that Act.

''(E) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.''.

(2) TRANSITION.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to fiscal year 2001 and the 2001 crop of any contract commodity or loan commodity (as defined in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202)).

(b) NET INCOME LIMITATION.—The Food Security Act of 1985 is amended by inserting after section 1001E (7 U.S.C. 1308–5) the following:

''SEC. 1001F. NET INCOME LIMITATION.

''(a) DEFINITIONS.—In this section:

''(1) ADJUSTED GROSS AGRICULTURAL INCOME.—The term 'adjusted gross agricultural

income' means the adjusted gross income for all agricultural enterprises of an owner or producer in a year, excluding revenue earned from nonagricultural sources, as determined by the Secretary—

''(A) by taking into account gross receipts from the sale of crops and livestock on all agricultural enterprises of the owner or producer, including insurance indemnities resulting from losses in the agricultural enterprises;

''(B) by including all farm payments paid by the Secretary for all agricultural enterprises of the owner or producer, including payments and benefits described in section 1001(2)(B);

''(C) by deducting the cost or basis of livestock or other items purchased for resale, such as feeder livestock, on all agricultural enterprises of the owner or producer; and

''(D) as represented on a schedule F of the Federal income tax returns of the owner or producer or a comparable tax form related to the agricultural enterprises of the owner or producer, as approved by the Secretary.

''(2) ADJUSTED GROSS INCOME.—The term 'adjusted gross income' has the meaning given the term in section 62 of the Internal Revenue Code of 1986.

''(b) LIMITATION.—Notwithstanding any other provision of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.), an owner or producer shall not be eligible for a payment or benefit described in paragraphs (1) or (2) of section 1001 for a fiscal or crop year (as appropriate) if—

''(1) the average adjusted gross income of the owner or producer for each of the preceding 3 taxable years exceeds $2,500,000; and

''(2) less than 75 percent of the adjusted gross income of the owner or producer is adjusted gross agricultural income.''.

(c) LOAN DEFICIENCY PAYMENTS.—

(1) ELIGIBILITY.—Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235) (as amended by section 126(1)) is amended by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—The Secretary may make loan deficiency payments available to—

''(1) producers on a farm that, although eligible to obtain a marketing assistance loan under section 131 with respect to a loan commodity, agree to forgo obtaining the loan for the covered commodity in return for payments under this section; and

''(2) effective only for the 2000 and 2001 crop years, producers that, although not eligible to obtain such a marketing assistance loan under section 131, produce a loan commodity.''.

(2) BENEFICIAL INTEREST.—Section 135(e)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(e)) (as amended by section 126(2)) is amended by striking ''A producer'' and inserting ''Effective for the 2001 crop, a producer''.

(d) PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.—Subtitle C of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231 et seq.) is amended by adding at the end the following:

''SEC. 138. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

''(a) IN GENERAL.—For each of the 2002 through 2006 crops of wheat, grain sorghum, barley, and oats, in the case of the producers on a farm that would be eligible for a loan deficiency payment under section 135 for wheat, grain sorghum, barley, or oats, but that elects to use acreage planted to the wheat, grain sorghum, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producers on the farm under this section if the producers on the farm enter into an agreement with the Secretary to forgo any other harvesting of the wheat, grain sorghum, barley, or oats on the acreage.

''(b) PAYMENT AMOUNT.—The amount of a payment made to the producers on a farm under this section shall be equal to the amount obtained by multiplying—

''(1) the loan deficiency payment rate determined under section 135(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

''(2) the payment quantity obtained by multiplying—

''(A) the quantity of the grazed acreage on the farm with respect to which the producers on the farm elect to forgo harvesting of wheat, grain sorghum, barley, or oats; and

''(B) the payment yield for that contract commodity on the farm.

''(c) TIME, MANNER, AND AVAILABILITY OF PAYMENT.—

''(1) TIME AND MANNER.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 135.

''(2) AVAILABILITY.—The Secretary shall establish an availability period for the payment authorized by this section that is consistent with the availability period for wheat, grain sorghum, barley, and oats established by the Secretary for marketing assistance loans authorized by this subtitle.

''(d) PROHIBITION ON CROP INSURANCE OR NONINSURED CROP ASSISTANCE.—The producers on a farm shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 with respect to a 2002 through 2006 crop of wheat, grain sorghum, barley, or oats planted on acreage that the producers on the farm elect, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop.''.

SA 2683. Mr. LEAHY submitted an amendment intended to be proposed to amendment SA 2568 submitted by Mr. HELMS and intended to be proposed to the amendment SA 2471 proposed by Mr. DASCHLE to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

In lieu of the matter proposed to be inserted, in amendment No. 2568, insert the following:

SEC. 1___. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.

Title III of the Packers and Stockyards Act, 1921, (7 U.S.C. 201 et seq.) is amended by adding at the end the following:

''SEC. 318. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.

''(a) DEFINITIONS.—In this section:

''(1) HUMANELY EUTHANIZE.—The term 'humanely euthanize' means to kill an animal by mechanical, chemical, or other means that immediately render the animal unconscious, with this state remaining until the animal's death.

''(2) NONAMBULATORY LIVESTOCK.—The term 'nonambulatory livestock' means any livestock that is unable to stand and walk unassisted.

''(b) UNLAWFUL PRACTICES.—

''(1) IN GENERAL.—Except as provided in paragraph (2), it shall be unlawful for any stockyard owner, market agency, or dealer to buy, sell, give, receive, transfer, market, hold, or drag any nonambulatory livestock unless the nonambulatory livestock has been humanely euthanized.

''(2) EXCEPTIONS.—

''(A) NON-GIPSA FARMS.—Paragraph (1) shall not apply to any farm the animal care practices of which are not subject to the authority of the Grain Inspection, Packers, and Stockyards Administration.

''(B) VETERINARY CARE.—Paragraph (1) shall not apply in a case in which nonambulatory livestock receive veterinary care intended to render the livestock ambulatory.

''(c) APPLICATION OF PROHIBITION.—Subsection (b) shall apply beginning one year after the date of the enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001. By the end of such period, the Secretary shall promulgate regulations to carry out this section.''.

SA 2684. Mr. LEVIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of subtitle C of title X and insert a period and the following:

SEC. 1033. IMPORTATION OF MUNICIPAL SOLID WASTE.

(a) DEFINITION OF MUNICIPAL SOLID WASTE.—

(1) IN GENERAL.—In this section, the term ''municipal solid waste'' means waste material generated by—

(A) a household (including a single family or multifamily residence); and

(B) a commercial, industrial, or institutional entity, to the extent that the waste material—

(i) is essentially the same as waste normally generated by a household;

(ii) is collected and disposed of with other municipal solid waste as part of normal municipal solid waste collection services; and

(iii) contains a relative quantity of hazardous substances no greater than the relative quantity of hazardous substances contained in waste material generated by a typical single-family household.

(2) INCLUSIONS.—The term ''municipal solid waste'' includes—

(A) food and yard waste;

(B) paper;

(C) clothing;

(D) appliances;

(E) consumer product packaging;

(F) disposable diapers;

(G) office supplies;

(H) cosmetics;

(I) glass and metal food containers;

(J) elementary or secondary school science laboratory waste; and

(K) household hazardous waste.

(3) EXCLUSIONS.—The term ''municipal solid waste'' does not include—

(A) combustion ash generated by resource recovery facilities or municipal incinerators; or

(B) waste material from manufacturing or processing operations (including pollution control operations) that is not essentially the same as waste normally generated by households.

(b) IMPLEMENTATION OF AGREEMENTS.—As soon as practicable after the date of enactment of this Act, the President shall implement the agreement entitled ''Agreement Between the Government of the United States and the Government of Canada Concerning the Transboundary Movement of Hazardous Waste, Ottawa, 1986'', done at Ottawa on October 28, 1986 (TIAS 11099), as amended at Washington on November 4 and 25, 1992.

SA 2685. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. AGRICULTURAL RESEARCH AND TECHNOLOGY.

(a) FIELD STUDIES.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary of Agriculture shall conduct field studies on—

(A) the transmission of spongiform encephalopathy in deer, elk, and moose; and

(B) chronic wasting disease (including the risks that chronic wasting disease poses to livestock).

(2) REPORT.—Not later than February 1, 2002, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the field studies.

(b) RESEARCH AND EXTENSION GRANT PROGRAM.—As soon as practicable after the date of enactment of this Act, the Secretary shall establish a program to provide research and extension grants to eligible entities (as determined by the Secretary) to develop, for livestock production—

(1) prevention and control methodologies for infectious animal diseases that affect trade, including—

(A) vesicular stomatitis;

(B) bovine tuberculosis;

(C) transmissible spongiform encephalopathy;

(D) burcellosis; and

(E) E. coli 0157:H7 infection;

(2) laboratory tests to expedite detection of—

(A) infected livestock; and

(B) the presence of diseases within herds or flocks of livestock; and

(3) prevention strategies, including vaccination programs, for infectious diseases that affect livestock.

(c) OFFICE OF SCIENCE AND TECHNOLOGY POLICY.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the President shall—

(A) establish within the Office of Science and Technology Policy a noncareer, senior executive service appointment position for a Veterinary Advisor; and

(B) appoint an individual to the position.

(2) QUALIFICATIONS; DUTIES.—The individual appointed to the position described in paragraph (1) shall—

(A) hold the degree of Doctor of Veterinary Medicine from an accredited college of veterinary medicine in the United States; and

(B) provide to the science advisor of the President expertise in—

(i) exotic animal disease detection, prevention, and control;

(ii) food safety; and

(iii) animal agriculture.

(3) EXECUTIVE SCHEDULE PAY RATES.—Section 5313 of title 5, United States Code, is amended by adding at the end the following:

''Veterinary Advisor, Office of Science and Technology Policy.''.

(d) VACCINES.—

(1) VACCINE STORAGE STUDY.—Not later than December 1, 2001, the Secretary shall—

(A) conduct a study to determine the number of doses of livestock disease vaccines that should be available to protect against livestock diseases that could be introduced into the United States; and

(B) compare that number with the number of doses of the livestock disease vaccines that are available as of that date.

(2) STOCKPILING OF VACCINES.—If, after conducting the study and comparison described in paragraph (1), the Secretary determines that there is an insufficient number of doses of a particular vaccine referred to in that paragraph, the Secretary shall take such actions as are necessary to obtain the required additional doses of the vaccine.

(e) VETERINARY TRAINING.—Not later than December 1, 2001, the Secretary shall develop a plan to ensure that, during the 2-year period beginning on that date, veterinarians representing all regions of the United States, especially regions in which livestock production is a major industry, are trained to identify highly infectious livestock diseases.

(f) FUNDING FOR FISCAL YEAR 2002.—

(1) IN GENERAL.—On October 1, 2002, out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Secretary $15,000,000 to carry out this section, to remain available until expended.

(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive the funds and shall accept the funds provided under paragraph (1), without further appropriation.

SA 2686. Mr. GRASSLEY (for himself, Mr. HAGEL, Mr. LUGAR, and Mr. JOHNSON) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

In lieu of the matter to be inserted, insert:

Notwithstanding any other provision of this act, the payment limitation provisions shall be:

SEC. . PAYMENT LIMITATIONS; NUTRITION AND COMMODITY PROGRAMS.

(a) PAYMENT LIMITATIONS.—

(1) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (6) and inserting the following:

''(1) LIMITATIONS ON DIRECT AND COUNTER-CYCLICAL PAYMENTS.—Subject to paragraph (5)(A), the total amount of direct payments and counter-cyclical payments made directly or indirectly to an individual or entity during any fiscal year may not exceed $75,000.

''(2) LIMITATIONS ON MARKETING LOAN GAINS, LOAN DEFICIENCY PAYMENTS, AND COMMODITY CERTIFICATE TRANSACTIONS.—

''(A) IN GENERAL.—Subject to paragraph (5)(A), the total amount of the payments and benefits described in subparagraph (B) that an individual or entity may directly or indirectly receive during any crop year may not exceed $150,000.

''(B) PAYMENTS AND BENEFITS.—Subparagraph (A) shall apply to the following payments and benefits:

''(i) MARKETING LOAN GAINS.—

''(I) REPAYMENT GAINS.—Any gain realized by a producer from repaying a marketing assistance loan under section 131 or 158G(a) of the Federal Agriculture Improvement and Reform Act of 1996 for a crop of any loan commodity or peanuts, respectively, at a lower level than the original loan rate established for the loan commodity or peanuts under section 132 or 158G(d) of that Act, respectively.

''(II) FORFEITURE GAINS.—In the case of settlement of a marketing assistance loan under section 131 or 158G(a) of that Act for a crop of any loan commodity or peanuts, respectively, by forfeiture, the amount by which the loan amount exceeds the repayment amount for the loan if the loan had been settled by repayment instead of forfeiture.

''(ii) LOAN DEFICIENCY PAYMENTS.—Any loan deficiency payment received for a loan commodity or peanuts under section 135 or 158G(e) of that Act, respectively.

''(iii) COMMODITY CERTIFICATES.—Any gain realized from the use of a commodity certificate issued by the Commodity Credit Corporation, as determined by the Secretary, including the use of a certificate for the settlement of a marketing assistance loan made under section 131 or 158G(a) of that Act.

''(3) SETTLEMENT OF CERTAIN LOANS.—Notwithstanding subtitle C and section 158G of the Federal Agriculture Improvement and Reform Act of 1996, if the amount of payments and benefits described in paragraph (2)(B) attributed directly or indirectly to an individual or entity for a crop year reaches the limitation described in paragraph (2)(A), the portion of any unsettled marketing assistance loan made under section 131 or 158G(a) of that Act attributed directly or indirectly to the individual or entity shall be settled through the repayment of the total loan principal, plus applicable interest.

''(4) DEFINITIONS.—In this section and sections 1001A through 1001F:

''(A) COUNTER-CYCLICAL PAYMENT.—The term 'counter-cyclical payment'' means a payment made under section 114 or 158D of the Federal Agriculture Improvement and Reform Act of 1996.

''(B) DIRECT PAYMENT.—The term 'direct payment' means a payment made under section 113 or 158C of that Act.

''(C) LOAN COMMODITY.—The term 'loan commodity' has the meaning given the term in section 102 of that Act.

''(D) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(5) APPLICATION OF LIMITATION.—

''(A) MARRIED COUPLES.—The total amount of payments and benefits described paragraphs (1) and (2) that a married couple may receive directly or indirectly may not exceed $275,000 during the fiscal or crop year (as appropriate).

''(B) TENANT RULE.—

''(i) IN GENERAL.—Any individual or entity that conducts a farming operation to produce a crop subject to the limitations established under this section as a tenant shall be ineligible to receive any payment or benefit described in paragraph (1) or (2), or subtitle D of title XII, with respect to the land unless the individual or entity makes a contribution of active personal labor to the operation that is at least equal to the lesser of—

''(I) 1000 hours; or

''(II) 40 percent of the minimum number of labor hours required to produce each commodity by the operation (as described in clause (ii)).

''(ii) MINIMUM NUMBER OF LABOR HOURS.—For the purpose of clause (i)(II), the minimum number of labor hours required to produce each commodity shall be equal to the number of hours that would be necessary to conduct a farming operation for the production of each commodity that is comparable in size to an individual or entity's commensurate share in the farming operation for the production of the commodity, based on the minimum number of hours per acre required to produce the commodity in the State where the farming operation is located, as determined by the Secretary.

''(6) PUBLIC SCHOOLS.—The provisions of this section that limit payments to any individual or entity shall not be applicable to land owned by a public school district or land owned by a State that is used to maintain a public school.''.

(2) SUBSTANTIVE CHANGE.—Section 1001A(a) of the Food Security Act of 1985 (7 U.S.C. 1308–1(a)) is amended—

(A) in the section heading, by striking **''PREVENTION OF CREATION OF ENTITIES TO QUALITY AS SEPARATE PERSONS;'' AND INSERTING ''SUBSTANTIVE CHANGE;''**;

(B) by striking ''(a) PREVENTION'' and all that follows through the end of paragraph (2) and inserting the following:

''(a) SUBSTANTIVE CHANGE.—

''(1) IN GENERAL.—The Secretary may not approve (for purposes of the application of the limitations under this section) any change in a farming operation that otherwise will increase the number of individuals or entities to which the limitations under this section are applied unless the Secretary determines that the change is bona fide and substantive.

''(2) FAMILY MEMBERS.—For the purpose of paragraph (1), the addition of a family member to a farming operation under the criteria established under subsection (b)(1)(B) shall be considered a bona fide and substantive change in the farming operation.'';

(C) in the first sentence of paragraph (3)—

(i) by striking ''as a separate person''; and

(ii) by inserting '', as determined by the Secretary'' before the period at the end; and

(D) by striking paragraph (4).

(3) ACTIVELY ENGAGED IN FARMING.—Section 1001A(b) of the Food Security Act of 1985 (7 U.S.C. 1308–1(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—To be eligible to receive, directly or indirectly, payments (as described in paragraphs (1) and (2) of section 1001 as being subject to limitation) with respect to a particular farming operation an individual or entity shall be actively engaged in farming with respect to the operation, as provided under paragraphs (2), (3), and (4).'';

(B) in paragraph (2), by adding at the end the following:

''(E) ACTIVE PERSONAL MANAGEMENT.—For an individual to be considered to be providing active personal management under this paragraph on behalf of the individual or a corporation or entity, the management provided by the individual shall be personally provided on a regular, substantial, and continuous basis through the direction supervision and direction of—

''(i) activities and labor involved in the farming operation; and

''(ii) on-site services that are directly related and necessary to the farming operation.'';

(C) in paragraph (3)—

(i) by striking subparagraph (A) and inserting the following:

''(A) LANDOWNERS.—An individual or entity that is a landowner contributing the owned land to the farming operation and that meets the standard provided in clauses (ii) and (iii) of paragraph (2)(A), if the landowner—

''(i) share rents the land; or

''(ii) makes a significant contribution of active personal management.''; and

(ii) in subparagraph (B), by striking ''persons'' and inserting ''individuals and entities''; and

(D) in paragraph (4)—

(i) in the paragraph heading, by striking ''PERSONS'' and inserting ''INDIVIDUALS AND ENTITIES'';

(ii) in the matter preceding subparagraph (A), by striking ''persons'' and inserting ''individuals and entities''; and

(iii) in subparagraph (B)—

(I) in the subparagraph heading, by striking ''PERSONS'' and inserting ''INDIVIDUALS AND ENTITIES''; and

(II) by striking ''person, or class of persons'' and inserting ''individual or entity, or class of individuals or entities'';

(E) by striking paragraph (5);

(F) in paragraph (6), by striking ''a person'' and inserting ''an individual or entity''; and

(G) by redesignating paragraph (6) as paragraph (5).

(4) ADMINISTRATION.—Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1) is amended by adding at the end the following:

''(c) ADMINISTRATION.—

''(1) REVIEWS.—

''(A) IN GENERAL.—During each of fiscal years 2002 through 2006, the Office of Inspector General for the Department of Agriculture shall conduct a review of the administration of the requirements of this section and sections 1001, 1001B, 1001C, and 1001E in at least 6 States.

''(B) MINIMUM NUMBER OF COUNTIES.—Each State review described in subparagraph (A) shall cover at least 5 counties in the State.

''(C) REPORT.—Not later than 90 days after completing a review described in subparagraph (A), the Inspector General for the Department of Agriculture shall issue a final report to the Secretary of the findings of the Inspector General.

''(2) EFFECT OF REPORT.—If a report issued under paragraph (1) reveals that significant problems exist in the implementation of payment limitation requirements of this section and sections 1001, 1001B, 1001C, and 1001E in a State and the Secretary agrees that the problems exist, the Secretary—

''(A) shall initiate a training program regarding the payment limitation requirements; and

''(B) may require that all payment limitation determinations regarding farming operations in the State be issued from the headquarters of the Farm Service Agency.''.

(5) SCHEME OR DEVICE.—Section 1001B of the Food Security Act of 1985 (7 U.S.C. 1308–2) is amended by striking ''person'' each place it appears and inserting ''individual or entity''.

(6) FOREIGN INDIVIDUALS AND ENTITIES.—Section 1001C(b) of the Food Security Act of 1985 (7 U.S.C. 1308–3(b)) is amended in the first sentence by striking ''considered a person that is''.

(7) EDUCATION PROGRAM.—Section 1001D(c) of the Food Security Act of 1985 (7 U.S.C. 1308–4(c)) is amended by striking ''5 persons'' and inserting ''5 individuals or entities''.

(8) REPORT TO CONGRESS.—No later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall provide a report to and to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that describes—

(A) how State and county office employees are trained regarding the payment limitation requirements of section 1001 through 1001E of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–5);

(B) the general procedures used by State and county office employees to identify potential violations of the payment limitation requirements;

(C) the requirements for State and county office employees to report serious violations of the payment limitation requirements, including violations of section 1001B of that Act to the county committee, higher level officials of the Farm Service Agency, and to the Office of Inspector General; and

(D) the sanctions imposed against State and county office employees who fail to report or investigate potential violations of the payment limitation requirements.

(b) NET INCOME LIMITATION.—The Food Security Act of 1985 is amended by inserting after section 1001E (7 U.S.C. 1308–5) the following:

''SEC. 1001F. NET INCOME LIMITATION.

''Notwithstanding any other provision of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.), an owner or producer shall not be eligible for a payment or benefit described in paragraphs (1) or (2) of section 1001 for a fiscal or crop year (as appropriate) if the average adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986) of the owner or producer for each of the preceding 3 taxable years exceeds $2,500,000.''.

(c) FOOD STAMP PROGRAM.—

(1) INCREASE IN BENEFITS TO HOUSEHOLDS WITH CHILDREN.—Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

''(1) STANDARD DEDUCTION.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall allow for each household a standard deduction that is equal to the greater of—

''(i) the applicable percentage specified in subparagraph (D) of the applicable income standard of eligibility established under subsection (c)(1); or

''(ii) the minimum deduction specified in subparagraph (E).

''(B) GUAM.—The Secretary shall allow for each household in Guam a standard deduction that is—

''(i) equal to the applicable percentage specified in subparagraph (D) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

''(ii) not less than the minimum deduction for Guam specified in subparagraph (E).

''(C) HOUSEHOLDS OF 6 OR MORE MEMBERS.—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

''(D) APPLICABLE PERCENTAGE.—For the purpose of subparagraph (A), the applicable percentage shall be—

''(i) 8 percent for each of fiscal years 2002 through 2004;

''(ii) 8.25 percent for each of fiscal years 2005 and 2006;

''(iii) 8.5 percent for each of fiscal years 2007 and 2008;

''(iv) 8.75 percent for fiscal year 2009; and

''(v) 9 percent for each of fiscal years 2010 and 2011.

''(E) MINIMUM DEDUCTION.—The minimum deduction shall be $134, $229, $189, $269, and $118 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively.''.

(2) PARTICIPANT EXPENSES.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking '', except that the State agency may limit such reimbursement to each participant to $25 per month''.

(3) FEDERAL REIMBURSEMENT.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking ''such total amount shall not exceed an amount representing $25 per participant per month for costs of transportation and other actual costs (other than dependent care costs) and'' and inserting ''the amount of the reimbursement for dependent care expenses shall not exceed''.

(4) EFFECTIVENESS OF CERTAIN PROVISIONS.—Section 413 and subsections (c) and (d) of section 433, and the amendments made by section 413 and subsections (c) and (d) of section 433, shall have no effect.

(d) EXCLUSION OF RETIREMENT ACCOUNTS FROM FINANCIAL RESOURCES.—SECTION 5(G)(2)(B) OF THE FOOD STAMP ACT OF 1977 (7 U.S.C. 2014(G)(2)(B)) (AS AMENDED BY SECTION 423(A)(1)) IS AMENDED BY STRIKING CLAUSE (IV) AND INSERTING THE FOLLOWING:

''(iv) any savings account (other than a retirement account (including an individual account)).''.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) ELIGIBILITY.—Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235) (as amended by section 126(1)) is amended by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—The Secretary may make loan deficiency payments available to—

''(1) producers on a farm that, although eligible to obtain a marketing assistance loan under section 131 with respect to a loan commodity, agree to forgo obtaining the loan for the covered commodity in return for payments under this section; and

''(2) effective only for the 2000 and 2001 crop years, producers that, although not eligible to obtain such a marketing assistance loan under section 131, produce a loan commodity.''.

(2) BENEFICIAL INTEREST.—Section 135(e)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(e)) (as amended by section 126(2)) is amended by striking ''A producer'' and inserting ''Effective for the 2001 through 2006 crops, a producer''.

(f) INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.—Section 401(b)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)(1)) (as amended by section 741) is amended—

(1) in subparagraph (A), by striking ''$120,000,000'' and inserting ''$130,000,000''; and

(2) in subparagraph (B), by striking ''$145,000,000'' and inserting ''$225,000,000''.

SA 2687. Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill H.R. 3210, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table; as follows:

Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''National Terrorism Reinsurance Loan and Grant Act''.

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

Sec. 1. Short title; table of contents.

TITLE I—GENERAL PROVISIONS

Sec. 101. Loan and grant programs.
Sec. 102. Credit for reinsurance.
Sec. 103. Mandatory coverage by property and casualty insurers for acts of terrorism.
Sec. 104. Monitoring and enforcement.
Sec. 105. Administrative provisions.
Sec. 106. Termination of programs.
Sec. 107. Definitions.

TITLE II—LOAN PROGRAM

Sec. 201. National terrorism reinsurance loan program.
Sec. 202. Repayment of loans.
Sec. 203. Reports by insurers.
Sec. 204. Rates; rate-making methodology and data.

TITLE III—GRANT PROGRAM

Sec. 301. National terrorism insurance loss grant program.
Sec. 302. Coverage provided.
Sec. 303. Authorization of appropriations.

TITLE IV—LITIGATION

Sec. 401. Procedures for civil actions.
Sec. 402. Punitive damages against insurers.

TITLE I—GENERAL PROVISIONS

SEC. 101. LOAN AND GRANT PROGRAMS.

(a) IN GENERAL.—If the Secretary determines that there are losses from terrorism on covered lines in calendar year 2002 then the Secretary shall—

(1) make loans to insurers under title II, to the extent that the aggregate amount of such losses does not exceed $10,000,000,000; and

(2) make grants under title III, to the extent that the aggregate amount of such losses exceeds $10,000,000,000.

(b) DETERMINATION.—

(1) INITIAL DETERMINATION.—The Secretary shall make an initial determination as to whether the losses were caused by an act of terrorism.

(2) NOTICE AND HEARING.—The Secretary shall give public notice of the initial determination and afford all interested parties an opportunity to be heard on the question of whether the losses were caused by an act of terrorism.

(3) FINAL DETERMINATION.—Within 30 days after the Secretary's initial determination, the Secretary shall make a final determination as to whether the losses were caused by an act of terrorism.

(4) STANDARD OF REVIEW.—The Secretary's determination shall be upheld upon judicial review if based upon substantial evidence.

SEC. 102. CREDIT FOR REINSURANCE.

Each State shall afford an insurer credit on the same basis and to the same extent that credit for reinsurance would be available to that insurer under applicable State law when reinsurance is obtained from an assuming insurer licensed or accredited in that State that is economically equivalent to that insurer's eligibility for loans under title II and grants under title III.

SEC. 103. MANDATORY COVERAGE BY PROPERTY AND CASUALTY INSURERS FOR ACTS OF TERRORISM.

(a) IN GENERAL.—An insurer that provides lines of coverage described in section 107(1)(A) or (B) may not—

(1) exclude or limit coverage in those lines for losses from acts of terrorism in the United States, its territories, and possessions in property and casualty insurance policy forms; or

(2) deny or cancel coverage solely due to the risk of losses from acts of terrorism in the United States.

(b) TERMS AND CONDITIONS.—Insurance against losses from acts of terrorism in the United States shall be covered with the same deductibles, limits, terms, and conditions as the standard provisions of the policy for noncatastrophic perils.

SEC. 104. MONITORING AND ENFORCEMENT.

(a) FTC ANALYSIS AND ENFORCEMENT.—The Federal Trade Commission shall review reports submitted by insurers under title II or III treating any proprietary data, privileged data, or trade or business secret information contained in the reports as privileged and confidential, for the purpose of determining whether any insurer is engaged in unfair methods of competition or unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5 of the Federal Trade Commission Act (15 U.S.C. 45)).

(b) GAO REVIEW OF REPORTS AND STATE REGULATORS.—The Comptroller General shall—

(1) provide for review and analysis of the reports submitted under titles II and III;

(2) review the efforts of State insurance regulatory authorities to keep premium rates for insurance against losses from acts of terrorism on covered lines reasonable:

(3) if the Secretary makes any loans under this title, provide for the audit of loan claims filed by insurers as requested by the Secretary; and

(4) on a timely basis, make any recommendations the Comptroller General may deem appropriate to the Congress for improvements in the programs established by this title before its termination.

(c) APPLICATION OF CERTAIN LAWS.—Notwithstanding any limitation in the McCarran-Ferguson Act (15 U.S.C. 1011 et seq.) or section 6 of the Federal Trade Commission Act (15 U.S.C. 46), the Federal Trade Commission Act (15 U.S.C. 41 et seq.) shall apply to insurers receiving a loan or grant under this Act. In determining whether any such insurer has been, or is, using any unfair method of competition, or unfair or deceptive act or practice, in violation of section 5 of that Act (15 U.S.C. 45), the Federal Trade

Commission shall consider relevant information provided in reports submitted under this Act.

SEC. 105. ADMINISTRATIVE PROVISIONS.

In carrying out this Act, the Secretary may—

(1) issue such rules and regulations as may be necessary to administer this Act;

(2) make loans and grants and carry out the activities necessary to implement this Act;

(3) take appropriate action to collect premiums or assessments under this Act; and

(4) audit the reports, claims, books, and records of insurers to which the Secretary has made loans or grants under this Act.

SEC. 106. TERMINATION OF PROGRAMS.

(a) LOAN PROGRAM.

(1) IN GENERAL.—The authority of the Secretary to make loans under title II terminates on December 31, 2002, except to the extent necessary—

(A) to provide loans for losses from acts of terrorism occurring during calendar year 2002; and

(B) to recover the amount of any loans made under this title.

(2) ASSESSMENT AND COLLECTION OF LOAN REPAYMENTS.—The Secretary shall continue assessment and collection operations under title II as long as loans from the Secretary under that title are outstanding.

(3) REPORTING AND ENFORCEMENT.—The provisions of sections 202, 203, and 204 shall terminate when the authority of the Secretary to make loans under this title terminates.

(b) GRANT PROGRAM.—The authority of the Secretary to make grants under title III terminates on December 31, 2002.

SEC. 107. DEFINITIONS.

In this Act:

(1) COVERED LINE.

(A) IN GENERAL.—The term ''covered line'' means any one or a combination of the following, written on a direct basis, as reported by property and casualty insurers in required financial reports on Statutory Page 14 of the NAIC Annual Statement Blank:

(i) Fire.

(ii) Allied lines.

(iii) Commercial multiple peril.

(iv) Ocean marine.

(v) Inland marine.

(vi) Workers compensation.

(vii) Products liability.

(viii) Commercial auto no-fault (personal injury protection), other commercial auto liability, or commercial auto physical damage.

(ix) Aircraft (all peril).

(x) Fidelity and surety.

(xi) Burglary and theft.

(xii) Boiler and machinery.

(xiii) Any other line of insurance that is reported by property and casualty insurers in required financial reports on Statutory Page 14 of the NAIC Annual Statement Blank which is voluntarily elected by an insurer to be included in its terrorism coverage.

(B) OTHER LINES.—For purposes of clause (xiii), the lines of business that may be voluntarily selected are the following:

(i) Farmowners multiple peril.

(ii) Homeowners multiple peril.

(iii) Mortgage guaranty.

(iv) Financial guaranty.

(v) Private passenger automobile insurance

(C) ELECTION.—The election to voluntarily include another line of insurance, if made, must apply to all affiliated insurers that are members of an insurer group. Any voluntary election is on a one-time basis and is irrevocable.

(2) INSURER.

(A) IN GENERAL.—The term ''insurer'' means an entity writing covered lines on a direct basis and licensed as a property and casualty insurer, risk retention group, or other entity authorized by law as a residual market mechanism providing property or casualty coverage in at least one jurisdiction of the United States, its territories, or possessions and includes residual market insurers.

(B) VOLUNTARY PARTICIPATION.—A State workers' compensation, auto, or property insurance fund may voluntarily participate as an insurer.

(C) GROUP LIFE INSURERS.—The Secretary shall provide, by rule, for—

(i) the term ''insurer'' to include entities writing group life insurance on a direct basis and licensed as group life insurers; and

(ii) the term ''covered line'' to include group life insurance written on a direct basis, as reported by group life insurers in required financial reports on the appropriate NAIC Annual Statement Blank.

(3) LOSSES.—The term ''losses'' means direct incurred losses from an act of terrorism for covered lines, plus defense and cost containment expenses.

(4) NAIC.—The term ''NAIC'' means the National Association of Insurance Commissioners.

(5) SECRETARY.—Except where otherwise specifically provided, the term ''Secretary'' means the Secretary of Commerce.

(6) TERRORISM; ACT OF TERRORISM.

(A) IN GENERAL.—The terms ''terrorism'' and ''act of terrorism'' mean any act, certified by the Secretary in concurrence with the Secretary of State and the Attorney General, as a violent act or act dangerous to human life, property or infrastructure, within the United States, its territories and possessions, that is committed by an individual or individuals acting on behalf of foreign agents or foreign government) as part of an effort to coerce or intimidate the civilian population of the United States or to influence the policy or affect the conduct of the United States government.

(B) ACTS OF WAR.—No act shall be certified as an act of terrorism if the act is committed in the course of a war declared by the Congress of the United States or by a foreign government.

(C) FINALITY OF CERTIFICATION.—Any certification, or determination not to certify, by the Secretary under subparagraph (A) is final and not subject to judicial review.

TITLE II—LOAN PROGRAM

SEC. 201. NATIONAL TERRORISM REINSURANCE LOAN PROGRAM.

(a) IN GENERAL.—The Secretary of Commerce shall establish and administer a program to provide loans to insurers for claims for losses due to acts of terrorism.

(b) 80 PERCENT COVERAGE.—If the Secretary makes the determination described in section 101(a), then the Secretary shall provide a loan to any insurer for losses on covered lines from acts of terrorism occurring in calendar 2002 equal to 80 percent of the aggregate amount of claims on covered lines.

(c) $800 MILLION LOAN LIMIT.—Notwithstanding any other provision of this title, the total amount of loans outstanding at any time to insurers from the Secretary under this title may not exceed $800,000,000.

(d) 7.5 PERCENT RETENTION MUST BE PAID BEFORE LOAN RECEIVED.—The Secretary may not make a loan under subsection (b) to an insurer until that insurer has paid claims on covered lines for losses from acts of terrorism occurring in calendar year 2002 equal to at least 7.5 percent of that insurer's aggregate liability for such losses.

(e) TERM AND INTEREST RATE.—The Secretary, after consultation with the Secretary of the Treasury and after taking into account market rates of interest, credit ratings of the borrowers, risk factors, and the purpose of this title, shall establish the term, repayment schedule, and the rate of interest for any loan made under subsection (a).

SEC. 202. REPAYMENT OF LOANS.

If the Secretary makes loans to insurers under section 201, the Secretary shall assess all insurers an annual assessment of not more than 3 percent of the direct written premium for covered lines. The annual assessment may be recovered by an insurer from its covered lines policyholders as a direct surcharge calculated as a uniform percentage of premium.

SEC. 203. REPORTS BY INSURERS.

(a) COVERAGE AND CAPACITY.

(1) REPORTING TERRORISM COVERAGE.—An insurer shall—

(A) report the amount of its terrorism insurance coverage to the insurance regulatory authority for each State in which it does business; and

(B) obtain a certification from the State that it is not providing terrorism insurance coverage in excess of its capacity under State solvency requirements.

(2) REPORTS TO SECRETARY.—The State regulator shall furnish a copy of the certification received under paragraph (1) to the Secretary.

(b) ADDITIONAL REPORTS.—Insurers receiving loans under this title shall submit reports on a quarterly or other basis (as required by the Secretary) to the Secretary, the Federal Trade Commission, and the General Accounting Office setting forth rates, premiums, risk analysis, coverage, reserves, claims made for loans from the Secretary, and such additional financial and actuarial information as the Secretary may require regarding lines of coverage described in section 107(1)(A) or (B). The information in these reports shall be treated as confidential by the recipient.

SEC. 204. RATES; RATE-MAKING METHODOLOGY AND DATA.

(a) PREMIUM MUST BE SEPARATELY STATED.—Each insurer offering insurance against losses from acts of terrorism in the United States on covered lines during calendar year 2002 shall state the premium for that insurance separately in any invoice, proposal, or other written communication to policyholders and prospective policyholders.

(b) RATE-MAKING METHODS AND DATA MUST BE PUBLICLY DISCLOSED.

(1) 45-DAY NOTICE.—Not less than 45 days before the date on which an insurer establishes or increases the premium rate for any covered line of insurance described in section 107(1) based, in whole or in part, on risk associated with insurance against losses due to acts of terrorism during calendar year 2002, the insurer shall file a report with the State insurance regulatory authority for the State in which the premium is effective that—

(A) sets forth the methodology and data used to determine the premium; and

(B) identifies the portion of the premium properly attributable to risk associated with insurance offered by that insurer against losses due to acts of terrorism; and

(C) demonstrates, by substantial evidence, why that premium is actuarially justified.

(2) COPY TO FEDERAL TRADE COMMISSION AND GENERAL ACCOUNTING OFFICE.—Each insurer filing a report under paragraph (1) shall file

a duplicate of the report with the Federal Trade Commission and the General Accounting Office at the same time as it is submitted to the State regulatory authority.

(3) REPORTS BY STATE REGULATORS.—Within 15 days after a State insurance regulatory authority receives a report from an insurer required by paragraph (1), the authority—

(A) shall submit a report to the Secretary of Commerce, the Federal Trade Commission, and the General Accounting Office;

(B) shall include in that report a determination with respect to whether an insurer has met the requirement of paragraph (1)(C);

(C) shall certify that—

(i) the methodology and data used by the insurer to determine the premium or increase are reasonable and adequate; and

(ii) the premium or increase is not excessive;

(D) shall disclose the methodology used by the authority to analyze the report and the methodology on which the authority based its certification; and

(E) may include with the report any commentary or analysis it deems appropriate.

(c) BASELINE DATA REPORTS.—Each insurer required to file a report under subsection (b) that provided insurance on covered lines against risk of loss from acts of terrorism in the United States on September 11, 2001, shall file a report with a report with the State insurance regulatory authority for the State in which that insurance was provided, the Federal Trade Commission, and the General Accounting Office that sets forth the methodology and data used to determine the premium for, or portion of the premium properly attributable to, insurance against risk of loss due to acts of terrorism in the United States under its insurance policies in effect on that date.

(d) SPECIAL RULE FOR INITIAL PERIOD.

(1) SEPARATE STATEMENT OF PREMIUM.—An insurer offering insurance against losses from acts of terrorism in the United States on covered lines after the date of enactment of this Act and before March 15, 2002, shall notify each policyholder in writing as soon as possible, but no later than March 1, 2002, of the premium, or portion of the premium, attributable to that insurance, stated separately from any premium or increase in premium attributable to insurance against losses from other risks. Each such insurer shall file a copy of each such policyholder notice with the State insurance regulatory authority for the State in which the premium is effective.

(2) JUSTIFICATION OF PREMIUM; BASELINE DATA.—As soon as possible after the date of enactment of this Act, but no later than March 1, 2002, each such insurer shall comply with—

(A) the requirements of subsection (b)(1) and (2), with respect to the premium or portion of the premium attributable to such insurance; and

(B) the requirements of subsection (c).

TITLE III—GRANT PROGRAM

SEC. 301. NATIONAL TERRORISM INSURANCE LOSS GRANT PROGRAM.

If the Secretary determines under section 101(a) that losses from terrorism on covered lines in calendar year 2002 exceed $10,000,000,000 in the aggregate, then the Secretary shall establish and administer a program under this title to provide grants to insurers for losses to the extent that the aggregate amount of such losses exceeds $10,000,000,000.

SEC. 302. GRANT AMOUNTS.

(a) IN GENERAL.—The Secretary shall make grants to insurers for 90 percent of losses in excess, in the aggregate, of $10,000,000,000 in calendar year 2002.

(b) $50,000,000,000 LIMIT.—Except as provided in subsection (c), the Secretary may not make grants in excess of a total amount for all insurers of $50,000,000,000.

(c) REPORTS TO STATE REGULATOR; CERTIFICATION.

(1) REPORTING TERRORISM COVERAGE.—An insurer shall—

(A) report the amount of its terrorism insurance coverage to the insurance regulatory authority for each State in which it does business; and

(B) obtain a certification from the State that it is not providing terrorism insurance coverage in excess of its capacity under State solvency requirements.

(2) REPORTS TO SECRETARY.—The State regulator shall furnish a copyof the certification received under paragraph (1) to the Secretary.

SEC. 303. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary such sums as may be necessary to carry out this title.

TITLE IV—LITIGATION

SEC. 401. PROCEDURES FOR CIVIL ACTIONS.

(a) FEDERAL CAUSE OF ACTION.—There shall exist a Federal cause of action for property damage, personal injury, or death arising out of or resulting from an act of terrorism, which shall be the exclusive cause of action and remedy for claims for property damage, personal injury, or death arising out of or resulting from an act of terrorism. All State causes of action of any kind for property damage, personal injury, or death otherwise available arising out of or resulting from an act of terrorism, are hereby preempted, except as provided in subsection (c).

(b) GOVERNING LAW.—The substantive law for decision in an action for property damage, personal injury, or death arising out of or resulting from an act of terrorism under this section shall be derived from the law, including applicable choice of law principles, of the State, or States determined to be required by the district court having jurisdiction over the action, unless such law is inconsistent with or otherwise preempted by Federal law.

(c) CLAIMS AGAINST TERRORISTS.—Nothing in this section shall in any way limit the ability of any plaintiff to seek any form of recovery from any person, government, or other entity that was a participant in, or aider and abettor of, any act of terrorism.

(d) EFFECTIVE PERIOD.—This section shall apply only to actions for property damage, personal injury, or death arising out of or resulting from acts of terrorism that occur during the period in which the Secretary is authorized to make loans and grants under this Act, including, if applicable, any extension of that period.

SEC. 402. PUNITIVE DAMAGES AGAINST INSURERS.

No punitive damages may be awarded in an action brought under section 401(a) against an insurer.

SA 2688. Mr. DODD (for himself, Mr. MCCONNELL, Mr. SCHUMER, Mr. BOND, Mr. TORRICELLI, Mr. MCCAIN, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 565, to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and election administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Equal Protection of Voting Rights Act of 2001''.

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

Sec. 1. Short title; table of contents.

TITLE I—UNIFORM AND NONDISCRIMINATORY ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS

Sec. 101. Voting systems standards.
Sec. 102. Provisional voting and voting information requirements.
Sec. 103. Computerized statewide voter registration list requirements and requirements for voters who register by mail.
Sec. 104. Enforcement by the Civil Rights Division of the Department of Justice.

TITLE II—GRANT PROGRAMS

Subtitle A—Uniform and Nondiscriminatory Election Technology and Administration Requirements Grant Program

Sec. 201. Establishment of the Uniform and Nondiscriminatory Election Technology and Administration Requirements Grant Program.
Sec. 202. State plans.
Sec. 203. Application.
Sec. 204. Approval of applications.
Sec. 205. Authorized activities.
Sec. 206. Payments.
Sec. 207. Audits and examinations of States and localities.
Sec. 208. Reports to Congress and the Attorney General.
Sec. 209. Authorization of appropriations.
Sec. 210. Effective date.

Subtitle B—Federal Election Reform Incentive Grant Program

Sec. 211. Establishment of the Federal Election Reform Incentive Grant Program.
Sec. 212. Application.
Sec. 213. Approval of applications.
Sec. 214. Authorized activities.
Sec. 215. Payments; Federal share.
Sec. 216. Audits and examinations of States and localities.
Sec. 217. Reports to Congress and the Attorney General.
Sec. 218. Authorization of appropriations.
Sec. 219. Effective date.

Subtitle C—Federal Election Accessibility Grant Program

Sec. 221. Establishment of the Federal Election Accessibility Grant Program.
Sec. 222. Application.
Sec. 223. Approval of applications.
Sec. 224. Authorized activities.
Sec. 225. Payments; Federal share.
Sec. 226. Audits and examinations of States and localities.

Sec. 227. Reports to Congress and the Attorney General.
Sec. 228. Authorization of appropriations.
Sec. 229. Effective date.

TITLE III—ADMINISTRATION

Subtitle A—Election Administration Commission

Sec. 301. Establishment of the Election Administration Commission.
Sec. 302. Membership of the Commission.
Sec. 303. Duties of the Commission.
Sec. 304. Meetings of the Commission.
Sec. 305. Powers of the Commission.
Sec. 306. Commission personnel matters.
Sec. 307. Authorization of appropriations.

Subtitle B—Transition Provisions

Sec. 311. Equal Protection of Voting Rights Act of 2001.
Sec. 312. Federal Election Campaign Act of 1971.
Sec. 313. National Voter Registration Act of 1993.
Sec. 314. Transfer of property, records, and personnel.
Sec. 315. Coverage of Election Administration Commission under certain laws and programs.
Sec. 316. Effective date; transition.

TITLE IV—MISCELLANEOUS

Sec. 401. Criminal penalties.
Sec. 402. Relationship to other laws.

TITLE I—UNIFORM AND NONDISCRIMINATORY ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS

SEC. 101. VOTING SYSTEMS STANDARDS.

(a) REQUIREMENTS.—Each voting system used in an election for Federal office shall meet the following requirements:

(1) IN GENERAL.—

(A) Except as provided in subparagraph (B), the voting system (including any lever voting system, optical scanning voting system, or direct recording electronic system) shall—

(i) permit the voter to verify the votes selected by the voter on the ballot before the ballot is cast and counted;

(ii) provide the voter with the opportunity to change the ballot or correct any error before the ballot is cast and counted (including the opportunity to correct the error through the issuance of a replacement ballot if the voter was otherwise unable to change the ballot or correct any error); and

(iii) if the voter selects votes for more than 1 candidate for a single office, the voting system shall—

(I) notify the voter that the voter has selected more than 1 candidate for a single office on the ballot;

(II) notify the voter before the ballot is cast and counted of the effect of casting multiple votes for the office; and

(III) provide the voter with the opportunity to correct the ballot before the ballot is cast and counted.

(B) A State or locality that uses a paper ballot voting system or a punchcard voting system may meet the requirement of subparagraph (A) by—

(i) establishing a voter education program specific to that voting system that notifies each voter of the effect of casting multiple votes for an office; and

(ii) providing the voter with the opportunity to correct the ballot before it is cast and counted.

(C) The voting system shall ensure that any notification required under this paragraph preserves the privacy of the voter and the confidentiality of the ballot.

(2) AUDIT CAPACITY.—The voting system shall produce a record with an audit capacity for such system.

(3) ACCESSIBILITY FOR INDIVIDUALS WITH DISABILITIES.—The voting system shall—

(A) be accessible for individuals with disabilities, including nonvisual accessibility for the blind and visually impaired, in a manner that provides the same opportunity for access and participation (including privacy and independence) as for other voters;

(B) satisfy the requirement of subparagraph (A) through the use of at least 1 direct recording electronic voting system or other voting system equipped for individuals with disabilities at each polling place; and

(C) meet the voting system standards for disability access if purchased with funds made available under title II on or after January 1, 2007.

(4) MULTILINGUAL VOTING MATERIALS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the voting system shall provide alternative language accessibility—

(i) with respect to a language other than English in a State or jurisdiction if, as determined by the Director of the Bureau of the Census—

(I)(aa) at least 5 percent of the total number of voting-age citizens who reside in such State or jurisdiction speak that language as their first language and who are limited-English proficient; or

(bb) there are at least 10,000 voting-age citizens who reside in that jurisdiction who speak that language as their first language and who are limited-English proficient; and

(II) the illiteracy rate of the group of citizens who speak that language is higher than the national illiteracy rate; or

(ii) with respect to a language other than English that is spoken by Native American or Alaskan native citizens in a jurisdiction that contains all or any part of an Indian reservation if, as determined by the Director of the Bureau of the Census—

(I) at least 5 percent of the total number of citizens on the reservation are voting-age Native American or Alaskan native citizens who speak that language as their first language and who are limited-English proficient; and

(II) the illiteracy rate of the group of citizens who speak that language is higher than the national illiteracy rate.

(B) EXCEPTION.—If a State meets the criteria of item (aa) of subparagraph (A)(i)(I) with respect to a language, a jurisdiction of that State shall not be required to provide alternative language accessibility under this paragraph with respect to that language if—

(i) less than 5 percent of the total number of voting age citizens who reside in that jurisdiction speak that language as their first language and are limited-English proficient; and

(ii) the jurisdiction does not meet the criteria of item (bb) of such subparagraph with respect to that language.

(5) ERROR RATES.—The error rate of the voting system in counting ballots (determined by taking into account only those errors which are attributable to the voting system and not attributable to an act of the voter) shall not exceed the error rate standards established under the voting systems standards issued and maintained by the Director of the Office of Election Administration of the Federal Election Commission (as revised by the Director of such Office under subsection (c)).

(b) VOTING SYSTEM DEFINED.—In this section, the term ''voting system'' means—

(1) the total combination of mechanical, electromechanical, or electronic equipment (including the software, firmware, and documentation required to program, control, and support the equipment) that is used—

(A) to define ballots;

(B) to cast and count votes;

(C) to report or display election results; and

(D) to maintain and produce any audit trail information;

(2) the practices and associated documentation used—

(A) to identify system components and versions of such components;

(B) to test the system during its development and maintenance;

(C) to maintain records of system errors and defects;

(D) to determine specific system changes to be made to a system after the initial qualification of the system; and

(E) to make available any materials to the voter (such as notices, instructions, forms, or paper ballots).

(c) ADMINISTRATION BY THE OFFICE OF ELECTION ADMINISTRATION.—

(1) IN GENERAL.—Not later than January 1, 2004, the Director of the Office of Election Administration of the Federal Election Commission, in consultation with the Architectural and Transportation Barriers Compliance Board (as established under section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792)), shall promulgate standards revising the voting systems standards issued and maintained by the Director of such Office so that such standards meet the requirements established under subsection (a).

(2) QUADRENNIAL REVIEW.—The Director of the Office of Election Administration of the Federal Election Commission shall review the voting systems standards revised under paragraph (1) no less frequently than once every 4 years.

(d) CONSTRUCTION.—Nothing in this section shall require a jurisdiction to change the voting system or systems (including paper balloting systems, including in-person, absentee, and mail-in paper balloting systems, lever machine systems, punchcard systems, optical scanning systems, and direct recording electronic systems) used in an election in order to be in compliance with this Act.

(e) EFFECTIVE DATE.—Each State and locality shall be required to comply with the requirements of this section on and after January 1, 2006.

SEC. 102. PROVISIONAL VOTING AND VOTING INFORMATION REQUIREMENTS.

(a) REQUIREMENTS.—If an individual declares that such individual is a registered voter in the jurisdiction in which the individual desires to vote and that the individual is eligible to vote in an election for Federal office, but the name of the individual does not appear on the official list of eligible voters for the polling place, or an election official asserts that the individual is not eligible to vote, such individual shall be permitted to cast a provisional ballot as follows:

(1) An election official at the polling place shall notify the individual that the individual may cast a provisional ballot in that election.

(2) The individual shall be permitted to cast a provisional ballot at that polling place upon the execution of a written affirmation by the individual before an election official at the polling place stating that the individual is—

(A) a registered voter in the jurisdiction in which the individual desires to vote; and

(B) eligible to vote in that election.

(3) An election official at the polling place shall transmit the ballot cast by the individual to an appropriate State or local election official for prompt verification of the written affirmation executed by the individual under paragraph (2).

(4) If the appropriate State or local election official to whom the ballot is transmitted under paragraph (3) determines that the individual is eligible under State law to vote in the jurisdiction, the individual's provisional ballot shall be counted as a vote in that election.

(5) At the time that an individual casts a provisional ballot, the appropriate State or local election official shall give the individual written information that states that—

(A) the individual will not receive any further notification if the individual's vote is counted;

(B) if the individual's vote is not counted, the individual will be notified not later than the date that is 30 days after the date of the election that the vote was not counted; and

(C) regardless of whether the individual's vote was counted, any individual casting a provisional ballot will be able to ascertain through a free access system (such as a toll-free telephone number or an Internet website) whether the vote was counted, and if the vote was not counted, the reason that the vote was not counted.

(6) The appropriate State or local election official shall—

(A) notify the individual who cast the ballot in writing not later than the date that is 30 days after the date of the election if a provisional ballot that is cast under this subsection is not counted; and

(B) establish a free access system (such as a toll-free telephone number or an Internet website) that any individual casting a provisional ballot may access to discover the reason that such vote was not counted.

(b) VOTING INFORMATION REQUIREMENTS.—

(1) PUBLIC POSTING ON ELECTION DAY.—The appropriate State or local election official shall cause voting information to be publicly posted at each polling place on the day of each election for Federal office.

(2) VOTING INFORMATION DEFINED.—In this section, the term ''voting information'' means—

(A) a sample version of the ballot that will be used for that election;

(B) information regarding the date of the election and the hours during which polling places will be open;

(C) instructions on how to vote, including how to cast a vote and how to cast a provisional ballot;

(D) instructions for mail-in registrants and first-time voters under section 103(b); and

(E) general information on voting rights under applicable Federal and State laws, including information on the right of an individual to cast a provisional ballot and instructions on how to contact the appropriate officials if these rights are alleged to have been violated.

(c) ADMINISTRATION BY THE CIVIL RIGHTS DIVISION.—Not later than January 1, 2003, the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice shall promulgate such guidelines as are necessary to implement the requirements of subsection (a).

(d) EFFECTIVE DATE.—

(1) PROVISIONAL VOTING.—Each State and locality shall be required to comply with the requirements of subsection (a) on and after January 1, 2004.

(2) VOTING INFORMATION.—Each State and locality shall be required to comply with the requirements of subsection (b) on and after the date of enactment of this Act.

SEC. 103. COMPUTERIZED STATEWIDE VOTER REGISTRATION LIST REQUIREMENTS AND REQUIREMENTS FOR VOTERS WHO REGISTER BY MAIL.

(a) COMPUTERIZED STATEWIDE VOTER REGISTRATION LIST REQUIREMENTS.—

(1) IMPLEMENTATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each State, acting through the chief State election official, shall implement an interactive computerized statewide voter registration list that contains the name and registration information of every legally registered voter in the State and assigns a unique identifier to each legally registered voter in the State (in this subsection referred to as the ''computerized list'').

(B) EXCEPTION.—The requirement under subparagraph (A) shall not apply to a State in which, under a State law in effect continuously on and after the date of enactment of this Act, there is no voter registration requirement for individuals in the State with respect to elections for Federal office.

(2) ACCESS.—The computerized list shall be accessible to each State and local election official in the State.

(3) COMPUTERIZED LIST MAINTENANCE.—

(A) IN GENERAL.—The appropriate State or local election official shall perform list maintenance with respect to the computerized list on a regular basis as follows:

(i) If an individual is to be removed from the computerized list, such individual shall be removed in accordance with the provisions of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.), including subsections (a)(4), (c)(2), (d), and (e) of section 8 of such Act (42 U.S.C. 1973gg–6).

(ii) For purposes of removing names of ineligible voters from the official list of eligible voters—

(I) under section 8(a)(3)(B) of such Act (42 U.S.C. 1973gg–6(a)(3)(B)), the State shall coordinate the computerized list with State agency records on felony status; and

(II) by reason of the death of the registrant under section 8(a)(4)(A) of such Act (42 U.S.C. 1973gg–6(a)(4)(A)), the State shall coordinate the computerized list with State agency records on death.

(B) CONDUCT.—The list maintenance performed under subparagraph (A) shall be conducted in a manner that ensures that—

(i) the name of each registered voter appears in the computerized list;

(ii) only voters who are not registered or who are not eligible to vote are removed from the computerized list; and

(iii) duplicate names are eliminated from the computerized list.

(b) REQUIREMENTS FOR VOTERS WHO REGISTER BY MAIL.—

(1) IN GENERAL.—Notwithstanding section 6(c) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–4(c)) and subject to paragraph (3), a State shall require an individual to meet the requirements of paragraph (2) if—

(A) the individual registered to vote in a jurisdiction by mail; and

(B) the individual has not previously voted in an election for Federal office in that jurisdiction.

(2) REQUIREMENTS.—

(A) IN GENERAL.—An individual meets the requirements of this paragraph if the individual—

(i) in the case of an individual who votes in person—

(I) presents to the appropriate State or local election official a current and valid photo identification; or

(II) presents to the appropriate State or local election official a copy of a current utility bill, bank statement, Government check, paycheck, or other Government document that shows the name and address of the voter; or

(ii) in the case of an individual who votes by mail, submits with the ballot—

(I) a copy of a current and valid photo identification; or

(II) a copy of a current utility bill, bank statement, Government check, paycheck, or other Government document that shows the name and address of the voter.

(B) PROVISIONAL VOTING.—An individual who desires to vote in person, but who does not meet the requirements of subparagraph (A)(i), may cast a provisional ballot under section 102(a).

(3) INAPPLICABILITY.—Paragraph (1) shall not apply in the case of a person—

(A) who registers to vote by mail under section 6 of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–4) and submits as part of such registration either—

(i) a copy of a current valid photo identification; or

(ii) a copy of a current utility bill, bank statement, Government check, paycheck, or Government document that shows the name and address of the voter; or

(B) who is described in a subparagraph of section 6(c)(2) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–4(c)(2)).

(4) CONTENTS OF MAIL-IN REGISTRATION FORM.—The mail voter registration form developed under section 6 of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–4) shall include:

(A) The question ''Are you a citizen of the United States of America?'' and boxes for the applicant to check to indicate whether the applicant is or is not a citizen of the United States.

(B) The question ''Will you be 18 years of age on or before election day?'' and boxes for the applicant to check to indicate whether or not the applicant will be 18 or older on election day.

(C) The statement ''If you checked 'no' in response to either of these questions, do not complete this form''.

(c) ADMINISTRATION BY THE CIVIL RIGHTS DIVISION.—Not later than October 1, 2003, the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice shall promulgate such guidelines as are necessary to implement the requirements of subsection (a).

(d) EFFECTIVE DATE.—

(1) COMPUTERIZED STATEWIDE VOTER REGISTRATION LIST REQUIREMENTS.—Each State and locality shall be required to comply with the requirements of subsection (a) on and after January 1, 2004.

(2) REQUIREMENTS FOR VOTERS WHO REGISTER BY MAIL.—Each State and locality shall be required to comply with the requirements of subsection (b) on and after the date of enactment of this Act.

SEC. 104. ENFORCEMENT BY THE CIVIL RIGHTS DIVISION OF THE DEPARTMENT OF JUSTICE.

(a) IN GENERAL.—Subject to subsection (b), the Attorney General, acting through the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice, may bring a civil action in an appropriate district court for such declaratory or injunctive relief as may be necessary to carry out this title.

(b) SAFE HARBOR.—

(1) IN GENERAL.—Except as provided in paragraph (2), if a State or locality receives funds under a grant program under subtitle A or B of title II for the purpose of meeting

a requirement under section 101, 102, or 103, such State or locality shall be deemed to be in compliance with such requirement until January 1, 2010, and no action may be brought against such State or locality on the basis that the State or locality is not in compliance with such requirement before such date.

(2) EXCEPTION.—The safe harbor provision under paragraph (1) shall not apply with respect to the requirement described in section 101(a)(3).

(c) RELATION TO OTHER LAWS.—The remedies established by this section are in addition to all other rights and remedies provided by law.

TITLE II—GRANT PROGRAMS

Subtitle A—Uniform and Nondiscriminatory Election Technology and Administration Requirements Grant Program

SEC. 201. ESTABLISHMENT OF THE UNIFORM AND NONDISCRIMINATORY ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS GRANT PROGRAM.

(a) IN GENERAL.—There is established a Uniform and Nondiscriminatory Election Technology and Administration Requirements Grant Program under which the Attorney General, subject to the general policies and criteria for the approval of applications established under section 204 and in consultation with the Federal Election Commission and the Architectural and Transportation Barriers Compliance Board (as established under section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792)), is authorized to make grants to States and localities to pay the costs of the activities described in section 205.

(b) ACTION THROUGH OFFICE OF JUSTICE PROGRAMS AND CIVIL RIGHTS DIVISION.—In carrying out this subtitle, the Attorney General shall act through the Assistant Attorney General in charge of the Office of Justice Programs of the Department of Justice and the Assistant Attorney General in charge of the Civil Rights Division of that Department.

SEC. 202. STATE PLANS.

(a) IN GENERAL.—Each State that desires to receive a grant under this subtitle shall develop a State plan, in consultation with State and local election officials of that State, that provides for each of the following:

(1) UNIFORM AND NONDISCRIMINATORY ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS.—A description of how the State will use the funds made available under this subtitle to meet each of the following requirements:

(A) The voting system standards under section 101.

(B) The provisional voting requirements under section 102.

(C) The computerized statewide voter registration list requirements under section 103(a), including a description of—

(i) how State and local election officials will ensure the accuracy of the list of eligible voters in the State to ensure that only registered voters appear in such list; and

(ii) the precautions that the State will take to prevent the removal of eligible voters from the list.

(D) The requirements for voters who register by mail under section 103(b), including the steps that the State will take to ensure—

(i) the accuracy of mail-in and absentee ballots; and

(ii) that the use of mail-in and absentee ballots does not result in duplicate votes.

(2) IDENTIFICATION, DETERRENCE, AND INVESTIGATION OF VOTING FRAUD.—An assessment of the susceptibility of elections for Federal office in the State to voting fraud and a description of how the State intends to identify, deter, and investigate such fraud.

(3) COMPLIANCE WITH EXISTING FEDERAL LAW.—Assurances that the State will comply with existing Federal laws, including the following:

(A) The Voting Rights Act of 1965 (42 U.S.C. 1973 et seq.), including sections 4(f)(4) and 203 of such Act (42 U.S.C. 1973b(f)(4) and 1973aa–1a).

(B) The Voting Accessibility for the Elderly and Handicapped Act (42 U.S.C. 1973ee et seq.).

(C) The Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.).

(D) The National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.).

(E) The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

(4) TIMETABLE.—A timetable for meeting the elements of the State plan.

(b) AVAILABILITY OF STATE PLANS FOR REVIEW AND COMMENT.—A State shall make the State plan developed under subsection (a) available for public review and comment before the submission of an application under section 203(a).

SEC. 203. APPLICATION.

(a) IN GENERAL.—Each State or locality that desires to receive a grant under this subtitle shall submit an application to the Attorney General at such time and in such manner as the Attorney General may require, and containing the information required under subsection (b) and such other information as the Attorney General may require.

(b) CONTENTS.—

(1) STATES.—Each application submitted by a State shall contain the State plan developed under section 202 and a description of how the State proposes to use funds made available under this subtitle to implement such State plan.

(2) LOCALITIES.—Each application submitted by a locality shall contain a description of how the locality proposes to use the funds made available under this subtitle in a manner that is consistent with the State plan developed under section 202.

(c) SAFE HARBOR.—No action may be brought against a State or locality on the basis of any information contained in the application submitted under subsection (a), including any information contained in the State plan developed under section 202.

SEC. 204. APPROVAL OF APPLICATIONS.

The Attorney General shall establish general policies and criteria with respect to the approval of applications submitted by States and localities under section 203(a) (including a review of State plans developed under section 202), the awarding of grants under this subtitle, and the use of assistance made available under this subtitle.

SEC. 205. AUTHORIZED ACTIVITIES.

A State or locality may use grant payments received under this subtitle for any of the following purposes:

(1) To implement voting system standards that meet the requirements of section 101.

(2) To provide for provisional voting that meets the requirements of section 102(a) and to meet the voting information requirements under section 102(b).

(3) To establish a computerized statewide voter registration list that meets the requirements of section 103(a) and to meet the requirements for voters who register by mail under section 103(b).

SEC. 206. PAYMENTS.

(a) IN GENERAL.—The Attorney General shall pay to each State or locality having an application approved under section 203 the cost of the activities described in that application.

(b) RETROACTIVE PAYMENTS.—The Attorney General may make retroactive payments to States and localities having an application approved under section 203 for any costs for election technology or administration that meets a requirement of section 101, 102, or 103 that were incurred during the period beginning on January 1, 2001, and ending on the date on which such application was approved under such section.

SEC. 207. AUDITS AND EXAMINATIONS OF STATES AND LOCALITIES.

(a) RECORDKEEPING REQUIREMENT.—Each recipient of a grant under this subtitle shall keep such records as the Attorney General, in consultation with the Federal Election Commission, shall prescribe.

(b) AUDITS AND EXAMINATIONS.—The Attorney General and the Comptroller General, or any authorized representative of the Attorney General or the Comptroller General, may audit or examine any recipient of a grant under this subtitle and shall, for the purpose of conducting an audit or examination, have access to any record of a recipient of a grant under this subtitle that the Attorney General or the Comptroller General determines may be related to the grant.

SEC. 208. REPORTS TO CONGRESS AND THE ATTORNEY GENERAL.

(a) REPORTS TO CONGRESS.—

(1) IN GENERAL.—Not later than January 31, 2003, and each year thereafter, the Attorney General shall submit to the President and Congress a report on the grant program established under this subtitle for the preceding year.

(2) CONTENTS.—Each report submitted under paragraph (1) shall contain the following:

(A) A description and analysis of any activities funded by a grant awarded under this subtitle.

(B) Any recommendation for legislative or administrative action that the Attorney General considers appropriate.

(b) REPORTS TO THE ATTORNEY GENERAL.—The Attorney General shall require each recipient of a grant under this subtitle to submit reports to the Attorney General at such time, in such manner, and containing such information as the Attorney General considers appropriate.

SEC. 209. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out the provisions of this subtitle the following amounts:

(1) For fiscal year 2003, $1,000,000,000.

(2) For fiscal year 2004, $1,300,000,000.

(3) For fiscal year 2005, $500,000,000.

(4) For fiscal year 2006, $200,000,000.

(5) For each subsequent fiscal year, such sums as may be necessary.

(b) AVAILABILITY.—Any amounts appropriated pursuant to the authority of subsection (a) shall remain available until expended.

SEC. 210. EFFECTIVE DATE.

The Attorney General shall establish the general policies and criteria for the approval of applications under section 204 in a manner that ensures that the Attorney General is able to approve applications not later than October 1, 2002.

Subtitle B—Federal Election Reform Incentive Grant Program

SEC. 211. ESTABLISHMENT OF THE FEDERAL ELECTION REFORM INCENTIVE GRANT PROGRAM.

(a) IN GENERAL.—There is established a Federal Election Reform Incentive Grant

Program under which the Attorney General, subject to the general policies and criteria for the approval of applications established under section 213(a) and in consultation with the Federal Election Commission and the Architectural and Transportation Barriers Compliance Board (as established under section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792)), is authorized to make grants to States and localities to pay the costs of the activities described in section 214.

(b) ACTION THROUGH OFFICE OF JUSTICE PROGRAMS AND CIVIL RIGHTS DIVISION.—In carrying out this subtitle, the Attorney General shall act through—

(1) the Assistant Attorney General in charge of the Office of Justice Programs of the Department of Justice; and

(2) the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice (in this subtitle referred to as the ''Assistant Attorney General for Civil Rights'').

SEC. 212. APPLICATION.

(a) IN GENERAL.—Each State or locality that desires to receive a grant under this subtitle shall submit an application to the Attorney General at such time, in such manner, and containing such information as the Attorney General shall require, consistent with the provisions of this section.

(b) CONTENTS.—Each application submitted under subsection (a) shall—

(1) describe the activities for which assistance under this section is sought;

(2) contain a request for certification by the Assistant Attorney General for Civil Rights described in subsection (c);

(3) provide assurances that the State or locality will pay the non-Federal share of the cost of the activities for which assistance is sought from non-Federal sources; and

(4) provide such additional assurances as the Attorney General determines to be essential to ensure compliance with the requirements of this subtitle.

(c) REQUEST FOR CERTIFICATION BY THE CIVIL RIGHTS DIVISION.—

(1) COMPLIANCE WITH CURRENT FEDERAL ELECTION LAW.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each request for certification described in subsection (b)(2) shall contain a specific and detailed demonstration that the State or locality is in compliance with each of the following laws:

(i) The Voting Rights Act of 1965 (42 U.S.C. 1973 et seq.), including sections 4(f)(4) and 203 of such Act (42 U.S.C. 1973b(f)(4) and 1973aa–1a).

(ii) The Voting Accessibility for the Elderly and Handicapped Act (42 U.S.C. 1973ee et seq.).

(iii) The Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.).

(iv) The National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.).

(v) The Americans with Disabilities Act of 1990 (42 U.S.C. 1994 et seq.).

(vi) The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

(B) APPLICANTS UNABLE TO MEET REQUIREMENTS.—Each State or locality that, at the time it applies for a grant under this subtitle, does not demonstrate that it meets each requirement described in subparagraph (A), shall submit to the Attorney General a detailed and specific demonstration of how the State or locality intends to use grant funds to meet each such requirement.

(2) UNIFORM AND NONDISCRIMINATORY REQUIREMENTS FOR ELECTION TECHNOLOGY AND ADMINISTRATION.—In addition to the demonstration required under paragraph (1), each request for certification described in subsection (b)(2) shall contain a specific and detailed demonstration that the proposed use of grant funds by the State or locality is not inconsistent with the requirements under section 101, 102, or 103.

(d) SAFE HARBOR.—No action may be brought against a State or locality on the basis of any information contained in the application submitted under subsection (a), including any information contained in the request for certification described in subsection (c).

SEC. 213. APPROVAL OF APPLICATIONS.

(a) IN GENERAL.—Subject to subsection (b), the Attorney General shall establish general policies and criteria for the approval of applications submitted under section 212(a).

(b) CERTIFICATION PROCEDURE.—

(1) IN GENERAL.—The Attorney General may not approve an application of a State or locality submitted under section 212(a) unless the Attorney General has received a certification from the Assistant Attorney General for Civil Rights under paragraph (4) with respect to such State or locality.

(2) TRANSMITTAL OF REQUEST.—Upon receipt of the request for certification submitted under section 212(b)(2), the Attorney General shall transmit such request to the Assistant Attorney General for Civil Rights.

(3) CERTIFICATION; NONCERTIFICATION.—

(A) CERTIFICATION.—If the Assistant Attorney General for Civil Rights finds that the request for certification demonstrates that—

(i) a State or locality meets the requirements of subparagraph (A) of section 212(c)(1), or that a State or locality has provided a detailed and specific demonstration of how it will use funds received under this section to meet such requirements under subparagraph (B) of such section; and

(ii) the proposed use of grant funds by the State or locality meets the requirements of section 212(c)(2),

the Assistant Attorney General for Civil Rights shall certify that the State or locality is eligible to receive a grant under this subtitle.

(B) NONCERTIFICATION.—If the Assistant Attorney General for Civil Rights finds that the request for certification does not demonstrate that a State or locality meets the requirements described in subparagraph (A), the Assistant Attorney General for Civil Rights shall not certify that the State or locality is eligible to receive a grant under this subtitle.

(4) TRANSMITTAL OF CERTIFICATION.—The Assistant Attorney General for Civil Rights shall transmit to the Attorney General either—

(A) a certification under subparagraph (A) of paragraph (3); or

(B) a notice of noncertification under subparagraph (B) of such paragraph, together with a report identifying the relevant deficiencies in the State's or locality's system for voting or administering elections for Federal office or in the request for certification submitted by the State or locality.

SEC. 214. AUTHORIZED ACTIVITIES.

A State or locality may use grant payments received under this subtitle—

(1) to improve, acquire, lease, modify, or replace voting systems and technology and to improve the accessibility of polling places, including providing physical access for individuals with disabilities, providing nonvisual access for individuals with visual impairments, and providing assistance to individuals with limited proficiency in the English language;

(2) to implement new election administration procedures to increase voter participation and to reduce disenfranchisement, such as ''same-day'' voter registration procedures;

(3) to educate voters concerning voting procedures, voting rights or voting technology, and to train election officials, poll workers, and election volunteers;

(4) to implement new election administration procedures such as requiring individuals to present identification at the polls and programs to identify, to deter, and to investigate voting fraud and to refer allegations of voting fraud to the appropriate authority;

(5) to meet the requirements of current Federal election law in accordance with the demonstration submitted under section 212(c)(1)(B) of such section; or

(6) to meet the requirements under section 101, 102, or 103.

SEC. 215. PAYMENTS; FEDERAL SHARE.

(a) PAYMENTS.—

(1) IN GENERAL.—The Attorney General shall pay to each State or locality having an application approved under section 213 the Federal share of the costs of the activities described in that application.

(2) RETROACTIVE PAYMENTS.—The Attorney General may make retroactive payments to States and localities having an application approved under section 213 for the Federal share of any costs for election technology or administration that meets the requirements of sections 101, 102, and 103 that were incurred during the period beginning on January 1, 2001, and ending on the date on which such application was approved under such section.

(b) FEDERAL SHARE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Federal share of the costs shall be a percentage determined by the Attorney General that does not exceed 80 percent.

(2) EXCEPTION.—The Attorney General may provide for a Federal share of greater than 80 percent of the costs for a State or locality if the Attorney General determines that such greater percentage is necessary due to the lack of resources of the State or locality.

SEC. 216. AUDITS AND EXAMINATIONS OF STATES AND LOCALITIES.

(a) RECORDKEEPING REQUIREMENT.—Each recipient of a grant under this subtitle shall keep such records as the Attorney General, in consultation with the Federal Election Commission, shall prescribe.

(b) AUDITS AND EXAMINATIONS.—The Attorney General and the Comptroller General, or any authorized representative of the Attorney General or the Comptroller General, may audit or examine any recipient of a grant under this subtitle and shall, for the purpose of conducting an audit or examination, have access to any record of a recipient of a grant under this subtitle that the Attorney General or the Comptroller General determines may be related to the grant.

(c) OTHER AUDITS.—If the Assistant Attorney General for Civil Rights has certified a State or locality as eligible to receive a grant under this subtitle in order to meet a certification requirement described in section 212(c)(1)(A) (as permitted under section 214(5)) and such State or locality is a recipient of such a grant, such Assistant Attorney General, in consultation with the Federal Election Commission shall—

(1) audit such recipient to ensure that the recipient has achieved, or is achieving, compliance with the certification requirements described in section 212(c)(1)(A); and

(2) have access to any record of the recipient that the Attorney General determines may be related to such a grant for the purpose of conducting such an audit.

SEC. 217. REPORTS TO CONGRESS AND THE ATTORNEY GENERAL.

(a) REPORTS TO CONGRESS.—

(1) IN GENERAL.—Not later than January 31, 2003, and each year thereafter, the Attorney General shall submit to the President and Congress a report on the grant program established under this subtitle for the preceding year.

(2) CONTENTS.—Each report submitted under paragraph (1) shall contain the following:

(A) A description and analysis of any activities funded by a grant awarded under this subtitle.

(B) Any recommendation for legislative or administrative action that the Attorney General considers appropriate.

(b) REPORTS TO THE ATTORNEY GENERAL.—The Attorney General shall require each recipient of a grant under this subtitle to submit reports to the Attorney General at such time, in such manner, and containing such information as the Attorney General considers appropriate.

SEC. 218. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated $400,000,000 for fiscal year 2002 to carry out the provisions of this subtitle.

(b) AVAILABILITY.—Any amounts appropriated pursuant to the authority of subsection (a) shall remain available without fiscal year limitation until expended.

SEC. 219. EFFECTIVE DATE.

The Attorney General shall establish the general policies and criteria for the approval of applications under section 213(a) in a manner that ensures that the Attorney General is able to approve applications not later than October 1, 2002.

Subtitle C—Federal Election Accessibility Grant Program

SEC. 221. ESTABLISHMENT OF THE FEDERAL ELECTION ACCESSIBILITY GRANT PROGRAM.

(a) IN GENERAL.—There is established a Federal Election Accessibility Grant Program under which the Attorney General, subject to the general policies and criteria for the approval of applications established under section 223 by the Architectural and Transportation Barriers Compliance Board (as established under section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792)) (in this subtitle referred to as the ''Access Board''), is authorized to make grants to States and localities to pay the costs of the activities described in section 224.

(b) ACTION THROUGH OFFICE OF JUSTICE PROGRAMS AND CIVIL RIGHTS DIVISION.—In carrying out this subtitle, the Attorney General shall act through—

(1) the Assistant Attorney General in charge of the Office of Justice Programs of the Department of Justice; and

(2) the Assistant Attorney General in charge of the Civil Rights Division of that Department.

SEC. 222. APPLICATION.

(a) IN GENERAL.—Each State or locality that desires to receive a grant under this subtitle shall submit an application to the Attorney General at such time, in such manner, and containing such information as the Attorney General shall require, consistent with the provisions of this section.

(b) CONTENTS.—Each application submitted under subsection (a) shall—

(1) describe the activities for which assistance under this section is sought;

(2) provide assurances that the State or locality will pay the non-Federal share of the cost of the activities for which assistance is sought from non-Federal sources; and

(3) provide such additional assurances as the Attorney General determines to be essential to ensure compliance with the requirements of this subtitle.

(c) RELATION TO FEDERAL ELECTION REFORM INCENTIVE GRANT PROGRAM.—A State or locality that desires to do so may submit an application under this section as part of any application submitted under section 212(a).

(d) SAFE HARBOR.—No action may be brought against a State or locality on the basis of any information contained in the application submitted under subsection (a).

SEC. 223. APPROVAL OF APPLICATIONS.

The Access Board shall establish general policies and criteria for the approval of applications submitted under section 222(a).

SEC. 224. AUTHORIZED ACTIVITIES.

A State or locality may use grant payments received under this subtitle—

(1) to make polling places, including the path of travel, entrances, exits, and voting areas of each polling facility, accessible to individuals with disabilities, including the blind and visually impaired, in a manner that provides the same opportunity for access and participation (including privacy and independence) as for other voters; and

(2) to provide individuals with disabilities and the other individuals described in paragraph (1) with information about the accessibility of polling places, including outreach programs to inform the individuals about the availability of accessible polling places and to train election officials, poll workers, and election volunteers on how best to promote the access and participation of the individuals in elections for Federal office.

SEC. 225. PAYMENTS; FEDERAL SHARE.

(a) PAYMENTS.—The Attorney General shall pay to each State or locality having an application approved under section 223 the Federal share of the costs of the activities described in that application.

(b) FEDERAL SHARE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Federal share of the costs shall be a percentage determined by the Attorney General that does not exceed 80 percent.

(2) EXCEPTION.—The Attorney General may provide for a Federal share of greater than 80 percent of the costs for a State or locality if the Attorney General determines that such greater percentage is necessary due to the lack of resources of the State or locality.

SEC. 226. AUDITS AND EXAMINATIONS OF STATES AND LOCALITIES.

(a) RECORDKEEPING REQUIREMENT.—Each recipient of a grant under this subtitle shall keep such records as the Attorney General, in consultation with the Access Board, shall prescribe.

(b) AUDITS AND EXAMINATIONS.—The Attorney General and the Comptroller General, or any authorized representative of the Attorney General or the Comptroller General, may audit or examine any recipient of a grant under this subtitle and shall, for the purpose of conducting an audit or examination, have access to any record of a recipient of a grant under this subtitle that the Attorney General or the Comptroller General determines may be related to the grant.

SEC. 227. REPORTS TO CONGRESS AND THE ATTORNEY GENERAL.

(a) REPORTS TO CONGRESS.—

(1) IN GENERAL.—Not later than January 31, 2003, and each year thereafter, the Attorney General shall submit to the President and Congress a report on the grant program established under this subtitle for the preceding year.

(2) CONTENTS.—Each report submitted under paragraph (1) shall contain the following:

(A) A description and analysis of any activities funded by a grant awarded under this subtitle.

(B) Any recommendation for legislative or administrative action that the Attorney General considers appropriate.

(b) REPORTS TO THE ATTORNEY GENERAL.—The Attorney General shall require each recipient of a grant under this subtitle to submit reports to the Attorney General at such time, in such manner, and containing such information as the Attorney General considers appropriate.

SEC. 228. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated $100,000,000 for fiscal year 2002 to carry out the provisions of this subtitle.

(b) AVAILABILITY.—Any amounts appropriated pursuant to the authority of subsection (a) shall remain available without fiscal year limitation until expended.

SEC. 229. EFFECTIVE DATE.

The Access Board shall establish the general policies and criteria for the approval of applications under section 223 in a manner that ensures that the Attorney General is able to approve applications not later than October 1, 2002.

TITLE III—ADMINISTRATION

Subtitle A—Election Administration Commission

SEC. 301. ESTABLISHMENT OF THE ELECTION ADMINISTRATION COMMISSION.

There is established the Election Administration Commission (in this subtitle referred to as the ''Commission'') as an independent establishment (as defined in section 104 of title 5, United States Code).

SEC. 302. MEMBERSHIP OF THE COMMISSION.

(a) NUMBER AND APPOINTMENT.—

(1) COMPOSITION.—The Commission shall be composed of 4 members appointed by the President, by and with the advice and consent of the Senate.

(2) RECOMMENDATIONS.—Before the initial appointment of the members of the Commission and before the appointment of any individual to fill a vacancy on the Commission, the Majority Leader of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate, and the Minority Leader of the House of Representatives shall each submit to the President a candidate recommendation with respect to each vacancy on the Commission affiliated with the political party of the officer involved.

(b) QUALIFICATIONS.—

(1) IN GENERAL.—Each member appointed under subsection (a) shall be appointed on the basis of—

(A) knowledge of—

(i) and experience with, election law;

(ii) and experience with, election technology;

(iii) and experience with, Federal, State, or local election administration;

(iv) the Constitution; or

(v) the history of the United States; and

(B) integrity, impartiality, and good judgment.

(2) PARTY AFFILIATION.—Not more than 2 of the 4 members appointed under subsection (a) may be affiliated with the same political party.

(3) FEDERAL OFFICERS AND EMPLOYEES.—Members appointed under subsection (a)

shall be individuals who, at the time appointed to the Commission, are not elected or appointed officers or employees of the Federal Government.

(4) OTHER ACTIVITIES.—No member appointed to the Commission under subsection (a) may engage in any other business, vocation, or employment while serving as a member of the Commission and shall terminate or liquidate such business, vocation, or employment not later than the date on which the Commission first meets.

(c) DATE OF APPOINTMENT.—The appointments of the members of the Commission shall be made not later than the date that is 90 days after the date of enactment of this Act.

(d) PERIOD OF APPOINTMENT; VACANCIES.—

(1) PERIOD OF APPOINTMENT.—Members shall be appointed for a term of 6 years, except that, of the members first appointed, 2 of the members who are not affiliated with the same political party shall be appointed for a term of 4 years. Except as provided in paragraph (2), a member may only serve 1 term.

(2) VACANCIES.—

(A) IN GENERAL.—A vacancy on the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made. The appointment made to fill the vacancy shall be subject to any conditions which applied with respect to the original appointment.

(B) EXPIRED TERMS.—A member of the Commission may serve on the Commission after the expiration of the member's term until the successor of such member has taken office as a member of the Commission.

(C) UNEXPIRED TERMS.—An individual appointed to fill a vacancy on the Commission occurring before the expiration of the term for which the individual's predecessor was appointed shall be appointed for the unexpired term of the member replaced. Such individual may be appointed to a full term in addition to the unexpired term for which that individual is appointed.

(e) CHAIRPERSON; VICE CHAIRPERSON.—

(1) IN GENERAL.—The Commission shall elect a chairperson and vice chairperson from among its members for a term of 1 year.

(2) NUMBER OF TERMS.—A member of the Commission may serve as the chairperson only twice during the term of office to which such member is appointed.

(3) POLITICAL AFFILIATION.—The chairperson and vice chairperson may not be affiliated with the same political party.

SEC. 303. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission—

(1) shall serve as a clearinghouse, gather information, conduct studies, and issue reports concerning issues relating to elections for Federal office;

(2) shall carry out the provisions of section 9 of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–7);

(3) shall make available information regarding the Federal election system to the public and media;

(4) shall compile and make available to the public the official certified results of elections for Federal office and statistics regarding national voter registration and turnout;

(5) shall establish an Internet website to facilitate public access, public comment, and public participation in the activities of the Commission, and shall make all information on such website available in print;

(6) shall conduct the study on election technology and administration under subsection (b)(1) and submit the report under subsection (b)(2); and

(7) beginning on the transition date (as defined in section 316(a)(2)), shall administer—

(A) the voting systems standards under section 101;

(B) the provisional voting requirements under section 102;

(C) the computerized statewide voter registration list requirements and requirements for voters who register by mail under section 103;

(D) the Uniform and Nondiscriminatory Election Technology and Administration Requirements Grant Program under subtitle A of title II;

(E) the Federal Election Reform Incentive Grant Program under subtitle C of title II; and

(F) the Federal Election Accessibility Grant Program under subtitle B of title II.

(b) STUDIES AND REPORTS ON ELECTION TECHNOLOGY AND ADMINISTRATION.—

(1) STUDIES.—The Commission shall conduct periodic studies of—

(A) methods of election technology and voting systems in elections for Federal office, including the over-vote and under-vote notification capabilities of such technology and systems;

(B) ballot designs for elections for Federal office;

(C) methods of ensuring the accessibility of voting, registration, polling places, and voting equipment to all voters, including blind and disabled voters, and voters with limited proficiency in the English language;

(D) nationwide statistics and methods of identifying, deterring, and investigating voting fraud in elections for Federal office;

(E) methods of voter intimidation;

(F) the recruitment and training of poll workers;

(G) the feasibility and advisability of conducting elections for Federal office on different days, at different places, and during different hours, including the advisability of establishing a uniform poll closing time and establishing election day as a Federal holiday;

(H) ways that the Federal Government can best assist State and local authorities to improve the administration of elections for Federal office and what levels of funding would be necessary to provide such assistance; and

(I) such other matters as the Commission determines are appropriate.

(2) REPORTS.—The Commission shall submit to the President and Congress a report on each study conducted under paragraph (1) together with such recommendations for administrative and legislative action as the Commission determines is appropriate.

SEC. 304. MEETINGS OF THE COMMISSION.

The Commission shall meet at the call of any member of the Commission, but may not meet less often than monthly.

SEC. 305. POWERS OF THE COMMISSION.

(a) HEARINGS.—The Commission or, at its direction, any subcommittee or member of the Commission, may, for the purpose of carrying out this subtitle hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, administer such oaths as the Commission or such subcommittee or member considers advisable.

(b) VOTING.—

(1) IN GENERAL.—Each action of the Commission shall be approved by a majority vote of the members of the Commission and each member of the Commission shall have 1 vote.

(2) SPECIAL RULES.—

(A) UNIFORM AND NONDISCRIMINATORY ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS.—

(i) ADOPTION OR REVISION OF STANDARDS AND GUIDELINES.—If standards or guidelines have been promulgated under section 101, 102, or 103 as of the transition date (as defined in section 316(a)(2)), not later than 30 days after the transition date, the Commission shall—

(I) adopt such standards or guidelines by a majority vote of the members of the Commission; or

(II) promulgate revisions to such standards or guidelines and such revisions shall take effect only upon the approval of a majority of the members of the Commission.

(ii) ESTABLISHMENT OF STANDARDS AND GUIDELINES.—

(I) If standards or guidelines have not been promulgated under section 101, 102, or 103 as of the transition date (as defined in section 316(a)(2)), the Commission shall promulgate such standards or guidelines not later than the date described in subclause (II) and such standards or guidelines shall take effect only upon the approval of a majority of the members of the Commission.

(II) The date described this subclause is the later of—

(aa) the date described in section 101(c)(1), 102(c), or 103(c) (as applicable); or

(bb) the date that is 30 days after the transition date (as defined in section 316(a)(2)).

(B) GRANT PROGRAMS.—

(i) APPROVAL OR DENIAL.—The grants shall be approved or denied under sections 204, 213, and 223 by a majority vote of the members of the Commission not later than the date that is 30 days after the date on which the application is submitted to the Commission under section 203, 212, or 222.

(ii) ADOPTION OR REVISION OF GENERAL POLICIES AND CRITERIA.—If general policies and criteria for the approval of applications have been established under section 204, 213, or 223 as of the transition date (as defined in section 316(a)(2)), not later than 30 days after the transition date, the Commission shall—

(I) adopt such general policies and criteria by a majority vote of the members of the Commission; or

(II) promulgate revisions to such general policies and criteria and such revisions shall take effect only upon the approval of a majority of the members of the Commission.

(iii) ESTABLISHMENT OF GENERAL POLICIES AND CRITERIA.—

(I) If general policies and criteria for the approval of applications have been established under section 204, 213, or 223 as of the transition date (as defined in section 316(a)(2)), the Commission shall promulgate such general policies and criteria not later than the date described in subclause (II) and such general policies and criteria shall take effect only upon the approval of a majority of the members of the Commission.

(II) The date described this subclause is the later of—

(aa) the date described in section 101(c)(1), 102(c), or 103(c) (as applicable); or

(bb) the date that is 30 days after the transition date (as defined in section 316(a)(2)).

(c) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out this subtitle. Upon request of the Commission, the head of such department or agency shall furnish such information to the Commission.

(d) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

SEC. 306. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—Each member of the Commission shall be compensated at the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(b) STAFF.—

(1) APPOINTMENT AND TERMINATION.—Subject to paragraph (2), the Commission may, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, appoint and terminate an Executive Director, a General Counsel, and such other personnel as may be necessary to enable the Commission to perform its duties.

(2) EXECUTIVE DIRECTOR; GENERAL COUNSEL.—

(A) APPOINTMENT AND TERMINATION.—The appointment and termination of the Executive Director and General Counsel under paragraph (1) shall be approved by a majority of the members of the Commission.

(B) INITIAL APPOINTMENT.—Beginning on the transition date (as defined in section 316(a)(2)), the Director of the Office of Election Administration of the Federal Election Commission shall serve as the Executive Director of the Commission until such date as a successor is appointed under paragraph (1).

(C) TERM.—The term of the Executive Director and the General Counsel shall be for a period of 6 years. An individual may not serve for more than 2 terms as the Executive Director or the General Counsel. The appointment of an individual with respect to each term shall be approved by a majority of the members of the Commission.

(D) CONTINUANCE IN OFFICE.—Notwithstanding subparagraph (C), the Executive Director and General Counsel shall continue in office until a successor is appointed under paragraph (1).

(3) COMPENSATION.—The Commission may fix the compensation of the Executive Director, General Counsel, and other personnel without regard to chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the Executive Director, General Counsel, and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(c) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(d) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

SEC. 307. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Commission such sums as may be necessary to carry out this subtitle.

Subtitle B—Transition Provisions

SEC. 311. EQUAL PROTECTION OF VOTING RIGHTS ACT OF 2001.

(a) TRANSFER OF CERTAIN FUNCTIONS OF FEDERAL ELECTION COMMISSION.—There are transferred to the Election Administration Commission established under section 301 all functions of the Federal Election Commission under section 101 and under subtitles A and B of title II before the transition date (as defined in section 316(a)(2)).

(b) TRANSFER OF CERTAIN FUNCTIONS OF THE ATTORNEY GENERAL.—

(1) TITLE I FUNCTIONS.—There are transferred to the Election Administration Commission established under section 301 all functions of the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice under sections 102 and 103 before the transition date (as defined in section 316(a)(2)).

(2) GRANTMAKING FUNCTIONS.—

(A) IN GENERAL.—Except as provided in paragraph (2), there are transferred to the Election Administration Commission established under section 301 all functions of the Attorney General, the Assistant Attorney General in charge of the Office of Justice Programs of the Department of Justice, and the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice under subtitles A, B, and C of title II before the transition date (as defined in section 316(a)(2)).

(B) EXCEPTION.—The functions of the Attorney General relating to the review of State plans under section 204 and the certification requirements under section 213 shall not be transferred under paragraph (1).

(3) ENFORCEMENT.—The Attorney General shall remain responsible for any enforcement action required under this Act, including the enforcement of the voting systems standards through the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice under section 104 and the criminal penalties under section 401.

(c) TRANSFER OF CERTAIN FUNCTIONS OF THE ACCESS BOARD.—There are transferred to the Election Administration Commission established under section 301 all functions of the Architectural and Transportation Barriers Compliance Board (as established under section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792)) under section 101 and under subtitles A, B, and C of title II before the transition date (as defined in section 316(a)(2)).

SEC. 312. FEDERAL ELECTION CAMPAIGN ACT OF 1971.

(a) TRANSFER OF FUNCTIONS OF OFFICE OF ELECTION ADMINISTRATION.—There are transferred to the Election Administration Commission established under section 301 all functions of the Director of the Office of the Election Administration of the Federal Election Commission before the transition date (as defined in section 316(a)(2)).

(b) CONFORMING AMENDMENT.—Section 311(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(a)) is amended—

(1) in paragraph (8), by inserting ''and'' at the end;

(2) in paragraph (9), by striking ''; and'' and inserting a period; and

(3) by striking paragraph (10) and the second and third sentences.

SEC. 313. NATIONAL VOTER REGISTRATION ACT OF 1993.

(a) TRANSFER OF FUNCTIONS.—There are transferred to the Election Administration Commission established under section 301 all functions of the Federal Election Commission under the National Voter Registration Act of 1993 before the transition date (as defined in section 316(a)(2)).

(b) CONFORMING AMENDMENT.—For purposes of section 9(a) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–7(a)), the reference to the Federal Election Commission shall be deemed to be a reference to the Election Administration Commission.

SEC. 314. TRANSFER OF PROPERTY, RECORDS, AND PERSONNEL.

(a) PROPERTY AND RECORDS.—The contracts, liabilities, records, property, and other assets and interests of, or made available in connection with, the offices and functions of the Federal Election Commission which are transferred by this subtitle are transferred to the Election Administration Commission for appropriate allocation.

(b) PERSONNEL.—The personnel employed in connection with the offices and functions of the Federal Election Commission which are transferred by this subtitle are transferred to the Election Administration Commission.

SEC. 315. COVERAGE OF ELECTION ADMINISTRATION COMMISSION UNDER CERTAIN LAWS AND PROGRAMS.

(a) TREATMENT OF COMMISSION PERSONNEL UNDER CERTAIN CIVIL SERVICE LAWS.—

(1) COVERAGE UNDER HATCH ACT.—Section 7323(b)(2)(B)(i)(I) of title 5, United States Code, is amended by inserting ''or the Election Administration Commission'' after ''Commission''.

(2) EXCLUSION FROM SENIOR EXECUTIVE SERVICE.—Section 3132(a)(1)(C) of title 5, United States Code, is amended by inserting ''or the Election Administration Commission'' after ''Commission''.

(b) COVERAGE UNDER INSPECTOR GENERAL ACT OF 1978.—Section 8G(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by inserting '', the Election Administration Commission,'' after ''Federal Election Commission,''.

SEC. 316. EFFECTIVE DATE; TRANSITION.

(a) EFFECTIVE DATE.—

(1) IN GENERAL.—This subtitle and the amendments made by this subtitle shall take effect on the transition date (as defined in paragraph (2)).

(2) TRANSITION DATE DEFINED.—In this section, the term ''transition date'' means the earlier of—

(A) the date that is 1 year after the date of enactment of this Act; or

(B) the date that is 60 days after the first date on which all of the members of the Election Administration Commission have been appointed under section 302.

(b) TRANSITION.—With the consent of the entity involved, the Election Administration Commission is authorized to utilize the services of such officers, employees, and other personnel of the entities from which functions have been transferred to the Commission under this title or the amendments made by this title for such period of time as may reasonably be needed to facilitate the orderly transfer of such functions.

TITLE IV—MISCELLANEOUS

SEC. 401. CRIMINAL PENALTIES.

(a) CONSPIRACY TO DEPRIVE VOTERS OF A FAIR ELECTION.—Any individual who gives false information in registering or voting in violation of section 11(c) of the National Voting Rights Act of 1965 (42 U.S.C. 1973i(c)), or conspires with another to violate such section, shall be fined or imprisoned, or both, in accordance with such section.

(b) FALSE INFORMATION IN REGISTERING AND VOTING.—Any individual who commits fraud or makes a false statement with respect to the naturalization, citizenry, or alien registry of such individual in violation of section 1015 of title 18, United States Code, shall be fined or imprisoned, or both, in accordance with such section.

SEC. 402. RELATIONSHIP TO OTHER LAWS.

(a) IN GENERAL.—Except as otherwise provided in this Act, nothing in this Act may be

construed to authorize or require conduct prohibited under the following laws, or supersede, restrict, or limit such laws:

(1) The Voting Rights Act of 1965 (42 U.S.C. 1973 et seq.).

(2) The Voting Accessibility for the Elderly and Handicapped Act (42 U.S.C. 1973ee et seq.).

(3) The Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.).

(4) The National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.).

(5) The Americans with Disabilities Act of 1990 (42 U.S.C. 1994 et seq.).

(6) The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

(b) NO EFFECT ON PRECLEARANCE OR OTHER REQUIREMENTS UNDER VOTING RIGHTS ACT.—The approval by the Attorney General of a State's application for a grant under title II, or any other action taken by the Attorney General or a State under such title, shall not be considered to have any effect on requirements for preclearance under section 5 of the Voting Rights Act of 1965 (42 U.S.C. 1973c) or any other requirements of such Act.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. WELLSTONE. 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 Wednesday, December 19, 2001, immediately following the 1:15 p.m. cloture vote, to conduct a markup on the nominations of Ms. Vickers B. Meadows, of Virginia, to be an Assistant Secretary of Housing and Urban Development; and Ms. Diane L. Tomb, of Virginia, to be an Assistant Secretary of Housing and Urban Development.

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

COMMITTEE ON FINANCE

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Wednesday, December 19, 2001, at 10 a.m. to consider the nomination of Edward Kingman, Jr. to be Assistant Secretary for Management Budget and Chief Financial Officer, U.S. Department of Treasury.

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

PRIVILEGE OF THE FLOOR

Mr. DURBIN. Mr. President, I ask unanimous consent that privilege of the floor be granted to Christopher Rhee, a detailee on the Judiciary Committee staff, during the remainder of the first session of the Congress.

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

EXECUTIVE SESSION

TREATY WITH RUSSIA ON MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider Executive Calendar No. 4, Treaty with Russia on Mutual Legal Assistance in Criminal Matters; that the treaty be considered as having advanced through its parliamentary stages up to and including the presentation of the resolution of ratification, and that the conditions be agreed to.

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

Mr. REID. Mr. President, I ask for a division vote.

The PRESIDING OFFICER. A division has been requested.

Senators in favor of the ratification of this treaty, please rise. (After a pause.) Those opposed will rise and stand until counted.

On a division vote with two-thirds of the Senators present having voted in the affirmative, the resolution of ratification is agreed to.

The resolution of ratification, with its conditions, reads as follows:

Resolved (two thirds of the Senators present concurring therein),

SECTION 1. ADVICE AND CONSENT TO RATIFICATION OF THE TREATY WITH THE RUSSIAN FEDERATION ON MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS, SUBJECT TO CONDITIONS.

The Senate advises and consents to the ratification of the Treaty Between the United States of America and the Russian Federation on Mutual Legal Assistance in Criminal Matters, signed at Washington on June 17, 1999 (Treaty Doc. 106–22; in this resolution referred to as the ''Treaty''), subject to the conditions in section 2.

SEC. 2. CONDITIONS.

The advice and consent of the Senate under section 1 is subject to the following conditions:

(1) TREATY INTERPRETATION.—The Senate reaffirms condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe (CFE) of November 19, 1990 (adopted at Vienna on May 31 1996), approved by the Senate on May 14, 1997 (relating to condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988).

(2) LIMITATION ON ASSISTANCE.—Pursuant to the right of the United States under the Treaty to deny legal assistance under the Treaty that would prejudice the essential public policy or interests of the United States, the United States shall deny any request for such assistance if the Central Authority of the United States (as designated in Article 3(2) of the Treaty), after consultation with all appropriate intelligence, antinarcotic, and foreign policy agencies, has specific information that a senior Government official of the requesting party who will have access to information to be provided as part of such assistance is engaged in a felony, including the facilitation of the production or distribution of illegal drugs.

(3) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes the enactment of legislation or the taking of any other action by the United States that is prohibited by the Constitution of the United States as interpreted by the United States.

Mr. REID. Mr. President, I ask unanimous consent that the motion to reconsider be laid upon the table, that any statements thereon be printed in the RECORD, and that the President be immediately notified of the Senate's action.

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

EXECUTIVE CALENDAR

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to consider the following nominations: Calendar Nos. 583, 662, and the Air Force and Army promotions on the Secretary's desk; that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements thereon be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate return to legislative session.

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

The nominations considered and confirmed are as follows:

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. Dennis D. Cavin, 8558.

AIR FORCE

The following named officers for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 624:

To be brigadier general

Colonel Larry D. New, 2557.
Colonel Michael F. Planert, 4078.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

AIR FORCE

PN1273 Air Force nominations (2) beginning Gerard W. Stalnaker, and ending Everett G. Willard, Jr., which nominations were received by the Senate and appeared in the Congressional Record of December 11, 2001.

PN1274 Air Force nominations (6) beginning James A. Barlow, and ending Glenn S. Roberts, which nominations were received by the Senate and appeared in the Congressional Record of December 11, 2001.

PN1275 Air Force nominations (8) beginning Cynthia M. Cadet, and ending David G. Young, III, which nominations were received by the Senate and appeared in the Congressional Record of December 11, 2001.

ARMY

PN1263 Army nomination of Robert W. Siegert, which was received by the Senate and appeared in the Congressional Record of December 5, 2001.

PN1264 Army nominations (5) beginning Catherine M. Banfield, and ending Jack M. Wedam, which nominations were received by the Senate and appeared in the Congressional Record of December 5, 2001.

PN1265 Army nominations (5) beginning Mary Carstensen, and ending William L.

Tozier, which nominations were received by the Senate and appeared in the Congressional Record of December 5, 2001.

PN1276 Army nominations (2) beginning Joseph L. Culver, and ending Charles R. James, Jr., which nominations were received by the Senate and appeared in the Congressional Record of December 11, 2001.

PN1277 Army nominations (2) beginning Barry D. Keeling, and ending Ernesto E. Marra, which nominations were received by the Senate and appeared in the Congressional Record of December 11, 2001.

PN1278 Army nomination of James J. Waldeck, III, which was received by the Senate and appeared in the Congressional Record of December 11, 2001.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

AUTHORIZING CERTAIN EMPLOYEES OF THE SENATE TO BE PLACED IN A LEAVE WITHOUT PAY STATUS

Mr. REID. Mr. President, I ask consent that the Senate proceed to the consideration of S. Res. 193 submitted earlier today by Senators DASCHLE and LOTT.

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

The legislative clerk read as follows:

A resolution (S. Res. 193) authorizing certain employees of the Senate who perform service in the uniformed services to be placed in a leave without pay status, and for other purposes.

There being no objection, the Senate proceeded to consider the resolution.

Mr. REID. Mr. President, I ask unanimous consent that the resolution be agreed to, the motion to reconsider be laid upon the table, and that any statements thereon be printed in the RECORD.

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

The resolution (S. Res. 193) was agreed to.

(The resolution is printed in today's RECORD under ''Submitted Resolutions.'')

MEASURE READ THE FIRST TIME—H.R. 3343

Mr. REID. Mr. President, I understand that H.R. 3343, which was just received from the House, is at the desk, and I now ask for its first reading.

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

The legislative clerk read as follows:

A bill (H.R. 3343) to amend title X of the Energy Policy Act of 1992, and for other purposes.

Mr. REID. Mr. President, I now ask for its second reading, and object to my own request on behalf of a number of my colleagues.

The PRESIDING OFFICER. The bill will remain at the desk.

ORDERS FOR THURSDAY, DECEMBER 20, 2001

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it recess until 9:30 a.m., Thursday, December 20; that immediately following the prayer and Pledge, the Senate begin consideration of the Labor-HHS appropriations conference report.

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

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 8:04 p.m., recessed until Thursday, December 20, 2001, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate December 19, 2001:

THE JUDICIARY

JOHN M. ROGERS, OF KENTUCKY, TO BE UNITED STATES CIRCUIT JUDGE FOR THE SIXTH CIRCUIT, VICE EUGENE E. SILER, JR., RETIRED.

TIMOTHY C. STANCEU, OF VIRGINIA, TO BE A JUDGE OF THE UNITED STATES COURT OF INTERNATIONAL TRADE, VICE RICHARD W. GOLDBERG, RETIRED.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 19, 2001:

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. DENNIS D. CAVIN

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general

COLONEL LARRY D. NEW
COLONEL MICHAEL F. PLANERT

AIR FORCE NOMINATIONS BEGINNING GERARD W. STALNAKER AND ENDING EVERETT G. WILLARD, JR., WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 11, 2001.

AIR FORCE NOMINATIONS BEGINNING JAMES A. BARLOW AND ENDING GLENN S. ROBERTS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 11, 2001.

AIR FORCE NOMINATIONS BEGINNING CYNTHIA M. CADET AND ENDING DAVID G. YOUNG III, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 11, 2001.

ARMY NOMINATION OF ROBERT W. SIEGERT.

ARMY NOMINATIONS BEGINNING CATHERINE M. BANFIELD AND ENDING JACK M. WEDAM, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 5, 2001.

ARMY NOMINATIONS BEGINNING MARY CARSTENSEN AND ENDING WILLIAM L. TOZIER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 5, 2001.

ARMY NOMINATIONS BEGINNING JOSEPH L. CULVER AND ENDING CHARLES R. JAMES, JR., WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 11, 2001.

ARMY NOMINATIONS BEGINNING BARRY D. KEELING AND ENDING ERNESTO E. MARRA, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 11, 2001.

ARMY NOMINATION OF JAMES J. WALDECK III.

HOUSE OF REPRESENTATIVES—*Wednesday, December 19, 2001*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. ISAKSON).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
December 19, 2001.

I hereby appoint the Honorable JOHNNY ISAKSON to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

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

O Lord, You are our God. We will extol You and praise Your name, for You have fulfilled Your wonderful plans of old, faithful and true.

From the barren earth You bring forth new life. From injustice and disaster You draw forth goodness and promises that reshape the world. We look to You, O Lord, ever faithful, in the midst of darkness and fear, to give birth to wisdom, at a time pregnant with insecurity, and promise to breathe forth integrity.

Bless this Congress with Your almighty power and gentle grace. Let not today's problems be left for tomorrow, rather lead this Nation to take steps that prepare the way for Your swift coming with justice and peace. Fulfill in our day Your true promise of abundant life and lasting security. We praise Your holy name both now and forever. Amen.

THE JOURNAL

The SPEAKER pro tempore. 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.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from California (Mr. DOOLEY) come forward and lead the House in the Pledge of Allegiance.

Mr. DOOLEY of California 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 PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 15 1-minutes from each side.

FAILED SCIENTIFIC PROCESS

(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, well, here we go again. Last week, the Department of Energy changed the ground rules once again for judging the suitability of Yucca Mountain.

How convenient for them to change the guidelines after scientists began to conclude the natural features of the mountain would not work.

You cannot change the rules of the game once the game has begun, Mr. Speaker. The audacity of the Department of Energy is deplorable. First, their own Inspector General cites 9 years of possible collusion of a corrupt law firm; then, the GAO warns that the plans the DOE has shown to Congress and the Nevadans may not describe the facility the GAO would actually build and develop. And now, after changing the regulations to suit their science, we, the American people, are supposed to trust them?

The Department of Energy should be ashamed of itself. It is time to put the safety of Nevadans and Americans ahead of their own desire to win at any cost.

TRIBUTE TO WASHINGTON, WEST ALLEGHENY, AND ROCHESTER HIGH SCHOOL FOOTBALL TEAMS

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

Mr. MASCARA. Mr. Speaker, I rise today to recognize a very special group of high schools in western Pennsylvania: Washington, West Allegheny, and Rochester High Schools. All three became Pennsylvania State football champions in their respective divisions.

The Washington High School Little Prexies defeated Pen Argyle 19 to 12 to win their first Pennsylvania State championship. The Little Prexies finished their season with a perfect record of 15 and 0, the only team in their division to finish their season without a loss. They are also the first team in Washington County to win a State championship game.

The West Allegheny Indians defeated Strath Haven 28 to 13, breaking Strath Haven's 44-game winning streak. This is the third consecutive year these two teams have met in the State finals, and West Allegheny's first win.

The Rochester Rams defeated Southern Columbia 16 to 0 to win their third Pennsylvania State championship, only the fourth team ever to do so.

Mr. Speaker, I know the entire House of Representatives joins me in congratulating the Washington High School Little Prexies, the West Allegheny Indians, and the Rochester Rams on their well-deserved State championships.

IN HONOR OF PHILIP LAMONACO

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

Mr. LOBIONDO. Mr. Speaker, I rise today in honor of a fallen New Jersey State Trooper, a man who served our State proudly. Twenty years ago Friday, Trooper Philip Lamonaco was shot and killed by two self-avowed revolutionaries during a traffic stop on a stretch of highway in Warren County. Trooper Lamonaco, who was named ''Trooper of the Year'' in 1979, left behind a wife and three children.

His murder sparked a dogged manhunt for his killers, and they were tracked down and jailed. Philip Lamonaco was the kind of law enforcement professional that inspires others to take up the fight to protect our communities. Since Philip's murder, his wife Donna, who I have met at several functions, has worked tirelessly as an advocate for police and their families. And earlier this year, Trooper Lamonaco's son Michael joined the New Jersey State Police, following the example of his father.

To the Lamonaco family, his friends and colleagues, I extend my condolences on this sad anniversary, and I extend the thanks of the people of New Jersey for his service. Philip Lamonaco will never be forgotten.

FAA MAILS PILOT LICENSES TO FOREIGN COUNTRIES

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

Mr. TRAFICANT. Mr. Speaker, while Congress continues to pass airline security measures, pilot licenses are flying to foreign countries faster than bin Laden's been running.

Unbelievable, but check this out. My investigation shows the FAA regularly sends pilot licenses in the mail to places like Afghanistan, Iraq, Iran, Libya and Pakistan. Now, if that is not enough to drench some fire hydrant, these licenses are being sent to post office boxes, no less. Beam me up. I am asking that the GAO investigate this madness.

I yield back the fact that the FAA may have supplied bin Laden with an air force legally certified to attack America.

CAPTURING THE QUEST FOR EXCELLENCE IN TEACHING, RESEARCH, AND SERVICE

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

Mr. RILEY. Mr. Speaker, capturing the quest for excellence in teaching, research and service is the motto of the famed Tuskegee University, home of the World War II Tuskegee Airmen. And under the direction of University President Benjamin Payton, his faculty and staff, they have stood by this motto in the academic arena for years.

Founded in 1881 by Booker T. Washington, the School's distinguished list of accomplishments include the number one producer of African-American aerospace engineers in the nation, provider of more African-American general officers to the military than any other institution, and alma mater to over 75 percent of the African-American veterinarians in the world.

This year, Tuskegee University Golden Tigers have captured the quest for excellence in the athletic world, as well, by being named the 2001 Football Champions of the Southern Intercollegiate Athletic Conference. With an athletic record that includes 533 victories, 19 SIAC championships, 7 black college national championships, and 15 postseason bowl appearances, Tuskegee University has rightly been named the Nation's winningest historically black college.

As their representative, I have a lot of pride in this institution. Please join me in congratulating them in their many successes and wishing them the best of luck as they travel to Atlanta to compete in the Pioneer Bowl on December 22.

Congratulations to Dr. Payton, head coach Rick Comegy, and the Golden Tigers for excellence both on and off the football field.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Any record votes on postponed questions will be taken later today.

TERRORIST BOMBINGS CONVENTION IMPLEMENTATION ACT OF 2001

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3275) to implement the International Convention for the Suppression of Terrorist Bombings to strengthen criminal laws relating to attacks on places of public use, to implement the International Convention of the Suppression of the Financing of Terrorism, to combat terrorism and defend the Nation against terrorist acts, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3275

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

TITLE I—SUPPRESSION OF TERRORIST BOMBINGS

SEC. 101. SHORT TITLE.

This title may be cited as the ''Terrorist Bombings Convention Implementation Act of 2001''.

SEC. 102. BOMBING STATUTE.

(a) OFFENSE.—Chapter 113B of title 18, United States Code, relating to terrorism, is amended by inserting after section 2332e the following new section:

''§ 2332f. Bombings of places of public use, government facilities, public transportation systems and infrastructure facilities

''(a) OFFENSES.—

''(1) IN GENERAL.—Whoever unlawfully delivers, places, discharges, or detonates an explosive or other lethal device in, into, or against a place of public use, a state or government facility, a public transportation system, or an infrastructure facility—

''(A) with the intent to cause death or serious bodily injury, or

''(B) with the intent to cause extensive destruction of such a place, facility, or system, where such destruction results in or is likely to result in major economic loss,

shall be punished as prescribed in subsection (c).

''(2) ATTEMPTS AND CONSPIRACIES.—Whoever attempts or conspires to commit an offense under paragraph (1) shall be punished as prescribed in subsection (c).

''(b) JURISDICTION.—There is jurisdiction over the offenses in subsection (a) if—

''(1) the offense takes place in the United States and—

''(A) the offense is committed against another state or a government facility of such state, including its embassy or other diplomatic or consular premises of that state;

''(B) the offense is committed in an attempt to compel another state or the United States to do or abstain from doing any act;

''(C) at the time the offense is committed, it is committed—

''(i) on board a vessel flying the flag of another state;

''(ii) on board an aircraft which is registered under the laws of another state; or

''(iii) on board an aircraft which is operated by the government of another state;

''(D) a perpetrator is found outside the United States;

''(E) a perpetrator is a national of another state or a stateless person; or

''(F) a victim is a national of another state or a stateless person;

''(2) the offense takes place outside the United States and—

''(A) a perpetrator is a national of the United States or is a stateless person whose habitual residence is in the United States;

''(B) a victim is a national of the United States;

''(C) a perpetrator is found in the United States;

''(D) the offense is committed in an attempt to compel the United States to do or abstain from doing any act;

''(E) the offense is committed against a state or government facility of the United States, including an embassy or other diplomatic or consular premises of the United States;

''(F) the offense is committed on board a vessel flying the flag of the United States or an aircraft which is registered under the laws of the United States at the time the offense is committed; or

''(G) the offense is committed on board an aircraft which is operated by the United States.

''(c) PENALTIES.—Whoever violates this section shall be imprisoned for any term of years or for life, and if death results from the violation, shall be punished by death or imprisoned for any term of years or for life.

''(d) EXEMPTIONS TO JURISDICTION.—This section does not apply to—

''(1) the activities of armed forces during an armed conflict, as those terms are understood under the law of war, which are governed by that law,

''(2) activities undertaken by military forces of a state in the exercise of their official duties; or

''(3) offenses committed within the United States, where the alleged offender and the victims are United States citizens and the alleged offender is found in the United States, or where jurisdiction is predicated solely on the nationality of the victims or the alleged offender and the offense has no substantial effect on interstate or foreign commerce.

''(e) DEFINITIONS.—As used in this section, the term—

''(1) 'serious bodily injury' has the meaning given that term in section 1365(g)(3) of this title;

''(2) 'national of the United States' has the meaning given that term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22));

''(3) 'state or government facility' includes any permanent or temporary facility or conveyance that is used or occupied by representatives of a state, members of Government, the legislature or the judiciary or by officials or employees of a state or any other public authority or entity or by employees or officials of an intergovernmental organization in connection with their official duties;

''(4) 'intergovernmental organization' includes international organization (as defined in section 1116(b)(5) of this title);

''(5) 'infrastructure facility' means any publicly or privately owned facility providing or distributing services for the benefit of the public, such as water, sewage, energy, fuel, or communications;

''(6) 'place of public use' means those parts of any building, land, street, waterway, or other location that are accessible or open to

members of the public, whether continuously, periodically, or occasionally, and encompasses any commercial, business, cultural, historical, educational, religious, governmental, entertainment, recreational, or similar place that is so accessible or open to the public;

''(7) 'public transportation system' means all facilities, conveyances, and instrumentalities, whether publicly or privately owned, that are used in or for publicly available services for the transportation of persons or cargo;

''(8) 'explosive' has the meaning given in section 844(j) of this title insofar that it is designed, or has the capability, to cause death, serious bodily injury, or substantial material damage;

''(9) 'other lethal device' means any weapon or device that is designed or has the capability to cause death, serious bodily injury, or substantial damage to property through the release, dissemination, or impact of toxic chemicals, biological agents or toxins (as those terms are defined in section 178 of this title), or radiation or radioactive material;

''(10) 'military forces of a state' means the armed forces of a state which are organized, trained, and equipped under its internal law for the primary purpose of national defense or security, and persons acting in support of those armed forces who are under their formal command, control, and responsibility;

''(11) 'armed conflict' does not include internal disturbances and tensions, such as riots, isolated and sporadic acts of violence, and other acts of a similar nature; and

''(12) 'state' has the same meaning as that term has under international law, and includes all political subdivisions thereof.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 113B of title 18, United States Code, is amended by adding after the item relating to section 2332e the following:

''2332f. Bombings of places of public use, government facilities, public transportation systems and infrastructure facilities.''.

(c) DISCLAIMER.—Nothing contained in this section is intended to affect the applicability of any other Federal or State law which might pertain to the underlying conduct.

SEC. 103. EFFECTIVE DATE.

Section 102 of this title shall become effective on the date that the International Convention for the Suppression of Terrorist Bombings enters into force for the United States.

TITLE II—SUPPRESSION OF THE FINANCING OF TERRORISM

SEC. 201. SHORT TITLE.

This title may be cited as the ''Suppression of the Financing of Terrorism Convention Implementation Act of 2001''.

SEC. 202. TERRORISM FINANCING STATUTE.

(a) IN GENERAL.—Chapter 113B of title 18, United States Code, relating to terrorism, is amended by adding at the end thereof the following new section:

''§ 2339C. Prohibitions against the financing of terrorism

''(a) OFFENSES.—

''(1) IN GENERAL.—Whoever, in a circumstance described in subsection (c), by any means, directly or indirectly, unlawfully and willfully provides or collects funds with the intention that such funds be used, or with the knowledge that such funds are to be used, in full or in part, in order to carry out—

''(A) an act which constitutes an offense within the scope of a treaty specified in subsection (e)(7), as implemented by the United States, or

''(B) any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act,

shall be punished as prescribed in subsection (d)(1).

''(2) ATTEMPTS AND CONSPIRACIES.—Whoever attempts or conspires to commit an offense under paragraph (1) shall be punished as prescribed in subsection (d)(1).

''(3) RELATIONSHIP TO PREDICATE ACT.—For an act to constitute an offense set forth in this subsection, it shall not be necessary that the funds were actually used to carry out a predicate act.

''(b) CONCEALMENT.—

''(1) IN GENERAL.—Whoever, in the United States, or outside the United States and a national of the United States or a legal entity organized under the laws of the United States (including any of its States, districts, commonwealths, territories, or possessions), knowingly conceals or disguises the nature, the location, the source, or the ownership or control of any material support or resources provided in violation of section 2339B of this chapter, or of any funds provided or collected in violation of subsection (a) or any proceeds of such funds, shall be punished as prescribed in subsection (d)(2).

''(2) ATTEMPTS AND CONSPIRACIES.—Whoever attempts or conspires to commit an offense under paragraph (1) shall be punished as prescribed in subsection (d)(2).

''(c) JURISDICTION.—There is jurisdiction over the offenses in subsection (a) in the following circumstances—

''(1) the offense takes place in the United States and—

''(A) a perpetrator was a national of another state or a stateless person;

''(B) on board a vessel flying the flag of another state or an aircraft which is registered under the laws of another state at the time the offense is committed;

''(C) on board an aircraft which is operated by the government of another state;

''(D) a perpetrator is found outside the United States;

''(E) was directed toward or resulted in the carrying out of a predicate act against—

''(i) a national of another state; or

''(ii) another state or a government facility of such state, including its embassy or other diplomatic or consular premises of that state;

''(F) was directed toward or resulted in the carrying out of a predicate act committed in an attempt to compel another state or international organization to do or abstain from doing any act; or

''(G) was directed toward or resulted in the carrying out of a predicate act—

''(i) outside the United States; or

''(ii) within the United States, and either the offense or the predicate act was conducted in, or the results thereof affected, interstate or foreign commerce;

''(2) the offense takes place outside the United States and—

''(A) a perpetrator is a national of the United States or is a stateless person whose habitual residence is in the United States;

''(B) a perpetrator is found in the United States; or

''(C) was directed toward or resulted in the carrying out of a predicate act against—

''(i) any property that is owned, leased, or used by the United States or by any department or agency of the United States, including an embassy or other diplomatic or consular premises of the United States;

''(ii) any person or property within the United States;

''(iii) any national of the United States or the property of such national; or

''(iv) any property of any legal entity organized under the laws of the United States, including any of its States, districts, commonwealths, territories, or possessions;

''(3) the offense is committed on board a vessel flying the flag of the United States or an aircraft which is registered under the laws of the United States at the time the offense is committed;

''(4) the offense is committed on board an aircraft which is operated by the United States; or

''(5) the offense was directed toward or resulted in the carrying out of a predicate act committed in an attempt to compel the United States to do or abstain from doing any act.

''(d) PENALTIES.—

''(1) Whoever violates subsection (a) shall be fined under this title, imprisoned for not more than 20 years, or both.

''(2) Whoever violates subsection (b) shall be fined under this title, imprisoned for not more than 10 years, or both.

''(e) DEFINITIONS.—As used in this section—

''(1) the term 'funds' means assets of every kind, whether tangible or intangible, movable or immovable, however acquired, and legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such assets, including coin, currency, bank credits, travelers checks, bank checks, money orders, shares, securities, bonds, drafts, and letters of credit;

''(2) the term 'government facility' means any permanent or temporary facility or conveyance that is used or occupied by representatives of a state, members of a government, the legislature, or the judiciary, or by officials or employees of a state or any other public authority or entity or by employees or officials of an intergovernmental organization in connection with their official duties;

''(3) the term 'proceeds' means any funds derived from or obtained, directly or indirectly, through the commission of an offense set forth in subsection (a);

''(4) the term 'provides' includes giving, donating, and transmitting;

''(5) the term 'collects' includes raising and receiving;

''(6) the term 'predicate act' means any act referred to in subparagraph (A) or (B) of subsection (a)(1);

''(7) the term 'treaty' means—

''(A) the Convention for the Suppression of Unlawful Seizure of Aircraft, done at The Hague on December 16, 1970;

''(B) the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal on September 23, 1971;

''(C) the Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents, adopted by the General Assembly of the United Nations on December 14, 1973;

''(D) the International Convention against the Taking of Hostages, adopted by the General Assembly of the United Nations on December 17, 1979;

''(E) the Convention on the Physical Protection of Nuclear Material, adopted at Vienna on March 3, 1980;

''(F) the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal on February 24, 1988;

''(G) the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation, done at Rome on March 10, 1988;

''(H) the Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms located on the Continental Shelf, done at Rome on March 10, 1988; or

''(I) the International Convention for the Suppression of Terrorist Bombings, adopted by the General Assembly of the United Nations on December 15, 1997;

''(8) the term 'intergovernmental organization' includes international organizations;

''(9) the term 'international organization' has the same meaning as in section 1116(b)(5) of this title;

''(10) the term 'armed conflict' does not include internal disturbances and tensions, such as riots, isolated and sporadic acts of violence, and other acts of a similar nature;

''(11) the term 'serious bodily injury' has the same meaning as in section 1365(g)(3) of this title;

''(12) the term 'national of the United States' has the meaning given that term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)); and

''(13) the term 'state' has the same meaning as that term has under international law, and includes all political subdivisions thereof.

''(f) CIVIL PENALTY.—In addition to any other criminal, civil, or administrative liability or penalty, any legal entity located within the United States or organized under the laws of the United States, including any of the laws of its States, districts, commonwealths, territories, or possessions, shall be liable to the United States for the sum of at least $10,000, if a person responsible for the management or control of that legal entity has, in that capacity, committed an offense set forth in subsection (a).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 113B of title 18, United States Code, is amended by adding at the end thereof the following:

''2339C. Prohibitions against the financing of terrorism.''.

(c) DISCLAIMER.—Nothing contained in this section is intended to affect the scope or applicability of any other Federal or State law.

SEC. 203. EFFECTIVE DATE.

Except for sections 2339C(c)(1)(D) and (2)(B) of title 18, United States Code, which shall become effective on the date that the International Convention for the Suppression of the Financing of Terrorism enters into force for the United States, and for the provisions of section 2339C(e)(7)(I) of title 18, United States Code, which shall become effective on the date that the International Convention for the Suppression of Terrorist Bombing enters into force for the United States, section 202 of this title shall be effective upon enactment.

TITLE III—ANCILLARY MEASURES

SEC. 301. ANCILLARY MEASURES.

(a) WIRETAP PREDICATES.—Section 2516(1)(q) of title 18, United States Code, is amended by—

(1) inserting ''2332f,'' after ''2332d,''; and

(2) striking ''or 2339B'' and inserting ''2339B, or 2339C''.

(b) FEDERAL CRIME OF TERRORISM.—Section 2332b(g)(5)(B) of title 18, United States Code, is amended by—

(1) inserting ''2332f (relating to bombing of public places and facilities),'' after ''2332b (relating to acts of terrorism transcending national boundaries),''; and

(2) inserting ''2339C (relating to financing of terrorism),'' before ''or 2340A (relating to torture)''.

(c) PROVIDING MATERIAL SUPPORT TO TERRORISTS PREDICATE.—Section 2339A of title 18, United States Code, is amended by inserting ''2332f,'' before ''or 2340A''.

(d) FORFEITURE OF FUNDS, PROCEEDS, AND INSTRUMENTALITIES.—Section 981(a)(1) of title 18, United States Code, is amended by adding at the end thereof the following new subparagraph:

''(H) Any property, real or personal, involved in a violation or attempted violation, or which constitutes or is derived from proceeds traceable to a violation, of section 2339C of this title.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin, (Mr. SENSENBRENNER), and the gentleman from Virginia (Mr. SCOTT) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H.R. 3275, the bill under consideration.

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

There was no objection.

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

Mr. Speaker, as we have learned in recent months, the only effective way to fight terrorism is to fight it on a global scale. In order to accomplish this, it is important that we build an international framework for combating terrorism in all its forms. The first and most important piece of this framework is international cooperation. Passage of the bill before us today will allow the United States to reinforce the international community's intolerance for and condemnation of terrorist acts and their financing.

Mr. Speaker, on December 5, 2001, the Senate gave its advice and consent to ratify the International Convention for the Suppression of Terrorist Bombings and the International Convention for the Suppression of Financing of Terrorism. H.R. 3275 makes appropriate changes to Title 18 of the United States Code in order to implement these treaties so that they can be ratified by the President.

The Terrorist Bombings Convention addresses the most utilized form of terrorism, the bombings of public places, State or government facilities, public transportation systems or infrastructure facilities, with the intent to cause death or serious bodily injury. H.R. 3275 enacts a new statute which would criminalize these acts if they have an international nexus, such as the bombing of a foreign embassy located in the United States. Nations who are a party to this treaty agree to extradite or prosecute persons accused of such offenses, and also agree to provide assistance in connection with the investigation of such crimes.

I am sure everyone is aware that there are already State and Federal laws that criminalize terrorist bombings. This legislation will supplement those laws and close any loopholes that an accused terrorist may try to exploit in a court of law. Furthermore, the legislation covers biological, chemical, and radiological weapons, as well as conventional explosives.

The Terrorist Financing Convention addresses a common element of every terrorist act, financing and other support. This treaty recognizes that the financial backers of terrorism are just as responsible as those who commit the terrorist acts themselves. H.R. 3275 makes it a crime to unlawfully and willingly provide or collect funds with the intention or knowledge that such funds are to be used to carry out any act intended to cause death or serious bodily injury to a civilian. As with the Terrorist Bombing Convention, there must be some international nexus with the terrorist financing, such as someone operating outside of the United States. Likewise, nations who are a party to this treaty also agree to extradite or prosecute and assist in criminal investigations.

The Terrorist Bombing and Terrorist Financing Conventions follow the general model of prior terrorism conventions negotiated by the United States. These conventions will significantly strengthen the network of anti-terrorism treaties built over the last 30 years by requiring nations to criminalize terrorist conduct identified in the treaties and to cooperate in the investigation and prosecution of the offenses. Given the global way that terrorists operate, it is imperative that we make sure that as many countries as possible have comparable laws against terrorism for an effective framework of investigation, extradition, and prosecution.

□ 1015

Mr. Speaker, I urge all Members to support this bill.

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

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

Mr. Speaker, I rise in opposition to H.R. 3275 which would implement the international convention for the suppression of terrorist bombings, and the international convention for the suppression of the financing of terrorism. I am not opposed to the bill because of the treaties, but because of the extraneous items that are in the treaties. These treaties have been pending for

some time, and I applaud the President for his present resolve in having the treaties ratified.

There are many extraneous provisions in the bills that are not necessary, however, to ratify either of the treaties. The treaties require that we have such laws on the books which would do such things like criminalize terrorist bombings and the financing of terrorist activities.

A few weeks ago, we passed legislation which was represented by the administration as a comprehensive anti-terrorism bill designed to cover the full gamut terrorist threats in this country, as well as the support of terrorist activities. Upon that representation, we provided unprecedented extensions of wiretap, RICO asset forfeitures, and additional punishments were enacted into law. Now we are told that additional laws have to be passed.

One of the provisions that requires us to have a law prohibiting bombing of foreign embassies in the United States cannot possibly be necessary. It is obviously against the law in the United States to bomb any building, much less a foreign embassy. A lot of these statutes are not needed.

The provisions before us do not constitute the treaties. The treaties are embodied in other documents. There are provisions, for example, that are actually counterproductive. This bill includes certain death penalties. The death penalty actually works against us because many of our allies will not extradite their criminals to the United States because we have the death penalty. There are other provisions that are not necessary. We were told by the administration that the death penalty provisions were, in fact, not needed to implement the treaties, and yet here they are in the bill.

Given this situation, Mr. Speaker, and other provisions in the bill that are not necessary to implement the treaties, I would hope that we would defeat the bill and reconsider the bill just providing the provisions that are necessary to implement the treaty.

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

Mr. SENSENBRENNER. Mr. Speaker, I have no further requests for time, and am prepared to close if the gentleman from Virginia has no further speakers.

Mr. SCOTT. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the ranking member for his kindness in yielding me this time, and I would also like to thank the gentleman from Wisconsin (Chairman SENSENBRENNER). I know that the chairman is working on a number of legislative initiatives that are coming to the floor of the House, and that the gentleman is being required to move these legislative initiatives rather quickly. In fact, I also know that the gentleman has been working to help us move some legislation forward dealing with the access to legalization of immigrants, and I know that we have had some difficulties with that, but I thank him for his leadership and concern on those issues.

I say that because I do not think any Member has opposition to an international convention that deals with the suppression of terrorist bombings, and that we recognize the key importance of the international convention of the suppression of the financing of terrorism. There is not one iota of difference, I believe, with Members on both sides of the aisle on the importance of moving forward on finding terrorists, bringing terrorists to justice, and ensuring that our international colleagues, our friends around the world, the nations that are our allies and others around the world, should have a convention and treaty that puts us on the same page in fighting terrorism.

At the same time, I think it is important to note as we move forward on this legislation, and I raise a number of caution flags, for me to again offer my concerns about the existence of military tribunals without any set criteria and regulations upon which they are utilized. Members might ask the question where goes the relationship in connection with this legislation, but I think if we refuse to bring this up and continue in silence to accept the existence of military tribunals with what the other body has annunciated is not in place, meaning the other body asked the questions what kind of regulation, what kind of requirements, what kind of criteria do you use to try people at military tribunals? If we do not raise that issue even as we bring to the floor of the House this legislation, then we have a problem.

I acknowledge my concern with the quiet violation of the 6th Amendment, and that is individuals who are being listened to as their attorney is providing them counsel. If we do not raise these issues on the floor of the House, my concern about those policies is they have no criteria, they have no regulation, they have no governance.

Mr. Speaker, how can we claim to want to fairly deal with laws and pass an international convention on terrorism where we want everyone to join in around consistent rules and regulations, when we have these provisions in the United States with seemingly no basis and no need.

It is interesting that we are now going to try one of the terrorists found in the United States by a civil court, a judiciary system under the laws of the United States. I think that is commendable. It says that we are unsure of the reasons for the military tribunal, and whether or not we need to use them. And we have found that our judicial system, the third branch of government, is more than adequate to be able to try one of the alleged horrific terrorists that was involved in the September 11 attacks.

As it relates to this legislation, I would add my concerns to the passage of this legislation, without any commentary pro or con on the death penalty. I think it is important that we make the point that many of those who would be adhering to this treaty have great concern that we have language dealing with the death penalty, and that we could have cleaned this particular legislation up by accepting the amendment offered by the gentleman from Massachusetts (Mr. DELAHUNT) and the gentleman from Virginia (Mr. SCOTT) to delete the language, leaving in place the provision authorizing a maximum sentence of life imprisonment. That, I think, would have made this a more legitimate piece of legislation, in recognition of the fact that many of those who would join in on this treaty are absolutely opposed to the death penalty.

One of our known allies, France, in dealing with bringing people to justice who find themselves in France, is the refusal of that country to deport individuals for trial here in the United States because of the death penalty.

It is also worthy of noting that the administration acknowledged that capital punishment is not required to implement the conventions. For those Members listening to this debate and saying, here we go again on the debate of the death penalty, that is not the debate we are speaking about. We are talking about making an effective legislative initiative that deals with having a convention that will stand up.

Right now we have an Achilles heel. We have a failing in this legislation because we know that there are many who have argued that they will not participate or not join in or that there will be a problem because of the death penalty provision, and at the same time, we have an administration that says this is not necessary.

I am hoping as this legislation moves along, that we will take into consideration the point of view of some of our closest allies who have routinely refused to honor extradition requests by the United States unless their judicial authorities can be assured that the defendants will not face execution.

We have faced heinous acts against the people of the United States, and I offer my deepest sympathy to those who lost loved ones on September 11. Whether this legislation with the death penalty helps solve our problems, I think not, particularly if those who are harboring criminals would not extradite them because of the death penalty.

Mr. Speaker, in closing, tomorrow I will be holding a briefing dealing with the terrible atrocities or how the children of Afghanistan are being treated

because I believe all Americans are concerned about two sides of the coin, the humanitarian side and the fighting terrorism side. This is good legislation, but I think it could have been better legislation if we had taken into consideration the viewpoints of those who we seek to convene or seek to engage in the treaty, and that is that we would have a life imprisonment provision as opposed to a death penalty provision which undermines our relationship with our allies who have opposition to this point of view.

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

Mr. Speaker, I cannot believe what I just heard. We are told that we should not put a death penalty in this bill that relates to implementing a convention against terrorist bombings where a death or serious injury occur because the French do not like it. Well, the last time I read the United States Constitution, the elected representatives of the American people legislate for America, not the elected representatives of the French people. This is an issue of our national sovereignty and whether or not we believe that the death penalty is an appropriate option for those who are accused of crimes under the convention designed to combat terrorist bombings.

The overwhelming majority of the American people support the death penalty, particularly when it is with respect to a terrorist act. We should not let the parliament of any other country in the world make a determination on what the appropriate penalty is for those who are accused of these heinous crimes and are convicted by a unanimous verdict of 12 jurors who believe beyond a reasonable doubt that the defendant committed the crimes that are mentioned.

We already have provisions in the United States code providing for the death penalty for terrorist act that result in somebody's death. Without making this law parallel to the other penalties in the United States code, we are setting up a dual system of justice. If a defendant is indicted for violating one section, the defendant is subject to the death penalty. If a defendant is indicted for violating another section of the code as created by this bill, the defendant is not. That, I think, is the wrong message that we ought to send both domestically and internationally with respect to this issue.

I remind Members, Mr. Speaker, that since 1972, the death penalty is not automatic upon conviction of a crime. The same jury that has convicted someone of a capital defense is reimpaneled and hears aggravating and mitigating evidence, and makes a determination whether or not the death penalty should be imposed. Who is better equipped to do that but the jurors that listened to the trial on the merits, saw the demeanor of the defendant in court, whether or not the defendant testified in his or her own behalf, decided which witnesses were telling the truth and which witnesses were not, and were able to see the demeanor of every other participant in that trial.

I think that the message that we ought to send, purely and simply, is that the elected representatives of the American people will decide what these penalties are, not people in France or in Italy or in Sweden or Germany or anyplace else. I think that the American people want the death penalty for these types of crimes as an option when a defendant is indicted.

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

□ 1030

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

Mr. Speaker, this bill is designed to facilitate the fight against terrorism and working with our allies in that fight, and it is, frankly, not helpful in that process to have situations where our allies will not cooperate with us because of the death penalty.

Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. DELAHUNT).

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

Mr. Speaker, I have to respectfully disagree with the chairman of the committee for the same reasons that were articulated by both the gentlewoman from Texas and the ranking member of the subcommittee. I think we have to put this in context and understand exactly what is required in terms of the Convention. The administration itself has acknowledged that this death penalty provision is not required to implement the Convention.

I have no disagreement with the gentleman's premise that it is the United States Congress that imposes or reflects, if you will, the will of the majority of the American people. At the same time, this provision is going to cause serious problems. In fact, not only is it not required under the Convention, but, as the gentleman from Virginia (Mr. SCOTT) indicated, it will actually impair the fight against international terrorism by making it harder for the Justice Department to secure extradition in these kinds of cases.

Our continued resort to the death penalty has brought condemnation from nations across the globe. Even some of our closest allies routinely refuse to honor extradition requests by the United States unless their judicial authorities can be assured that the defendants will not face execution. It has become a serious problem in terms of our legal relationships with our most steadfast allies, some of which were enumerated by the chairman of the committee.

Earlier this year, the Supreme Court of Canada ruled that the Canadian Charter of Rights and Freedoms precludes extradition to the United States unless U.S. authorities give assurances that the death penalty will not be imposed. Similar rulings have been made by governments and courts in France, South Africa and elsewhere.

I do not see how it serves American interests to enact additional provisions that do not exist currently in the law that will further complicate our ability to prosecute terrorists and further marginalize the U.S. within the family of nations.

Now, the administration justifies the new death penalty provision by claiming that it merely tracks current law with respect to comparable domestic crimes. That, I am sure, is accurate. But the fact that the current law presents an obstacle to our law enforcement objectives is hardly a persuasive argument for compounding the problem.

Reasonable people may continue to disagree with whether the death penalty serves as a deterrent to some categories of crimes, but I am at a loss to see how anyone can seriously believe that the prospect of the death penalty will deter suicide missions of the kind that this Nation witnessed on September 11. I dare say it will have no effect whatsoever, and I believe the administration implicitly concedes as much when it says that this new provision merely replicates existing death penalty provisions, provisions which did nothing to prevent those attacks from occurring.

Now, again, I support the Convention. I believe it should be ratified and implemented with all reasonable dispatch. But we have a responsibility to achieve that goal in a way that generally advances our national interests. I hope the Senate will fix this legislation so that that can happen.

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

Mr. Speaker, this bill is designed to implement a treaty. In order to be limited to that purpose, the bill goes well beyond what needs to be done, and, in fact, contains provisions that may be counterproductive. I therefore urge my colleagues to oppose the legislation.

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

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

Mr. Speaker, we have now heard the proposition that passing this bill as it is with the death penalty provisions contained in it is somehow going to render ineffective the foreign policy of the United States.

I would draw the attention of the gentleman from Massachusetts, in particular, to House document 107–139, which is a legislative proposal transmitted by the President of the United

States to Congress on October 25, 2001, containing the death penalty. Now, under the Constitution, it is the President that conducts the foreign policy of the United States, and if he believed that the death penalty features in this legislation which involved terrorist bombings would somehow hamper his ability to put together an international coalition to fight the al Qaeda or any other terrorist organization, I am sure he would have said so in this message that he sent to the Congress. But he did not.

Giving prosecutors the opportunity to ask for the death penalty when there is a particularly heinous crime I think is something that should be an arrow in the quiver of the Justice Department. I regret that the opponents of this legislation have made their philosophical opposition to the death penalty a reason to vote down the implementation of a treaty designed to combat international terrorism such as bombing of public facilities that we have seen occur at our embassies in Africa and which, unfortunately, occur on an almost daily basis in Israel, but I think that the President is right that we should have the option of having a death penalty as one of the penalties, should someone be indicted, tried and convicted.

I would urge the membership to support this bill overwhelmingly.

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

The SPEAKER pro tempore (Mr. ISAKSON). The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 3275, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3427

Ms. ROS-LEHTINEN. Mr. Speaker, I ask unanimous consent to remove my name as a cosponsor of H.R. 3427, the Afghanistan Freedom and Reconstruction Act.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

PROVIDING FOR PLACEMENT OF PLAQUE HONORING DR. JAMES HARVEY EARLY IN THE WILLIAMSBURG, KENTUCKY, POST OFFICE BUILDING

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1714) to provide for the installation of a plaque to honor Dr. James Harvey Early in the Williamsburg, Kentucky, Post Office Building.

The Clerk read as follows:

S. 1714

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

SECTION 1. INSTALLATION OF PLAQUE TO HONOR DR. JAMES HARVEY EARLY.

(a) IN GENERAL.—The United States Postmaster General shall install a plaque to honor Dr. James Harvey Early in the Williamsburg, Kentucky Post Office Building located at 1000 North Highway 23 West, Williamsburg, Kentucky 40769.

(b) CONTENTS OF PLAQUE.—The plaque installed under subsection (a) shall contain the following text:

''Dr. James Harvey Early was born on June 14, 1808 in Knox County, Kentucky. He was appointed postmaster of the first United States Post Office that was opened in the town of Whitley Courthouse, now Williamsburg, Kentucky in 1829. In 1844 he served in the Kentucky Legislature. Dr. Early married twice, first to Frances Ann Hammond, died 1860; and then to Rebecca Cummins Sammons, died 1914. Dr. Early died at home in Rockhold, Kentucky on May 24, 1885 at the age of 77.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Virginia (Mrs. JO ANN DAVIS) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Virginia (Mrs. JO ANN DAVIS).

GENERAL LEAVE

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 1714.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Senate 1714, sponsored by Senator MITCH MCCONNELL, would install a plague to honor Dr. James Harvey Early in the Williamsburg, Kentucky, Post Office.

Mr. Speaker, I urge adoption of this bill.

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

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

As a member of the Committee on Government Reform, I am pleased to join my colleague in the House consideration of S. 1714, which places a plague in the Post Office in Williamsburg, Kentucky, honoring Dr. James Harvey Early. This measure was introduced by Senator MITCH MCCONNELL on November 5, 2001.

Dr. James Harvey Early was born on June 4, 1808, in Knox County, Kentucky. He was appointed postmaster of the first United States Post Office that was opened in the town of Whitley Courthouse, now Williamsburg, Kentucky, in 1829. In 1844 he served in the Kentucky legislature.

Dr. Early died at home in Rockhold, Kentucky, on May 24, 1885, at the age of 77. He represents the significance of individuals who have made a tremendous impact on the development of our community for many, many years to come.

Mr. Speaker, I join with my colleague and urge swift passage of this resolution.

Mr. ROGERS of Kentucky. Mr. Speaker, I rise in strong support of S. 1714, a bill to provide for the installation of a plaque in the Williamsburg Kentucky Post Office Building to honor Dr. James Harvey Early.

Kentucky was one of the first frontiers, marked with rugged terrain and harsh conditions. In this challenging frontier land, Dr. Early helped shape his community through his many years of service. Born in Knox County, Kentucky in 1808, the young James Early served as the first Postmaster for the community of Whitley Courthouse, now known as Williamsburg, Kentucky. He went on to serve the community in the Kentucky State Legislature as a member of the Whig party in 1844 at the same time that he maintained a farm near Rockhold, Kentucky.

However, his greatest contribution to the community might well be his service as a doctor for nearly 30 years. Dr. Early practiced as a civilian doctor for the Union Army during the Civil War and continued as a country doctor until his death at the age of 77.

Married twice, Dr. Early helped raise 15 children, four of whom went on to serve this country in their own right by joining the Union Army during the war. Some of his descendants still live in Kentucky and continue to serve our commonwealth and this great nation in numerous ways.

Dr. James Harvey Early was a man who provided great service to his community through the trying and difficult times of war in this country, and it is fitting that we honor him today with this plaque.

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

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Virginia (Mrs. JO ANN DAVIS) that the House suspend the rules and pass the Senate bill, S. 1714.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. DAVIS of Illinois. 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. Pursuant to clause 8, rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

MAJOR LYN McINTOSH POST OFFICE BUILDING

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1432) to designate the facility of the United States Postal Service located at 3698 Inner Perimeter Road in Valdosta, Georgia, as the ''Major Lyn McIntosh Post Office Building''.

The Clerk read as follows:

H.R. 1432

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

SECTION 1. MAJOR LYN McINTOSH POST OFFICE BUILDING.

(a) DESIGNATION.—The facility of the United States Postal Service located at 3698 Inner Perimeter Road in Valdosta, Georgia, shall be known and designated as the ''Major Lyn McIntosh Post Office Building''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Major Lyn McIntosh Post Office Building.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Virginia (Mrs. JO ANN DAVIS) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Virginia (Mrs. JO ANN DAVIS).

GENERAL LEAVE

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1432.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1432 would designate the post office located at 3698 Inner Perimeter Road in Valdosta, Georgia, as the Major Lyn McIntosh Post Office Building.

Lyn Davis McIntosh was born in Valdosta, Georgia, on October 11, 1946. He went to school in Valdosta, graduating from Valdosta State College in 1968. He taught mathematics at Valdosta Junior High School. He enlisted in the Air Force and served overseas in Thailand. After returning to the United States, he was stationed at Travis Air Force Base, California, serving as a National Security Officer.

Major McIntosh returned to flying, joining the 8th Special Operations Squadron as an aircraft commander in 1979. On November 4, 1979, Iranians seized the U.S. Embassy in Tehran, taking 66 Americans hostage. Major McIntosh volunteered for the rescue mission. This extremely dangerous and complex rescue attempt ended in disaster in an Iranian desert on April 25, 1980. Major McIntosh was among those who lost their lives during this rescue mission.

In 1969, Major McIntosh married Ann Dixon and they had three sons, Scott, Mark and Stewart. Ann Dixon passed away on February 17, 2001.

This bill is a fitting tribute to this American patriot. I commend the gentleman from Georgia (Mr. BISHOP) and the other members of the Georgia delegation for sponsoring this bill.

Mr. Speaker, I urge adoption of this bill.

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

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as a member of the Committee on Government Reform, I am pleased to join my colleague in the House consideration of H.R. 1432, which names a Post Office in Valdosta, Georgia, after Major Lyn McIntosh. H.R. 1432 was introduced by my good and colleague, the gentleman from Georgia (Mr. BISHOP) on April 4, 2001. This bill, which meets the committee policy, is cosponsored by the entire Georgia delegation.

□ 1045

I commend the gentleman from Georgia (Mr. BISHOP) for seeking to honor Major McIntosh.

Major McIntosh grew up in Valdosta and received his education in his hometown. He enlisted in the United States Air Force and completed his pilot training. As a member of the Eighth Special Operations Squadron, he commanded an MC–130 aircraft. He later volunteered for a rescue mission to recover the hostages seized in Iran at the U.S. embassy in Tehran, Iran, in 1979. Sadly and unfortunately, he was killed on a ground aircraft collision on April 25, 1979. Here is another example of an individual who was willing to give all that he had for his country; and I think it is certainly fitting, proper and appropriate that we honor him by naming a post office for him. I urge my colleagues to vote in the affirmative for the passage of this resolution.

Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. BISHOP), the author of this legislation.

Mr. BISHOP. Mr. Speaker, I thank the gentleman for yielding me this time. I thank the committee for the hard work on both sides that have been done to bring this bill to the floor. It is a very, very important and emotional piece of legislation for the people of south Georgia.

If one visits the city of Valdosta in deep central south Georgia and happens to be on the corner of North Ashley Street and Woodrow Wilson Drive, one will see a memorial that includes an F–86 fighter plane and a plaque commemorating the life of Major Lyn David McIntosh.

Lyn McIntosh was an extraordinary American.

He was raised in Valdosta; and he attended the public schools there, where he was involved in football and tennis, drama and student government, and as sports editor of the school paper. He graduated from Valdosta State College; and for a while, he taught math at Valdosta Junior High School. Later, he would earn a master's degree from the University of California.

Moody Air Force Base is located in Valdosta, and this outstanding young man decided that military service is what he wanted to do with his life. In 1969, two big things happened: he was married to Ann Dixon of Valdosta, and he joined the Air Force. In the years that followed, he became the father of three sons; and he served as an Air Force pilot and a commander throughout much of the world, and he earned a long list of commendations, including the Air Force Commendation Medal with two Oak Leaf Clusters. He flew with the Eighth Special Operations Squadron as an MC–130 aircraft commander in June of 1979.

As my colleagues know, on November 4, 1979, the Iranians seized the United States Embassy in Tehran, taking 66 Americans hostage. An extremely complex rescue mission was formed and Lyn volunteered for the mission. The rescue attempt began April 24, 1980; and it ended in a disaster in an Iranian desert on April 25. Lyn was among those who lost their lives in an on-the-ground aircraft collision. Unfortunately, this mission was aborted; and Lyn, unfortunately, was among those who died in this very, very tragic accident.

But today, we are here, grateful for Lyn's service to his country, grateful for his commitment, and we want to say ''thank you'' to his family; we want to say ''thank you'' in the way that Americans will always do for eternal gratitude for those who give that last full measure of devotion for our country.

Today, I would like to urge my colleagues to pass H.R. 1432, a bill to name the United States Post Office on the Inner Perimeter Road in Valdosta, Georgia, as the Major Lyn McIntosh Building in memory of a brave American. Lyn was indeed a great American. Greater love hath no man but that he

lay down his life for his friends. Lyn was a friend to all Americans. He gave himself for those 66 hostages; and for that, we will be forever grateful.

Mr. Speaker, I urge passage of this resolution as a memorial to Lyn and his family and to all those who knew and all Americans who benefited from his service to our great country.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I reserve the balance of my time.

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

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Georgia (Mr. KINGSTON), my distinguished colleague.

Mr. KINGSTON. Mr. Speaker, I thank the gentlewoman for yielding me time.

I wanted to say that the gentleman from Georgia (Mr. BISHOP), my good friend, has introduced a very timely resolution for a great American patriot. As somebody who will be representing Valdosta, Georgia, or part of Valdosta, Georgia, I look forward to participating in this. I do not know the McIntosh family personally, as does the gentleman from Georgia (Mr. BISHOP), but if one looks at the history of the United States of America in the last 10 or 15 years, it is clear that Mr. McIntosh has been a part of that history and has served his country well. During that very trying period in 1979 when Americans faced the ignominious situation in Iran, for somebody to step forward and volunteer on a rescue mission I think speaks volumes of his patriotism, love, and devotion for our country.

I look forward to supporting my colleague on this and working with him and the folks in the Senate to get this thing passed. I also look forward to getting to know the McIntosh family. I thank the gentleman from Georgia for introducing this piece of legislation.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, having no other speakers, I urge all of my colleagues to join me in supporting the passage of H.R. 1432.

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

The SPEAKER pro tempore (Mr. ISAKSON). The question is on the motion offered by the gentlewoman from Virginia (Mrs. JO ANN DAVIS) that the House suspend the rules and pass the bill, H.R. 1432.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

OFFICE OF GOVERNMENT ETHICS AUTHORIZATION ACT OF 2001

Mrs. MORELLA. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1202) to amend the Ethics in Government Act of 1978 (5 U.S.C. App.) to extend the authorization of appropriations for the Office of Government Ethics through fiscal year 2006.

The Clerk read as follows:

S. 1202

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Office of Government Ethics Authorization Act of 2001''.

SEC. 2. EXTENSION OF AUTHORIZATION OF APPROPRIATIONS.

Section 405 of the Ethics in Government Act of 1978 (5 U.S.C. App.) is amended by striking ''1997 through 1999'' and inserting ''2002 through 2006''.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Maryland (Mrs. MORELLA) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. MORELLA).

GENERAL LEAVE

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

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

Mr. Speaker, S. 1202 is critically important to ensuring honesty, integrity, and impartiality in the executive branch of the Federal Government. The bill would reauthorize the Office of Government Ethics through fiscal year 2006.

With a budget of $10 million and a staff of only 82, the Office of Government Ethics is a small agency. Despite its small size, however, it performs a vital function.

The office, established in 1978, fosters high ethical standards for government employees. It oversees compliance by Federal departments and agencies with a variety of ethics laws. It issues rules and regulations for Federal employees to follow on such matters as conflict of interest, post-employment restrictions, standards of conduct, and financial disclosure. The office also reviews financial disclosure statements of certain Presidential nominees and, when necessary, recommends corrective action if it finds violations of ethics laws.

In addition, the office trains employees in ethics, provides formal and informal guidance on the interpretation and application of various ethics laws, and it evaluates the effectiveness of conflict of interest and other ethics laws.

During the last Congress, the Subcommittee on Civil Service and Agency Organization of the Committee on Government Reform held an oversight hearing on the Office of Government Ethics. That hearing revealed that the office has performed its duties exceedingly well. There is no question that the office has earned reauthorization from this Congress.

So, Mr. Speaker, I urge adoption of this bill.

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

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the ranking member of the Subcommittee on Civil Service and Agency Organization, I am pleased to join with the gentlewoman from Maryland in support of S. 1202, a bill to amend the Ethics in Government Act of 1978 to extend the authorization of appropriations for the Office of Government Ethics through fiscal year 2006.

OGE's mission is not only to prevent and resolve conflicts of interest and to foster high ethical standards for Federal employees, but also to strengthen the public's confidence so that the government's business is conducted with impartiality and integrity. OGE does this by, one, reviewing and certifying the financial disclosure forms filed by Presidential nominees requiring Senate confirmation; two, serving as the primary source of advice in counseling on conduct and financial disclosure issues; and, three, by providing information on promoting understanding of ethical standards in executive agencies.

OGE and its staff are well regarded by the Federal agencies with whom they do business. OGE has played an essential and significant role in fostering the public's trust in the integrity of government.

Mr. Speaker, there is no component of government more important than that of assuring the public's trust. OGE helps to build and maintain that kind of trust that is essential for an orderly, ethical, and respectable conduct of the Nation's business. For those reasons, I urge swift passage of this bill.

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

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

I want to thank the gentleman from Illinois (Mr. DAVIS) for his words and tell him that I do value working with him on the Subcommittee on Civil Service and Agency Organization. I also want to thank Senator LIEBERMAN who chairs the Senate Committee on Governmental Affairs for his sponsorship of this bill. Indeed, accolades to the gentleman from Indiana (Mr. BURTON), the chairman of the committee

on Government Reform and Oversight, and the gentleman from California (Mr. WAXMAN), the ranking member, for their support of this legislation. Also, thanks should go to the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman of the Committee on the Judiciary, for his cooperation in expediting consideration of this measure.

Mr. Speaker, promoting high ethical standards in the Federal Government is critically important if the citizens of this country are to have confidence in its operation. For this reason, I urge all Members to support S. 1202 and the reauthorization of the Office of Government Ethics.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland (Mrs. MORELLA) that the House suspend the rules and pass the Senate bill, S. 1202.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. DAVIS of Illinois. 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. Pursuant to clause 8, rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

□ 1100

DISTRICT OF COLUMBIA FAMILY COURT ACT OF 2001

Mrs. MORELLA. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 2657) to amend title 11, District of Columbia Code, to redesignate the Family Division of the Superior Court of the District of Columbia as the Family Court of the Superior Court, to recruit and retain trained and experienced judges to serve in the Family Court, to promote consistency and efficiency in the assignment of judges to the Family Court and in the consideration of actions and proceedings in the Family Court, and for other purposes.

The Clerk read as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''District of Columbia Family Court Act of 2001''.

SEC. 2. REDESIGNATION OF FAMILY DIVISION AS FAMILY COURT OF THE SUPERIOR COURT.

(a) IN GENERAL.—Section 11–902, District of Columbia Code, is amended to read as follows:

''§ 11–902. Organization of the court

''(a) IN GENERAL.—The Superior Court shall consist of the following:

''(1) The Civil Division.

''(2) The Criminal Division.

''(3) The Family Court.

''(4) The Probate Division.

''(5) The Tax Division.

''(b) BRANCHES.—The divisions of the Superior Court may be divided into such branches as the Superior Court may by rule prescribe.

''(c) DESIGNATION OF PRESIDING JUDGE OF FAMILY COURT.—The chief judge of the Superior Court shall designate one of the judges assigned to the Family Court of the Superior Court to serve as the presiding judge of the Family Court of the Superior Court.

''(d) JURISDICTION DESCRIBED.—The Family Court shall have original jurisdiction over the actions, applications, determinations, adjudications, and proceedings described in section 11–1101. Actions, applications, determinations, adjudications, and proceedings being assigned to cross-jurisdictional units established by the Superior Court, including the Domestic Violence Unit, on the date of enactment of this section may continue to be so assigned after the date of enactment of this section.''.

(b) CONFORMING AMENDMENT TO CHAPTER 9.—Section 11–906(b), District of Columbia Code, is amended by inserting ''the Family Court and'' before ''the various divisions''.

(c) CONFORMING AMENDMENTS TO CHAPTER 11.—(1) The heading for chapter 11 of title 11, District of Columbia, is amended by striking ''FAMILY DIVISION'' and inserting ''FAMILY COURT''.

(2) The item relating to chapter 11 in the table of chapters for title 11, District of Columbia, is amended by striking ''FAMILY DIVISION'' and inserting ''FAMILY COURT''.

(d) CONFORMING AMENDMENTS TO TITLE 16.—

(1) CALCULATION OF CHILD SUPPORT.—Section 16–916.1(o)(6), District of Columbia Code, is amended by striking ''Family Division'' and inserting ''Family Court of the Superior Court''.

(2) EXPEDITED JUDICIAL HEARING OF CASES BROUGHT BEFORE HEARING COMMISSIONERS.—Section 16–924, District of Columbia Code, is amended by striking ''Family Division'' each place it appears in subsections (a) and (f) and inserting ''Family Court''.

(3) GENERAL REFERENCES TO PROCEEDINGS.—Chapter 23 of title 16, District of Columbia Code, is amended by inserting after section 16–2301 the following new section:

''§ 16–2301.1. References deemed to refer to Family Court of the Superior Court

''Any reference in this chapter or any other Federal or District of Columbia law, Executive order, rule, regulation, delegation of authority, or any document of or pertaining to the Family Division of the Superior Court of the District of Columbia shall be deemed to refer to the Family Court of the Superior Court of the District of Columbia.''.

(4) CLERICAL AMENDMENT.—The table of sections for subchapter I of chapter 23 of title 16, District of Columbia, is amended by inserting after the item relating to section 16–2301 the following new item:

''16–2301.1. References deemed to refer to Family Court of the Superior Court.''.

SEC. 3. APPOINTMENT AND ASSIGNMENT OF JUDGES; NUMBER AND QUALIFICATIONS.

(a) NUMBER OF JUDGES FOR FAMILY COURT; QUALIFICATIONS AND TERMS OF SERVICE.—Chapter 9 of title 11, District of Columbia Code, is amended by inserting after section 11–908 the following new section:

''§ 11–908A. Special rules regarding assignment and service of judges of Family Court

''(a) NUMBER OF JUDGES.—

''(1) IN GENERAL.—The number of judges serving on the Family Court of the Superior Court shall be not more than 15.

''(2) EMERGENCY REASSIGNMENT.—If the chief judge determines that, in order to carry out the intent and purposes of the District of Columbia Family Court Act of 2001, an emergency exists such that the number of judges needed on the Family Court of the Superior Court at any time is more than 15—

''(A) the chief judge may temporarily reassign judges from other divisions of the Superior Court to serve on the Family Court who meet the requirements of paragraphs (1) and (3) of subsection (b) or senior judges who meet the requirements of those paragraphs, except such reassigned judges shall not be subject to the term of service requirements set forth in subsection (c); and

''(B) the chief judge shall, within 30 days of emergency temporary reassignment pursuant to subparagraph (A), submit a report to the President and Congress describing—

''(i) the nature of the emergency;

''(ii) how the emergency was addressed, including which judges were reassigned; and

''(iii) whether and why an increase in the number of Family Court judges authorized in subsection (a)(1) may be necessary to serve the needs of families and children in the District of Columbia.

''(3) COMPOSITION.—The total number of judges on the Superior Court may exceed the limit on such judges specified in section 11–903 to the extent necessary to maintain the requirements of this subsection if—

''(A) the number of judges serving on the Family Court is less than 15; and

''(B) the Chief Judge of the Superior Court—

''(i) is unable to secure a volunteer judge who is sitting on the Superior Court outside of the Family Court for reassignment to the Family Court;

''(ii) obtains approval of the Joint Committee on Judicial Administration; and

''(iii) reports to Congress regarding the circumstances that gave rise to the necessity to exceed the cap.

''(b) QUALIFICATIONS.—The chief judge may not assign an individual to serve on the Family Court of the Superior Court or handle a Family Court case unless—

''(1) the individual has training or expertise in family law;

''(2) the individual certifies to the chief judge that the individual intends to serve the full term of service, except that this paragraph shall not apply with respect to individuals serving as senior judges under section 11–1504, individuals serving as temporary judges under section 11–908, and any other judge serving in another division of the Superior Court who is reassigned on an emergency temporary basis pursuant to subsection (a)(2);

''(3) the individual certifies to the chief judge that the individual will participate in the ongoing training programs carried out for judges of the Family Court under section 11–1104(c); and

''(4) the individual meets the requirements of section 11–1501(b).

''(c) TERM OF SERVICE.—

''(1) IN GENERAL.—Except as provided in paragraph (2), an individual assigned to serve as a judge of the Family Court of the Superior Court shall serve for a term of 5 years.

''(2) SPECIAL RULE FOR JUDGES SERVING ON SUPERIOR COURT ON DATE OF ENACTMENT OF FAMILY COURT ACT OF 2001.—

''(A) IN GENERAL.—An individual assigned to serve as a judge of the Family Court of the Superior Court who is serving as a judge of the Superior Court on the date of the enactment of the District of Columbia Family Court Act of 2001 shall serve for a term of not fewer than 3 years.

''(B) REDUCTION OF PERIOD FOR JUDGES SERVING IN FAMILY DIVISION.—In the case of a judge of the Superior Court who is serving as a judge

in the Family Division of the Court on the date of the enactment of the District of Columbia Family Court Act of 2001, the 3-year term applicable under subparagraph (A) shall be reduced by the length of any period of consecutive service as a judge in such Division immediately preceding the date of the enactment of such Act.

''(3) ASSIGNMENT FOR ADDITIONAL SERVICE.—After the term of service of a judge of the Family Court (as described in paragraph (1)) expires, at the judge's request and with the approval of the chief judge, the judge may be assigned for additional service on the Family Court for a period of such duration (consistent with section 431(c) of the District of Columbia Home Rule Act) as the chief judge may provide.

''(4) PERMITTING SERVICE ON FAMILY COURT FOR ENTIRE TERM.—At the request of the judge and with the approval of the chief judge, a judge may serve as a judge of the Family Court for the judge's entire term of service as a judge of the Superior Court under section 431(c) of the District of Columbia Home Rule Act.

''(d) REASSIGNMENT TO OTHER DIVISIONS.—The chief judge may reassign a judge of the Family Court to any division of the Superior Court if the chief judge determines that in the interest of justice the judge is unable to continue serving in the Family Court.''.

(b) PLAN FOR FAMILY COURT TRANSITION.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the chief judge of the Superior Court of the District of Columbia shall prepare and submit to the President and Congress a transition plan for the Family Court of the Superior Court, and shall include in the plan the following:

(A) The chief judge's determination of the role and function of the presiding judge of the Family Court.

(B) The chief judge's determination of the number of judges needed to serve on the Family Court.

(C) The chief judge's determination of the number of magistrate judges of the Family Court needed for appointment under section 11–1732, District of Columbia Code.

(D) The chief judge's determination of the appropriate functions of such magistrate judges, together with the compensation of and other personnel matters pertaining to such magistrate judges.

(E) A plan for case flow, case management, and staffing needs (including the needs for both judicial and nonjudicial personnel) for the Family Court, including a description of how the Superior Court will handle the one family, one judge requirement pursuant to section 11–1104(a) for all cases and proceedings assigned to the Family Court.

(F) A plan for space, equipment, and other physical plant needs and requirements during the transition, as determined in consultation with the Administrator of General Services.

(G) An analysis of the number of magistrate judges needed under the expedited appointment procedures established under section 6(d) in reducing the number of pending actions and proceedings within the jurisdiction of the Family Court (as described in section 11–902(d), District of Columbia, as amended by subsection (a)).

(H) Consistent with the requirements of paragraph (2), a proposal for the disposition or transfer to the Family Court of child abuse and neglect actions pending as of the date of enactment of this Act (which were initiated in the Family Division but remain pending before judges serving in other Divisions of the Superior Court as of such date) in a manner consistent with applicable Federal and District of Columbia law and best practices, including best practices developed by the American Bar Association and the National Council of Juvenile and Family Court Judges.

(I) An estimate of the number of cases for which the deadline for disposition or transfer to the Family Court, specified in paragraph (2)(B), cannot be met and the reasons why such deadline cannot be met.

(2) IMPLEMENTATION OF THE PLAN FOR TRANSFER OR DISPOSITION OF ACTIONS AND PROCEEDINGS TO FAMILY COURT.—

(A) IN GENERAL.—Except as provided in subparagraph (C), the chief judge of the Superior Court and the presiding judge of the Family Court shall take such steps as may be required as provided in the proposal for disposition of actions and proceedings under paragraph (1)(H) to ensure that each child abuse and neglect action of the Superior Court (as described in section 11–902(d), District of Columbia Code, as amended by subsection (a)) is transferred to the Family Court or otherwise disposed of as provided in subparagraph (B).

(B) DEADLINE.—

(i) IN GENERAL.—Notwithstanding any other provision of this Act or any amendment made by this Act and except as provided in subparagraph (C), no child abuse or neglect action shall remain pending with a judge not serving on the Family Court upon the expiration of 18 months after the filing of the transition plan required under paragraph (1).

(ii) RULE OF CONSTRUCTION.—The chief judge of the Superior Court should make every effort to provide for the earliest practicable disposition of actions. Nothing in this subparagraph shall preclude the immediate transfer of cases to the Family Court, particularly cases which have been filed with the court for less than 6 months prior to the date of enactment of this Act.

(C) RETAINED CASES.—Child abuse and neglect cases that were initiated in the Family Division but remain pending before judges, including senior judges as defined in section 11–1504, District of Columbia Code, in other Divisions of the Superior Court as of the date of enactment of this Act may remain before judges, including senior judges, in such other Divisions when—

(i) the case remains at all times in full compliance with Public Law 105–89, if applicable;

(ii) the chief judge determines, in consultation with the presiding judge of the Family Court, based on the record in the case and any unique expertise, training, or knowledge of the case that the judge might have, that permitting the judge to retain the case would lead to permanent placement of the child more quickly than reassignment to a judge in the Family Court.

(D) PRIORITY FOR CERTAIN ACTIONS AND PROCEEDINGS.—The chief judge of the Superior Court, in consultation with the presiding judge of the Family Court, shall give priority consideration to the disposition or transfer of the following actions and proceedings:

(i) The action or proceeding involves an allegation of abuse or neglect.

(ii) The action or proceeding was initiated in the family division prior to the 2-year period which ends on the date of enactment of this Act.

(iii) The judge to whom the action or proceeding is assigned as of the date of enactment of this Act is not assigned to the Family Division.

(E) PROGRESS REPORTS.—The chief judge of the Superior Court shall submit reports to the President, to the Committee on Appropriations of each House, the Committee on Governmental Affairs of the Senate, and the Committee on Government Reform of the House of Representatives at 6-month intervals for a period of 2 years after the date of submission of the transition plan required under paragraph (1) on the progress made towards disposing of actions or proceedings described in subparagraph (B).

(F) RULE OF CONSTRUCTION.—Nothing in this subsection shall preclude the chief judge, in consultation with the presiding judge of the Family Court, from transferring actions or proceedings pending before judges outside the Family Court at the enactment of this Act which do not involve allegations of abuse and neglect but which would otherwise fall under the jurisdiction of the Family Court to judges in the Family Court prior to the deadline as defined in subparagraph 2(B), particularly if such transfer would result in more efficient resolution of such actions or proceedings.

(3) EFFECTIVE DATE OF IMPLEMENTATION OF PLAN.—The chief judge of the Superior Court may not take any action to implement the transition plan under this subsection until the expiration of the 30-day period which begins on the date the chief judge submits the plan to the President and Congress under paragraph (1).

(c) TRANSITION TO REQUIRED NUMBER OF JUDGES.—

(1) ANALYSIS BY CHIEF JUDGE OF SUPERIOR COURT.—The chief judge of the Superior Court of the District of Columbia shall include in the transition plan prepared under subsection (b)—

(A) the chief judge's determination of the number of individuals serving as judges of the Superior Court who—

(i) meet the qualifications for judges of the Family Court of the Superior Court under section 11–908A, District of Columbia Code (as added by subsection (a)); and

(ii) are willing and able to serve on the Family Court; and

(B) if the chief judge determines that the number of individuals described in subparagraph (A) is less than 15, a request that the Judicial Nomination Commission recruit and the President nominate (in accordance with section 433 of the District of Columbia Home Rule Act) such additional number of individuals to serve on the Superior Court who meet the qualifications for judges of the Family Court under section 11–908A, District of Columbia Code, as may be required to enable the chief judge to make the required number of assignments.

(2) ROLE OF DISTRICT OF COLUMBIA JUDICIAL NOMINATION COMMISSION.—For purposes of section 434(d)(1) of the District of Columbia Home Rule Act, the submission of a request from the chief judge of the Superior Court of the District of Columbia under paragraph (1)(B) shall be deemed to create a number of vacancies in the position of judge of the Superior Court equal to the number of additional appointments so requested by the chief judge, except that the deadline for the submission by the District of Columbia Judicial Nomination Commission of nominees to fill such vacancies shall be 90 days after the creation of such vacancies. In carrying out this paragraph, the District of Columbia Judicial Nomination Commission shall recruit individuals for possible nomination and appointment to the Superior Court who meet the qualifications for judges of the Family Court of the Superior Court.

(d) REPORT BY COMPTROLLER GENERAL.—

(1) IN GENERAL.—Not later than 2 years after the date of the enactment of this Act, the Comptroller General shall prepare and submit to Congress and the chief judge of the Superior Court of the District of Columbia a report on the implementation of this Act (including the implementation of the transition plan under subsection (b)), and shall include in the report the following:

(A) An analysis of the procedures used to make the initial appointments of judges of the Family Court under this Act and the amendments made by this Act, including an analysis of the time required to make such appointments and the effect of the qualification requirements for judges of the Court (including requirements relating to the length of service on the Court) on the time required to make such appointments.

(B) An analysis of the impact of magistrate judges for the Family Court (including the expedited initial appointment of magistrate judges

for the Court under section 6(d)) on the workload of judges and other personnel of the Court.

(C) An analysis of the number of judges needed for the Family Court, including an analysis of how the number may be affected by the qualification requirements for judges, the availability of magistrate judges, and other provisions of this Act or the amendments made by this Act.

(D) An analysis of the timeliness of the resolution and disposition of pending actions and proceedings required under the transition plan (as described in paragraphs (1)(I) and (2) of subsection (b)), including an analysis of the effect of the availability of magistrate judges on the time required to resolve and dispose of such actions and proceedings.

(2) SUBMISSION TO CHIEF JUDGE OF SUPERIOR COURT.—Prior to submitting the report under paragraph (1) to Congress, the Comptroller General shall provide a preliminary version of the report to the chief judge of the Superior Court and shall take any comments and recommendations of the chief judge into consideration in preparing the final version of the report.

(e) CONFORMING AMENDMENT.—The first sentence of section 11–908(a), District of Columbia Code, is amended by striking ''The chief judge'' and inserting ''Subject to section 11–908A, the chief judge''.

(f) CLERICAL AMENDMENT.—The table of sections for chapter 9 of title 11, District of Columbia Code, is amended by inserting after the item relating to section 11–908 the following new item:

''11–908A. Special rules regarding assignment and service of judges of Family Court.''.

SEC. 4. IMPROVING ADMINISTRATION OF CASES AND PROCEEDINGS IN FAMILY COURT.

(a) IN GENERAL.—Chapter 11 of title 11, District of Columbia, is amended by striking section 1101 and inserting the following:

''§ 11–1101. Jurisdiction of the Family Court

''(a) IN GENERAL.—The Family Court of the District of Columbia shall be assigned and have original jurisdiction over—

''(1) actions for divorce from the bond of marriage and legal separation from bed and board, including proceedings incidental thereto for alimony, pendente lite and permanent, and for support and custody of minor children;

''(2) applications for revocation of divorce from bed and board;

''(3) actions to enforce support of any person as required by law;

''(4) actions seeking custody of minor children, including petitions for writs of habeas corpus;

''(5) actions to declare marriages void;

''(6) actions to declare marriages valid;

''(7) actions for annulments of marriage;

''(8) determinations and adjudications of property rights, both real and personal, in any action referred to in this section, irrespective of any jurisdictional limitation imposed on the Superior Court;

''(9) proceedings in adoption;

''(10) proceedings under the Act of July 10, 1957 (D.C. Code, secs. 30–301 to 30–324);

''(11) proceedings to determine paternity of any child born out of wedlock;

''(12) civil proceedings for protection involving intrafamily offenses, instituted pursuant to chapter 10 of title 16;

''(13) proceedings in which a child, as defined in section 16–2301, is alleged to be delinquent, neglected, or in need of supervision;

''(14) proceedings under chapter 5 of title 21 relating to the commitment of the mentally ill;

''(15) proceedings under chapter 13 of title 7 relating to the commitment of the at least moderately mentally retarded; and

''(16) proceedings under Interstate Compact on Juveniles (described in title IV of the District of Columbia Court Reform and Criminal Procedure Act of 1970).

''(b) DEFINITION.—

''(1) IN GENERAL.—In this chapter, the term 'action or proceeding' with respect to the Family Court refers to cause of action described in paragraphs (1) through (16) of subsection (a).

''(2) EXCEPTION.—An action or proceeding may be assigned to or retained by cross-jurisdictional units established by the Superior Court, including the Domestic Violence Unit.

''§ 11–1102. Use of alternative dispute resolution

''To the greatest extent practicable and safe, cases and proceedings in the Family Court of the Superior Court shall be resolved through alternative dispute resolution procedures, in accordance with such rules as the Superior Court may promulgate.

''§ 11–1103. Standards of practice for appointed counsel

''The Superior Court shall establish standards of practice for attorneys appointed as counsel in the Family Court of the Superior Court.

''§ 11–1104. Administration

''(a) 'ONE FAMILY, ONE JUDGE' REQUIREMENT FOR CASES AND PROCEEDINGS.—To the greatest extent practicable, feasible, and lawful, if an individual who is a party to an action or proceeding assigned to the Family Court has an immediate family or household member who is a party to another action or proceeding assigned to the Family Court, the individual's action or proceeding shall be assigned to the same judge or magistrate judge to whom the immediate family member's action or proceeding is assigned.

''(b) RETENTION OF JURISDICTION OVER CASES.—

''(1) IN GENERAL.—In addition to the requirement of subsection (a), any action or proceeding assigned to the Family Court of the Superior Court shall remain under the jurisdiction of the Family Court until the action or proceeding is finally disposed, except as provided in paragraph (2)(D).

''(2) ONE FAMILY, ONE JUDGE.—

''(A) FOR THE DURATION.—An action or proceeding assigned pursuant to this subsection shall remain with the judge or magistrate judge in the Family Court to whom the action or proceeding is assigned for the duration of the action or proceeding to the greatest extent practicable, feasible, and lawful, subject to subparagraph (C).

''(B) ALL CASES INVOLVING AN INDIVIDUAL.—If an individual who is a party to an action or proceeding assigned to the Family Court becomes a party to another action or proceeding assigned to the Family Court, the individual's subsequent action or proceeding shall be assigned to the same judge or magistrate judge to whom the individual's initial action or proceeding is assigned to the greatest extent practicable and feasible.

''(C) FAMILY COURT CASE RETENTION.—If the full term of a Family Court judge to whom the action or proceeding is assigned is completed prior to the final disposition of the action or proceeding, the presiding judge of the Family Court shall ensure that the matter or proceeding is reassigned to a judge serving on the Family Court.

''(D) EXCEPTION.—A judge whose full term on the Family Court is completed but who remains in Superior Court may retain the case or proceeding for not more than 6 months or, in extraordinary circumstances, for not more than 12 months after ceasing to serve if—

''(i) the case remains at all times in full compliance with Public Law 105–89, if applicable; and

''(ii) if Public Law 105–89 is applicable, the chief judge determines, in consultation with the presiding judge of the Family Court, based on the record in the case and any unique expertise, training or knowledge of the case that the judge might have, that permitting the judge to retain the case would lead to permanent placement of the child more quickly than reassignment to a judge in the Family Court.

''(3) STANDARDS OF JUDICIAL ETHICS.—The actions of a judge or magistrate judge in retaining an action or proceeding under this paragraph shall be subject to applicable standards of judicial ethics.

''(c) TRAINING PROGRAM.—

''(1) IN GENERAL.—The chief judge, in consultation with the presiding judge of the Family Court, shall carry out an ongoing program to provide training in family law and related matters for judges of the Family Court and other judges of the Superior Court who are assigned Family Court cases, including magistrate judges, attorneys who practice in the Family Court, and appropriate nonjudicial personnel, and shall include in the program information and instruction regarding the following:

''(A) Child development.

''(B) Family dynamics, including domestic violence.

''(C) Relevant Federal and District of Columbia laws.

''(D) Permanency planning principles and practices.

''(E) Recognizing the risk factors for child abuse.

''(F) Any other matters the presiding judge considers appropriate.

''(2) USE OF CROSS-TRAINING.—The program carried out under this section shall use the resources of lawyers and legal professionals, social workers, and experts in the field of child development and other related fields.

''(d) ACCESSIBILITY OF MATERIALS, SERVICES, AND PROCEEDINGS; PROMOTION OF 'FAMILY-FRIENDLY' ENVIRONMENT.—

''(1) IN GENERAL.—To the greatest extent practicable, the chief judge and the presiding judge of the Family Court shall ensure that the materials and services provided by the Family Court are understandable and accessible to the individuals and families served by the Family Court, and that the Family Court carries out its duties in a manner which reflects the special needs of families with children.

''(2) LOCATION OF PROCEEDINGS.—To the maximum extent feasible, safe, and practicable, cases and proceedings in the Family Court shall be conducted at locations readily accessible to the parties involved.

''(e) INTEGRATED COMPUTERIZED CASE TRACKING AND MANAGEMENT SYSTEM.—The Executive Officer of the District of Columbia courts under section 11–1703 shall work with the chief judge of the Superior Court—

''(1) to ensure that all records and materials of cases and proceedings in the Family Court are stored and maintained in electronic format accessible by computers for the use of judges, magistrate judges, and nonjudicial personnel of the Family Court, and for the use of other appropriate offices of the District government in accordance with the plan for integrating computer systems prepared by the Mayor of the District of Columbia under section 4(b) of the District of Columbia Family Court Act of 2001;

''(2) to establish and operate an electronic tracking and management system for cases and proceedings in the Family Court for the use of judges and nonjudicial personnel of the Family Court, using the records and materials stored and maintained pursuant to paragraph (1); and

''(3) to expand such system to cover all divisions of the Superior Court as soon as practicable.

''§ 11–1105. Social services and other related services

''(a) ONSITE COORDINATION OF SERVICES AND INFORMATION.—

''(1) IN GENERAL.—The Mayor of the District of Columbia, in consultation with the chief judge of the Superior Court, shall ensure that representatives of the appropriate offices of the District government which provide social services and other related services to individuals and families served by the Family Court (including the District of Columbia Public Schools, the District of Columbia Housing Authority, the Child and Family Services Agency, the Office of the Corporation Counsel, the Metropolitan Police Department, the Department of Health, and other offices determined by the Mayor) are available on-site at the Family Court to coordinate the provision of such services and information regarding such services to such individuals and families.

''(2) DUTIES OF HEADS OF OFFICES.—The head of each office described in paragraph (1), including the Superintendent of the District of Columbia Public Schools and the Director of the District of Columbia Housing Authority, shall provide the Mayor with such information, assistance, and services as the Mayor may require to carry out such paragraph.

''(b) APPOINTMENT OF SOCIAL SERVICES LIAISON WITH FAMILY COURT.—The Mayor of the District of Columbia shall appoint an individual to serve as a liaison between the Family Court and the District government for purposes of subsection (a) and for coordinating the delivery of services provided by the District government with the activities of the Family Court and for providing information to the judges, magistrate judges, and nonjudicial personnel of the Family Court regarding the services available from the District government to the individuals and families served by the Family Court. The Mayor shall provide on an ongoing basis information to the chief judge of the Superior Court and the presiding judge of the Family Court regarding the services of the District government which are available for the individuals and families served by the Family Court.

''§ 11–1106. Reports to Congress

''Not later than 90 days after the end of each calendar year, the chief judge of the Superior Court shall submit a report to Congress on the activities of the Family Court during the year, and shall include in the report the following:

''(1) The chief judge's assessment of the productivity and success of the use of alternative dispute resolution pursuant to section 11–1102.

''(2) Goals and timetables as required by the Adoption and Safe Families Act of 1997 to improve the Family Court's performance in the following year.

''(3) Information on the extent to which the Family Court met deadlines and standards applicable under Federal and District of Columbia law to the review and disposition of actions and proceedings under the Family Court's jurisdiction during the year.

''(4) Information on the progress made in establishing locations and appropriate space for the Family Court that are consistent with the mission of the Family Court until such time as the locations and space are established.

''(5) Information on any factors which are not under the control of the Family Court which interfere with or prevent the Family Court from carrying out its responsibilities in the most effective manner possible.

''(6) Information on—

''(A) the number of judges serving on the Family Court as of the end of the year;

''(B) how long each such judge has served on the Family Court;

''(C) the number of cases retained outside the Family Court;

''(D) the number of reassignments to and from the Family Court; and

''(E) the ability to recruit qualified sitting judges to serve on the Family Court.

''(7) Based on outcome measures derived through the use of the information stored in electronic format under section 11–1104(d), an analysis of the Family Court's efficiency and effectiveness in managing its case load during the year, including an analysis of the time required to dispose of actions and proceedings among the various categories of the Family Court's jurisdiction, as prescribed by applicable law and best practices, including (but not limited to) best practices developed by the American Bar Association and the National Council of Juvenile and Family Court Judges.

''(8) If the Family Court failed to meet the deadlines, standards, and outcome measures described in the previous paragraphs, a proposed remedial action plan to address the failure.''.

(b) EXPEDITED APPEALS FOR CERTAIN FAMILY COURT ACTIONS AND PROCEEDINGS.—Section 11–721, District of Columbia Code, is amended by adding at the end the following new subsection:

''(g) Any appeal from an order of the Family Court of the District of Columbia terminating parental rights or granting or denying a petition to adopt shall receive expedited review by the District of Columbia Court of Appeals.''.

(c) PLAN FOR INTEGRATING COMPUTER SYSTEMS.—

(1) IN GENERAL.—Not later than 6 months after the date of the enactment of this Act, the Mayor of the District of Columbia shall submit to the President and Congress a plan for integrating the computer systems of the District government with the computer systems of the Superior Court of the District of Columbia so that the Family Court of the Superior Court and the appropriate offices of the District government which provide social services and other related services to individuals and families served by the Family Court of the Superior Court (including the District of Columbia Public Schools, the District of Columbia Housing Authority, the Child and Family Services Agency, the Office of the Corporation Counsel, the Metropolitan Police Department, the Department of Health, and other offices determined by the Mayor) will be able to access and share information on the individuals and families served by the Family Court.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Mayor of the District of Columbia such sums as may be necessary to carry out paragraph (1).

(d) CLERICAL AMENDMENT.—The table of sections for chapter 11 of title 11, District of Columbia Code, is amended by adding at the end the following new items:

''11–1102. Use of alternative dispute resolution.
''11–1103. Standards of practice for appointed counsel.
''11–1104. Administration.
''11–1105. Social services and other related services.
''11–1106. Reports to Congress.''.

SEC. 5. TREATMENT OF HEARING COMMISSIONERS AS MAGISTRATE JUDGES.

(a) IN GENERAL.—

(1) REDESIGNATION OF TITLE.—Section 11–1732, District of Columbia Code, is amended—

(A) by striking ''hearing commissioners'' each place it appears in subsection (a), subsection (b), subsection (d), subsection (i), subsection (l), and subsection (n) and inserting ''magistrate judges'';

(B) by striking ''hearing commissioner'' each place it appears in subsection (b), subsection (c), subsection (e), subsection (f), subsection (g), subsection (h), and subsection (j) and inserting ''magistrate judge'';

(C) by striking ''hearing commissioner's'' each place it appears in subsection (e) and subsection (k) and inserting ''magistrate judge's'';

(D) by striking ''Hearing commissioners'' each place it appears in subsections (b), (d), and (i) and inserting ''Magistrate judges''; and

(E) in the heading, by striking ''**Hearing commissioners**'' and inserting ''**Magistrate judges**''.

(2) CONFORMING AMENDMENTS.—Section 16–924, District of Columbia Code, is amended—

(A) by striking ''hearing commissioner'' each place it appears and inserting ''magistrate judge''; and

(B) in subsection (f), by striking ''hearing commissioner's'' and inserting ''magistrate judge's''.

(3) CLERICAL AMENDMENT.—The item relating to section 11–1732 of the table of sections of chapter 17 of title 11, D.C. Code, is amended to read as follows:

''11–1732. Magistrate judges.''.

(b) TRANSITION PROVISION REGARDING HEARING COMMISSIONERS.—Any individual serving as a hearing commissioner under section 11–1732 of the District of Columbia Code as of the date of the enactment of this Act shall serve the remainder of such individual's term as a magistrate judge, and may be reappointed as a magistrate judge in accordance with section 11–1732(d), District of Columbia Code, except that any individual serving as a hearing commissioner as of the date of the enactment of this Act who was appointed as a hearing commissioner prior to the effective date of section 11–1732 of the District of Columbia Code shall not be required to be a resident of the District of Columbia to be eligible to be reappointed.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 6. SPECIAL RULES FOR MAGISTRATE JUDGES OF FAMILY COURT.

(a) IN GENERAL.—Chapter 17 of title 11, District of Columbia Code, is amended by inserting after section 11–1732 the following new section:

''§ 11–1732A. Special rules for magistrate judges of the Family Court of the Superior Court and the Domestic Violence Unit

''(a) USE OF SOCIAL WORKERS IN ADVISORY MERIT SELECTION PANEL.—The advisory selection merit panel used in the selection of magistrate judges for the Family Court of the Superior Court under section 11–1732(b) shall include certified social workers specializing in child welfare matters who are residents of the District and who are not employees of the District of Columbia Courts.

''(b) SPECIAL QUALIFICATIONS.—Notwithstanding section 11–1732(c), no individual shall be appointed or assigned as a magistrate judge for the Family Court of the Superior Court or as a magistrate judge for the Domestic Violence Unit handling actions or proceedings which would otherwise be under the jurisdiction of the Family Court unless that individual—

''(1) is a citizen of the United States;

''(2) is an active member of the unified District of Columbia Bar;

''(3) for the 5 years immediately preceding the appointment has been engaged in the active practice of law in the District, has been on the faculty of a law school in the District, or has been employed as a lawyer by the United States or District government, or any combination thereof;

''(4) has not fewer than 3 years of training or experience in the practice of family law as a lawyer or judicial officer; and

''(5)(A) is a bona fide resident of the District of Columbia and has maintained an actual place of abode in the District for at least 90 days immediately prior to appointment, and retains such residency during service as a magistrate judge; or

''(B) is a bona fide resident of the areas consisting of Montgomery and Prince George's Counties in Maryland, Arlington and Fairfax Counties, and the City of Alexandria in Virginia, has maintained an actual place of abode

in such area, areas, or the District of Columbia for at least 5 years prior to appointment, and certifies that the individual will become a bona fide resident of the District of Columbia not later than 90 days after appointment.

''(c) SERVICE OF CURRENT HEARING COMMISSIONERS.—Those individuals serving as hearing commissioners under section 11–1732 on the effective date of this section who meet the qualifications described in subsection (b)(4) may request to be appointed as magistrate judges for the Family Court of the Superior Court under such section.

''(d) FUNCTIONS OF FAMILY COURT AND DOMESTIC VIOLENCE UNIT MAGISTRATES.—A magistrate judge, when specifically designated by the chief judge in consultation with the appropriate presiding judge to serve in the Family Court or in the Domestic Violence Unit and subject to the rules of the Superior Court and the right of review under section 11–1732(k), may perform the following functions:

''(1) Administer oaths and affirmations and take acknowledgements.

''(2) Subject to the rules of the Superior Court and applicable Federal and District of Columbia law, conduct hearings, make findings and enter interim and final orders or judgments in uncontested or contested proceedings within the jurisdiction of the Family Court and the Domestic Violence Unit of the Superior Court (as described in section 11–1101), excluding jury trials and trials of felony cases, as assigned by the appropriate presiding judge.

''(3) Subject to the rules of the Superior Court, enter an order punishing an individual for contempt, except that no individual may be detained pursuant to the authority of this paragraph for longer than 180 days.

''(e) LOCATION OF PROCEEDINGS.—To the maximum extent feasible, safe, and practicable, magistrate judges of the Family Court of the Superior Court shall conduct proceedings at locations readily accessible to the parties involved.

''(f) TRAINING.—The chief judge, in consultation with the presiding judge of the Family Court of the Superior Court, shall ensure that all magistrate judges of the Family Court receive training to enable them to fulfill their responsibilities, including specialized training in family law and related matters.''.

(b) CONFORMING AMENDMENTS.—(1) Section 11–1732(a), District of Columbia Code, is amended by inserting after ''the duties enumerated in subsection (j) of this section'' the following: ''(or, in the case of magistrate judges for the Family Court or the Domestic Violence Unit of the Superior Court, the duties enumerated in section 11–1732A(d))''.

(2) Section 11–1732(c), District of Columbia Code, is amended by striking ''No individual'' and inserting ''Except as provided in section 11–1732A(b), no individual''.

(3) Section 11–1732(k), District of Columbia Code, is amended—

(A) by striking ''subsection (j),'' and inserting the following: ''subsection (j) (or proceedings and hearings under section 11–1732A(d), in the case of magistrate judges for the Family Court or the Domestic Violence Unit of the Superior Court),''; and

(B) by inserting after ''appropriate division'' the following: ''(or, in the case of an order or judgment of a magistrate judge of the Family Court or the Domestic Violence Unit of the Superior Court, by a judge of the Family Court or the Domestic Violence Unit)''.

(4) Section 11–1732(l), District of Columbia Code, is amended by inserting after ''responsibilities'' the following: ''(subject to the requirements of section 11–1732A(f) in the case of magistrate judges of the Family Court of the Superior Court or the Domestic Violence Unit)''.

(c) CLERICAL AMENDMENT.—The table of sections for subchapter II of chapter 17 of title 11, District of Columbia, is amended by inserting after the item relating to section 11–1732 the following new item:

''11–1732A. Special rules for magistrate judges of the Family Court of the Superior Court and the Domestic Violence Unit.''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of enactment of this Act.

(2) EXPEDITED INITIAL APPOINTMENTS.—

(A) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the chief judge of the Superior Court of the District of Columbia shall appoint individuals to serve as magistrate judges for the Family Division of the Superior Court in accordance with the requirements of sections 11–1732 and 11–1732A, District of Columbia Code (as added by subsection (a)), for the purpose of assisting with the implementation of the transition plan under section 3(b) of this Act, and in particular with the transition or disposal of actions or proceedings pursuant to section 3(b)(2) of this Act.

(B) TRANSITION RESPONSIBILITIES OF INITIALLY APPOINTED FAMILY COURT MAGISTRATES.—The chief judge of the Superior Court and the presiding judge of the Family Division of the Superior Court (acting jointly) shall first assign the magistrate judges of Family Court appointed under this paragraph to work with judges to whom the cases are currently assigned in making case disposition or transfer decisions as follows:

(i) The action or proceeding involves an allegation of abuse or neglect.

(ii) The judge to whom the action or proceeding is assigned as of the date of enactment of this Act is not assigned to the Family Division.

(iii) The action or proceeding was initiated in the Family Division prior to the 2-year period which ends on the date of enactment of this Act.

(C) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to preclude magistrate judges appointed pursuant to this subsection from performing upon appointment any or all of the functions of magistrate judges of the Family Court or Domestic Violence Unit as set forth in subsection 11–1732A(d).

SEC. 7. SENSE OF CONGRESS REGARDING BORDER AGREEMENT WITH MARYLAND AND VIRGINIA.

It is the sense of Congress that the State of Maryland, the Commonwealth of Virginia, and the District of Columbia should promptly enter into a border agreement to facilitate the timely and safe placement of children in the District of Columbia's welfare system in foster and kinship homes and other facilities in Maryland and Virginia.

SEC. 8. SENSE OF THE SENATE REGARDING THE USE OF COURT APPOINTED SPECIAL ADVOCATES.

It is the sense of the Senate that the chief judge of the Superior Court and the presiding judge of the Family Division should take all steps necessary to encourage, support, and improve the use of Court Appointed Special Advocates (CASA) in family court actions or proceedings.

SEC. 9. INTERIM REPORTS.

Not later than 12 months after the date of enactment of this Act, the chief judge of the Superior Court and the presiding judge of the Family Court—

(1) in consultation with the General Services Administration, shall submit to Congress a feasibility study for the construction, lease, or acquisition of appropriate permanent courts and facilities for the Family Court; and

(2) shall submit to Congress an analysis of the success of the use of magistrate judges under the expedited appointment procedures established under section 6(d) in reducing the number of pending actions and proceedings within the jurisdiction of the Family Court (as described in section 11–902(d), District of Columbia).

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Courts of the District of Columbia and the District of Columbia such sums as may be necessary to carry out the amendments made by this Act.

SEC. 11. EFFECTIVE DATE.

The amendments made by this Act shall take effect upon enactment of this Act.

The SPEAKER pro tempore (Mr. ISAKSON). Pursuant to the rule, the gentlewoman from Maryland (Mrs. MORELLA) and the gentlewoman from the District of Columbia (Ms. NORTON) each will control 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. MORELLA).

GENERAL LEAVE

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the measure under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

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

Mr. Speaker, I urge all Members to concur in the Senate amendment to H.R. 2657, the District of Columbia Family Court Act of 2001. These Senate amendments have been approved by the sponsor of the legislation, the gentleman from Texas (Mr. DELAY), and the original cosponsors of the legislation, the gentleman from Virginia (Mr. DAVIS), the gentlewoman from District of Columbia (Ms. NORTON), and myself, following diligent work between staff of both houses.

The Senate amendments before us raise the ceiling of the number of judges for the Family Court to 15 judges. This provision would enable the chief judge to address unforeseeable needs if judges and magistrates are not able to keep up with the caseload.

The amended bill further allows for emergency temporary reassignment of certain judges who are qualified to serve on the Family Court and who would not be subject to the length of term, should the 15 Family Court judges not be able to keep up with the docket. These temporary emergency judges are encouraged to volunteer to serve in this capacity to the greatest extent possible.

These provisions modify the restriction in the District of Columbia Code to allow the chief judge of the Superior Court to exceed the overall cap of 59 judges if necessary to maintain a full complement of 15 judges in Family Court. The amendments further provide that cases outside of the Family Court be allowed an 18-month transition period to return to the Family Court, and provide limited exception based on the records of the case.

Additionally, the amended bill establishes a priority for returning the backlog of cases to the Family Court within the transition period, and requires that when a Family Court judge leaves the bench, all the cases must remain in the Family Court, except under extraordinary circumstances. The judge may have 6 months or 12 months, if it can be demonstrated to the chief judge that taking the case out of the Family Court will lead to permanent accomplishment of the child more quickly than if the case remained in the court.

These cases must be in compliance with the Adoption and Safe Families Act. It is hoped that only a small number of cases will be retained under this provision.

The Superior Court is required to report to Congress at 6-month intervals for 2 years. This provision will enable Congress to monitor the implementation of the reforms intended in the bill, including the transfer of cases back to the Family Court. Other reports are required by the Comptroller General, the chief judge, and the presiding judge of the Family Court at varying intervals.

The Senate amendments to the House measure, H.R. 2657, maintain the requirement of one family-one judge in cases decided by the Family Court, which include divorces, alimony, child support, adoptions, custody, writs of habeas corpus, and other proceedings. The core of this legislation is to serve the children and the families of our Nation's capital.

This legislation has been the culmination of many individual efforts, but I must especially thank the gentleman from Texas (Mr. DELAY) for his leadership in making this legislation a reality.

Mr. Speaker, I urge all Members to concur in the Senate amendments to H.R. 2657, and I reserve the balance of my time.

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

Mr. Speaker, I rise in strong support of H.R. 2657, and to ask the support of this House for the District of Columbia Family Court Act of 2001, a bill written as a bipartisan effort by the gentleman from Texas (Mr. DELAY) and me.

The bill contains the few amendments I informed the House on September 20 I could not add at that time because of the rush to get this bill to the floor in time to secure the necessary appropriation. I want to thank the Senate for assuring that these changes were included as Senate amendments to the bill.

I especially want to thank the current chairman of the Subcommittee on the District of Columbia, the gentlewoman from Maryland (Mrs. MORELLA), and the former chair, the gentleman from Texas (Mr. DELAY), for their leadership on this bill, but particular thanks are due to my friend and partner on this bill, the majority whip, the gentleman from Texas (Mr. DELAY).

The gentleman from Texas worked long and hard with me on this bill, and kept at it through tough negotiations when we had differences for more than a year until we both could agree on a final version. I appreciate the collegial way in which the gentleman from Texas (Mr. DELAY) worked with me throughout. He has my special gratitude for the extra $24 million that has been appropriated to fund the reforms that this bill mandates.

The Mayor and the City Council appreciate and support the work of the gentleman from Texas (Mr. DELAY) on the bill, as well, and the respect he has shown for home rule throughout his negotiations with me on this bill.

The need to update the family division became a priority after the tragic death of Brianna Blackmond, an infant who was returned to her troubled mother without a hearing after it was alleged that lawyers representing all the parties, the social workers and the guardians ad litem, had certified that the child should be returned.

I must continue to emphasize that the D.C. City Council is far more familiar with the children and families of the city than we in Congress, and of course was best qualified to write this bill. However, when the Home Rule Act was passed in 1973, Congress withheld jurisdiction over D.C. courts. Therefore, I asked the Council to pass a resolution in support of the reforms in this bill, after scrutinizing it and offering recommendations for changes.

We have also worked closely with Mayor Anthony Williams and Chief Judge Rufus King and the judges of the Superior Court in writing the bill. We respected the concerns of the District in negotiating this bill.

The D.C. Family Court Act of 2001 is the first overhaul of our family division since 1970, when it was upgraded to be part of the Superior Court of the District of Columbia. No court or other institutions should go a full 30 years without a close examination of its strengths and weaknesses. I know that the subcommittee will assure that there is appropriate oversight to the implementation of the bill by our subcommittee.

The Family Division has not been able to meet adequately intractable societal problems and additionally has had to depend on an outside agency, the Child Family Services Agency, which until recently had been in a Federal court receivership.

Our bill incorporates what we found in our investigation to be the best practices from successful independent family courts and family courts that are integrated into general jurisdiction courts all across the country.

These courts have in common these basic reforms: An independent family court or division; ample family court judges to handle family matters; terms for judges in the family court; family court judges, magistrate judges, and other court personnel trained or expert in family law; ongoing training of family court judges; alternative dispute resolution or mediation in family cases; only one judge for each family; family cases only in the Family Court; magistrate judges to assist family court judges with their caseloads; and special magistrate judges to assist judges with current pending cases.

The D.C. Family Court Act incorporates all these best practices.

Mr. Speaker, let me conclude by saying that I am particularly pleased that in the amendments to the bill we were able to address several problems with the House bill that I first raised on this floor.

These Senate amendments are important to ensure that, for example, the necessary work of disposing of a large volume of pending cases and continuing intake of new cases coming into the new Family Court does not overwhelm the new court, while it meets timetables mandated in the bill.

In addition, the Senate amendments will ensure that the jurisdiction of the court's successful domestic violence unit is not undermined.

We have all agreed that the successful disposition of these and other matters resolved with our Senate partners have produced a strong bipartisan consensus bill. I want to, once again, thank the gentleman from Texas (Mr. DELAY) for his tireless efforts and partnership with me on this bill, and for his great concern for the children and families of the District of Columbia; a concern that was always there, always evident, and that energized his hard work with me throughout; and, of course, the Chair of the subcommittee, the gentlewoman from Maryland (Mrs. MORELLA), as well as my good friend, the gentleman from Virginia (Mr. DAVIS), for their special efforts on this important piece of legislation.

Mr. Speaker, I urge all of our colleagues to support this bill, and thank all who assisted us on it.

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

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

Mr. Speaker, I thank the ranking member of the Subcommittee on the District of Columbia, the gentlewoman from the District of Columbia (Ms. NORTON), for her wonderful comments and for all the work that she put into this bill.

Mr. Speaker, it is my pleasure to yield such time as he may consume to the gentleman from Texas (Mr. DELAY), who is not the sponsor but the genesis of this bill in terms of responding to the great needs in the District of Columbia, and he has been tenacious.

Mr. DELAY. Mr. Speaker, I thank the gentlewoman for yielding time to me,

and congratulate her on a whole year of very hard work, the work she put in to bring this bill to the floor today.

I also want to add my thanks to the gentlewoman from the District of Columbia (Ms. NORTON), who was tireless in standing up for the abused and neglected children of the District of Columbia, understanding that the District desperately needs to focus on the welfare of these children and the best interests of these children.

She understands that, and in the name of Brianna Blackmond, and maybe we should have named this bill for Brianna Blackmond, because this is the beginning of what I hope is a total reform effort to bring the kind of services and safe and permanent homes for children that are seriously abused.

I also thank the staff that worked on it, particularly on my staff, Dr. Cassie Bevan, who is tenacious in her efforts to see that these children receive the kind of services that they deserve.

These are children, Mr. Speaker, that are the most oppressed, the most abused, not just in the District of Columbia, but all over the United States. The effort all over the United States is sort of focused here in our Nation's capital in trying to do the best we can.

There are 4,500 cases that are currently supervised outside the Family Division that can now be brought into the Family Division of the Superior Court upon the signature of the President of this bill, so maybe we can start working on this backlog and develop a system, a model system for the Nation's capital to take care of these children.

These are children that are dying, these are children that have been forgotten, in many cases. I remind my colleagues that this came to our attention not just through the death of Brianna Blackmond, but the child welfare system of the District was in receivership. It was in a mess.

The gentlewoman from the District of Columbia (Ms. NORTON) understood this and worked with us closely, and was the driving force in making this happen.

But I have to tell my colleagues, this is only the first step in a reform effort in the District of Columbia that is desperately needed. Just this last summer, over 100 files were lost, 100 files. Let me explain what that means.

A child makes an outcry, he or she is being abused and neglected in one way or another; and the stories that we hear of what is happening to children, not just in the District of Columbia, but all across the Nation are just horrendous.

But this child makes an outcry for help, and looking for someone to help them, and a file is created on this child and then lost. We do not even know what has happened to these children. The perpetrator of the abuse and neglect on this child knows now that the child made an outcry, and who knows what has been done to that child that made the outcry.

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This is abhorrent and we can not stand for it any longer and we are not. And by passing this bill, this is the beginning of what I hope is once and for all a process that we will go through in the District of Columbia to bring these children out of an abusive situation, give them the services that they need and, most importantly, find them a safe and permanent home where they can look forward and have hope for a future that other children enjoy today. I think that is vitally important.

This is going to be a showcase hopefully for the Nation. And, colleagues, children and families need a court that focuses exclusively on their welfare and their best interest. To realize this objective, the family court absolutely has to keep cases within its boundaries in order to be effective. This bill before us requires that the backlog of 4,500 cases have to be returned; and, second, that these cases which are currently under supervision of judges in the family division, remain there even after the individual judges leave the family bench. But most importantly, it gives us the opportunity to recruit judges that want to deal in this area of the law, that want to work with these children and these families to give these children the kind of future they deserve.

This bill also requires that each year a report is prepared to Congress that includes the number of cases retained outside the family court. It is our intention that this number be very low, because one of the major purposes of this Act is to keep all the cases in the specialized family court. So under the D.C. appropriations bill, as the gentlewoman from the District of Columbia (Ms. NORTON) has said, there is $24 million that has been appropriated to implement this legislation, to upgrade our computer systems, to expand its courtroom facilities and increase the number of judicial personnel to handle this huge backlog of cases.

The reforms required in this legislation combined with the money appropriated to support these reforms was designed with a single vital purpose, and that is to save the lives of abused and neglected children in the District of Columbia who are endangered by the status quo.

I am very proud to be associated with the gentlewoman from Maryland (Mrs. MORELLA), the gentleman from Virginia (Mr. TOM DAVIS), the delegation that serves the D.C. metroplex and, particularly, the gentlewoman from the District of Columbia (Ms. NORTON) who has done an outstanding job in working all this out and bringing this bill to the floor. The children will appreciate it in the future. We have dedicated it to Brianna Blackmond.

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

Mr. Speaker, before I yield back the balance of my time, I would like to thank two staff members by name, the gentleman from Texas (Mr. DELAY), staff member Cassie Bevan, and my own staff member, John Bouker, because in a very real sense, when Members are as deeply involved as the gentleman from Texas (Mr. DELAY) and I have been in this bill, the services of very high qualified, very smart staff people need to be involved, particularly given the many technical areas that were involved in this bill and the points of disagreement we had.

I want to, once again, say that I do not need to tell this House that the gentleman from Texas (Mr. DELAY) is a tough negotiator. And yet, throughout these negotiations, they were over a year, we never came to a point where we did not think there would be a bill. And this was largely because the gentleman from Texas (Mr. DELAY), although the District is not his district, felt so deeply about the children that he was willing to put personal time into this bill. That is difficult to do if you are a leader of the House. And I want to express my appreciation to the gentleman again for his personal involvement in this bill, and for never letting go of this bill. Although, I will say on this floor that there were times I wish he would have let go of this bill. But that is what a bipartisan bill is about. It is about working together, instead of turning over the tables, until we can get a bill we can agree upon.

The gentleman from Texas (Mr. DELAY) and I probably have parts of this bill that we would like to have seen done just a little differently. But in the name of the children who will profit, who will benefit from what this bill provides, in the name of the many families in the District of Columbia for whom this bill will mean something very real in their lives, he and I reached a resolution of any differences we had.

We are both very proud of this bill.

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

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

Mr. Speaker, you can see this has been a collaborative effort that is going to help the children in the District of Columbia and be a model, I think, for the rest of the Nation. Anything good does not happen that easily. And so this is an example of something that has come from a lot of hard work.

Again, I commend the gentleman from Texas (Mr. Delay) for his leadership in making sure that this bill was negotiated throughout to come to this point, and also to the gentlewoman from the District of Columbia (Ms. Norton) for the work, her tenaciousness in having this bill again crafted and reach this point. The gentleman

from Virginia (Mr. Davis) has always been involved with it, and I am certainly pleased that we have reached this point.

I want to thank the staff also, John Bouker. Certainly Cassie Statuto Bevan has been there every inch of the way. My staff, Russell Smith and Heea Vazirani-Fales and the others who worked on it.

Mr. Speaker, I identify myself with the idea that when you touch a rock, you touch the past; and when you touch a flower, you touch the present; but when you touch a child, you touch the future. And that is just what this bill does. So I urge all our colleagues to wholeheartedly endorse the bill.

Mr. TOM DAVIS of Virginia. Mr. Speaker, I rise today in support of H.R. 2657, the District of Columbia Family Court Act of 2001, as amended. This is an important bill that will provide the Family Court with the structural and management reforms it needs to efficiently and effectively serve the children in the District's child welfare system.

After the tragic death of 23-month-old Brianna Blackmond, the D.C. Subcommittee held two hearing last year, which revealed the dire need for reforms to the various components of the District's child welfare system, including the Family Court. The recent series of articles in the Washington Post highlight long-term systemic problems in the child welfare system, and reemphasize the need for Court reform.

The Family Court must be equipped with the strategic tools and resource to assure the safety and well-being of the city's most vulnerable children. H.R. 2657 accomplishes this objective. It mandates longer judicial terms of service to ensure greater continuity in the handling of cases. New appointees to the Superior Court who are assigned to the Family Court will serve for 5 years. The bill also requires that judges appointed to serve on the Family Court have committed themselves to the practice of family law. Furthermore, it creates magistrate judges, who will be responsible for handling the backlog of 4,500 cases.

The bill imposes the critically important "one family, one judge" requirement on the Family Court to ensure that a judge is familiar with a family's history in order to make appropriate decisions regarding the safety and placement of the child.

The Court will create its own integrated computer system for use by judges, magistrate judges, and nonjudicial personnel, allowing them access to all pending cases related to children and their families. The bill also provides the judges and magistrate judges with access to information regarding the myriad social services available in D.C.

In addition to these key provisions, I support the Senate amendments. These include a provision requiring that when judges leave the Family Court, all of their cases remain in the Family Court. However, the bill does allow the judges an additional 6 months, and under extraordinary circumstances and additional 12 months, to retain a case if they can demonstrate to the Chief Judge that removing the child's case from the Family Court will result in more expeditious permanent placement. Let me emphasize that the application of this provision is only intended in rare situations.

The critical reforms in this legislation will help ensure that the Family Court can meet the needs of the city's children. I urge all of my colleagues to support H.R. 2657, as amended.

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

The SPEAKER pro tempore (Mr. ISAKSON). The question is on the motion offered by the gentlewoman from Maryland (Mrs. MORELLA) that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 2657.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Ms. NORTON. 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. Pursuant to clause 8, rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

CONFERENCE REPORT ON H.R. 2506, FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2002

Mr. KOLBE (during consideration of H.R. 2657) submitted the following conference report and statement on the bill (H.R. 2506) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002.

CONFERENCE REPORT (H. REPT. 107–345)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2506) "making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2002, and for other purposes, namely:

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation: Provided, That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country, other than a nuclear-weapon state as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act, that has detonated a nuclear explosive after the date of the enactment of this Act.

SUBSIDY APPROPRIATION

For the cost of direct loans, loan guarantees, insurance, and tied-aid grants as authorized by section 10 of the Export-Import Bank Act of 1945, as amended, $727,323,000 to remain available until September 30, 2005: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That such sums shall remain available until September 30, 2020 for the disbursement of direct loans, loan guarantees, insurance and tied-aid grants obligated in fiscal years 2002, 2003, 2004, and 2005: Provided further, That none of the funds appropriated by this Act or any prior Act appropriating funds for foreign operations, export financing, or related programs for tied-aid credits or grants may be used for any other purpose except through the regular notification procedures of the Committees on Appropriations: Provided further, That funds appropriated by this paragraph are made available notwithstanding section 2(b)(2) of the Export Import Bank Act of 1945, in connection with the purchase or lease of any product by any East European country, any Baltic State or any agency or national thereof.

ADMINISTRATIVE EXPENSES

For administrative expenses to carry out the direct and guaranteed loan and insurance programs, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed $30,000 for official reception and representation expenses for members of the Board of Directors, $63,000,000: Provided, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the collection of moneys owed the Export-Import Bank, repossession or sale of pledged collateral or other assets acquired by the Export-Import Bank in satisfaction of moneys owed the Export-Import Bank, or the investigation or appraisal of any property, or the evaluation of the legal or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, shall be considered nonadministrative expenses for the purposes of this heading: Provided further, That, notwithstanding subsection (b) of section 117 of the Export Enhancement Act of 1992, subsection (a) thereof shall remain in effect until October 1, 2002.

OVERSEAS PRIVATE INVESTMENT CORPORATION

NONCREDIT ACCOUNT

The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such expenditures and commitments within the limits of funds available to it and in accordance with law as may be necessary: Provided, That the amount available for administrative expenses to carry out the credit and insurance programs (including an amount for official reception and representation expenses which shall not exceed $35,000) shall not exceed $38,608,000: Provided further, That project-specific transaction costs, including direct and indirect costs

incurred in claims settlements, and other direct costs associated with services provided to specific investors or potential investors pursuant to section 234 of the Foreign Assistance Act of 1961, shall not be considered administrative expenses for the purposes of this heading.

PROGRAM ACCOUNT

Such sums as may be necessary for administrative expenses to carry out the credit program may be derived from amounts available for administrative expenses to carry out the credit and insurance programs in the Overseas Private Investment Corporation Noncredit Account and merged with said account.

FUNDS APPROPRIATED TO THE PRESIDENT

TRADE AND DEVELOPMENT AGENCY

For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, $50,024,000, to remain available until September 30, 2003.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 2002, unless otherwise specified herein, as follows:

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND HEALTH PROGRAMS FUND

For necessary expenses to carry out the provisions of chapters 1 and 10 of part I of the Foreign Assistance Act of 1961, and title I of Public Law 106–570, for child survival, reproductive health/family planning, assistance to combat tropical and other infectious diseases, and related activities, in addition to funds otherwise available for such purposes, $1,433,500,000, to remain available until expended: Provided, That this amount shall be made available for such activities as: (1) immunization programs; (2) oral rehydration programs; (3) health, nutrition, water and sanitation programs which directly address the needs of mothers and children, and related education programs; (4) assistance for displaced and orphaned children; (5) programs for the prevention, treatment, and control of, and research on, HIV/AIDS, tuberculosis, malaria, polio and other infectious diseases; and (6) family planning/reproductive health: Provided further, That none of the funds appropriated under this heading may be made available for nonproject assistance, except that funds may be made available for such assistance for ongoing health programs: Provided further, That of the funds appropriated under this heading, not to exceed $125,000, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of child survival, maternal and family planning/reproductive health, and infectious disease programs: Provided further, That the following amounts should be allocated as follows: $315,000,000 for child survival and maternal health; $25,000,000 for vulnerable children; $435,000,000 for HIV/AIDS including not less than $15,000,000 which should be made available to support the development of microbicides as a means for combating HIV/AIDS; $165,000,000 for other infectious diseases, of which $65,000,000 should be made available for the prevention, treatment, and control of, and research on, tuberculosis, and of which $65,000,000 should be made available to combat malaria; $368,500,000 for family planning/reproductive health, including in areas where population growth threatens biodiversity or endangered species; and $120,000,000 for UNICEF: Provided further, That of the funds appropriated under this heading, up to $50,000,000 may be made available, notwithstanding any other provision of law for a United States contribution to a global fund to combat AIDS, tuberculosis, and malaria: Provided further, That in addition to the funds made available elsewhere under this heading and subject to the regular notification procedures of the Committees on Appropriations, the President may make available up to an additional $50,000,000, notwithstanding any other provision of law, for a United States contribution to a global fund to combat AIDS, tuberculosis, and malaria, which may be derived from funds appropriated in title II of this Act and in title II of prior Acts making appropriations for foreign operations, export financing, and related programs: Provided further, That of the funds appropriated under this heading, up to $53,000,000 may be made available for a United States contribution to The Vaccine Fund, and up to $10,000,000 may be made available for the International AIDS Vaccine Initiative: Provided further, That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: Provided further, That none of the funds made available under this Act may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions: Provided further, That none of the funds made available under this Act may be used to lobby for or against abortion: Provided further, That in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services, and that any such voluntary family planning project shall meet the following requirements: (1) service providers or referral agents in the project shall not implement or be subject to quotas, or other numerical targets, of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning (this provision shall not be construed to include the use of quantitative estimates or indicators for budgeting and planning purposes); (2) the project shall not include payment of incentives, bribes, gratuities, or financial reward to: (A) an individual in exchange for becoming a family planning acceptor; or (B) program personnel for achieving a numerical target or quota of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning; (3) the project shall not deny any right or benefit, including the right of access to participate in any program of general welfare or the right of access to health care, as a consequence of any individual's decision not to accept family planning services; (4) the project shall provide family planning acceptors comprehensible information on the health benefits and risks of the method chosen, including those conditions that might render the use of the method inadvisable and those adverse side effects known to be consequent to the use of the method; and (5) the project shall ensure that experimental contraceptive drugs and devices and medical procedures are provided only in the context of a scientific study in which participants are advised of potential risks and benefits; and, not less than 60 days after the date on which the Administrator of the United States Agency for International Development determines that there has been a violation of the requirements contained in paragraph (1), (2), (3), or (5) of this proviso, or a pattern or practice of violations of the requirements contained in paragraph (4) of this proviso, the Administrator shall submit to the Committees on Appropriations of the Senate and the House of Representatives, a report containing a description of such violation and the corrective action taken by the Agency: Provided further, That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: Provided further, That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term ''motivate'', as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options: Provided further, That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961.

DEVELOPMENT ASSISTANCE

For necessary expenses to carry out the provisions of sections 103, 105, 106, and 131, and chapter 10 of part I of the Foreign Assistance Act of 1961, $1,178,000,000, to remain available until September 30, 2003: Provided, That $150,000,000 should be allocated for children's basic education: Provided further, That none of the funds appropriated under this heading may be made available for any activity which is in contravention to the Convention on International Trade in Endangered Species of Flora and Fauna: Provided further, That of the funds appropriated under this heading and the heading ''Child Survival and Health Programs Fund'', $2,000,000 should be made available for Laos: Provided further, That funds made available under the previous proviso should be made available only through nongovernmental organizations: Provided further, That of the funds appropriated under this heading that are made available for assistance programs for displaced and orphaned children and victims of war, not to exceed $32,500, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of such programs: Provided further, That of the aggregate amount of the funds appropriated by this Act that are made available for agriculture and rural development programs, $25,000,000 should be made available for plant biotechnology research and development: Provided further, That not less than $2,300,000 should be made available for core support for the International Fertilizer Development Center: Provided further, That of the funds appropriated under this heading, not less than $18,000,000 should be made available for the American Schools and Hospitals Abroad program: Provided further, That of the funds appropriated under this heading, not less than $275,000,000 should be made available for programs and activities which directly protect tropical forests, biodiversity and endangered species, promote the sustainable use of natural resources, and promote a wide range of clean energy and energy conservation activities, including the transfer of cleaner and environmentally sustainable energy technologies, and related activities.

BURMA

Of the funds appropriated under the heading ''Economic Support Fund'', not less than $6,500,000 shall be made available to support democracy activities in Burma, democracy and humanitarian activities along the Burma-Thailand border, and for Burmese student groups and other organizations located outside Burma: Provided, That funds made available for Burma-related activities under this heading may be made available notwithstanding any other provision of law: Provided further, That the provision of

such funds shall be made available subject to the regular notification procedures of the Committees on Appropriations: Provided further, That title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2001, as enacted by section 101(a) of Public Law 106–429, is amended, under the heading ''Burma'', by inserting '', 'Child Survival and Disease Programs Fund','' after ''Fund''.

INTERNATIONAL DISASTER ASSISTANCE

For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, $235,500,000, to remain available until expended.

TRANSITION INITIATIVES

For necessary expenses for international disaster rehabilitation and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, $50,000,000, to remain available until expended, to support transition to democracy and to long-term development of countries in crisis: Provided, That such support may include assistance to develop, strengthen, or preserve democratic institutions and processes, revitalize basic infrastructure, and foster the peaceful resolution of conflict: Provided further, That the United States Agency for International Development shall submit a report to the Committees on Appropriations at least 5 days prior to beginning a new program of assistance.

DEVELOPMENT CREDIT AUTHORITY

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans and loan guarantees, up to $18,500,000, as authorized by sections 108 and 635 of the Foreign Assistance Act of 1961: Provided, That such funds shall be derived by transfer from funds appropriated by this Act to carry out part I of the Foreign Assistance Act of 1961, and under the heading ''Assistance for Eastern Europe and the Baltic States'': Provided further, That such funds shall be made available only for micro and small enterprise programs, urban programs, and other programs which further the purposes of part I of the Act: Provided further, That during fiscal year 2002, commitments to guarantee loans shall not exceed $267,500,000: Provided further, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That the provisions of section 107A(d) (relating to general provisions applicable to the Development Credit Authority) of the Foreign Assistance Act of 1961, as contained in section 306 of H.R. 1486 as reported by the House Committee on International Relations on May 9, 1997, shall be applicable to direct loans and loan guarantees provided under this heading. In addition, for administrative expenses to carry out credit programs administered by the United States Agency for International Development, $7,500,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the United States Agency for International Development: Provided further, That funds appropriated under this heading shall remain available until September 30, 2007.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the ''Foreign Service Retirement and Disability Fund'', as authorized by the Foreign Service Act of 1980, $44,880,000.

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

For necessary expenses to carry out the provisions of section 667, $549,000,000: Provided, That none of the funds appropriated under this heading may be made available to finance the construction (including architect and engineering services), purchase, or long term lease of offices for use by the United States Agency for International Development, unless the Administrator has identified such proposed construction (including architect and engineering services), purchase, or long term lease of offices in a report submitted to the Committees on Appropriations at least 15 days prior to the obligation of these funds for such purposes: Provided further, That the previous proviso shall not apply where the total cost of construction (including architect and engineering services), purchase, or long term lease of offices does not exceed $1,000,000: Provided further, That of the funds appropriated under this heading, up to $10,000,000 may remain available until expended for security-related costs.

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For necessary expenses to carry out the provisions of section 667, $31,500,000, to remain available until September 30, 2003, which sum shall be available for the Office of the Inspector General of the United States Agency for International Development.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For necessary expenses to carry out the provisions of chapter 4 of part II, $2,199,000,000, to remain available until September 30, 2003: Provided, That of the funds appropriated under this heading, not less than $720,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be disbursed within 30 days of the enactment of this Act or by October 31, 2001, whichever is later: Provided further, That not less than $655,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis, and of which sum cash transfer assistance shall be provided with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years, and of which not less than $200,000,000 shall be provided as Commodity Import Program assistance: Provided further, That in exercising the authority to provide cash transfer assistance for Israel, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of nonmilitary exports from the United States to such country and that Israel enters into a side letter agreement in an amount proportional to the fiscal year 1999 agreement: Provided further, That of the funds appropriated under this heading, $150,000,000 should be made available for assistance for Jordan: Provided further, That of the funds appropriated under this heading, $50,000,000 should be made available for assistance for Indonesia: Provided further, That not less than $15,000,000 of the funds appropriated under this heading shall be made available for Cyprus to be used only for scholarships, administrative support of the scholarship program, bicommunal projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus: Provided further, That not less than $35,000,000 of the funds appropriated under this heading shall be made available for assistance for Lebanon to be used, among other programs, for scholarships and direct support of the American educational institutions in Lebanon: Provided further, That notwithstanding section 534(a) of this Act, funds appropriated under this heading that are made available for assistance for the Central Government of Lebanon shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That the Government of Lebanon should enforce the custody and international pickup orders, issued during calendar year 2001, of Lebanon's civil courts regarding abducted American children in Lebanon: Provided further, That of the funds appropriated under this heading, not less than $25,000,000 shall be made available for assistance for East Timor of which up to $1,000,000 may be transferred to and merged with the appropriation for Operating Expenses of the United States Agency for International Development: Provided further, That funds appropriated under this heading may be used, notwithstanding any other provision of law, to provide assistance to the National Democratic Alliance of Sudan to strengthen its ability to protect civilians from attacks, slave raids, and aerial bombardment by the Sudanese Government forces and its militia allies, and the provision of such funds shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That in the previous proviso, the term ''assistance'' includes non-lethal, non-food aid such as blankets, medicine, fuel, mobile clinics, water drilling equipment, communications equipment to notify civilians of aerial bombardment, non-military vehicles, tents, and shoes: Provided further, That with respect to funds appropriated under this heading in this Act or prior Acts making appropriations for foreign operations, export financing, and related programs, the responsibility for policy decisions and justifications for the use of such funds, including whether there will be a program for a country that uses those funds and the amount of each such program, shall be the responsibility of the Secretary of State and the Deputy Secretary of State and this responsibility shall not be delegated.

INTERNATIONAL FUND FOR IRELAND

For necessary expenses to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, $25,000,000, which shall be available for the United States contribution to the International Fund for Ireland and shall be made available in accordance with the provisions of the Anglo-Irish Agreement Support Act of 1986 (Public Law 99–415): Provided, That such amount shall be expended at the minimum rate necessary to make timely payment for projects and activities: Provided further, That funds made available under this heading shall remain available until September 30, 2003.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

(a) For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, $621,000,000, to remain available until September 30, 2003, which shall be available, notwithstanding any other provision of law, for assistance and for related programs for Eastern Europe and the Baltic States: Provided, That not to exceed $21,500,000 of the funds appropriated under this heading in this Act and in prior Acts making appropriations for foreign operations, export financing, and related programs, together with not to exceed $21,500,000 of the funds appropriated under the heading ''Economic Support Fund'' in this Act and such prior Acts, may be made available for the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct loans and guarantees for the Federal Republic of Yugoslavia: Provided further, That funds made available for assistance for Kosovo from funds appropriated under this heading and under the headings ''Economic Support Fund'' and ''International Narcotics Control and Law Enforcement'' should not exceed 15 percent of the total resources pledged by all donors for calendar year 2002 for assistance for Kosovo as of March 31, 2002: Provided further, That none of the funds made available under this Act for assistance for Kosovo shall be made available for large scale physical infrastructure reconstruction.

(b) Funds appropriated under this heading or in prior appropriations Acts that are or have

been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the Fund's disbursement of such funds for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(c) Funds appropriated under this heading shall be considered to be economic assistance under the Foreign Assistance Act of 1961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance.

(d) With regard to funds appropriated under this heading for the economic revitalization program in Bosnia and Herzegovina, and local currencies generated by such funds (including the conversion of funds appropriated under this heading into currency used by Bosnia and Herzegovina as local currency and local currency returned or repaid under such program) the Administrator of the United States Agency for International Development shall provide written approval for grants and loans prior to the obligation and expenditure of funds for such purposes, and prior to the use of funds that have been returned or repaid to any lending facility or grantee.

(e) The provisions of section 529 of this Act shall apply to funds made available under subsection (d) and to funds appropriated under this heading: Provided, That notwithstanding any provision of this or any other Act, including provisions in this subsection regarding the application of section 529 of this Act, local currencies generated by, or converted from, funds appropriated by this Act and by previous appropriations Acts and made available for the economic revitalization program in Bosnia may be used in Eastern Europe and the Baltic States to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989.

(f) The President is authorized to withhold funds appropriated under this heading made available for economic revitalization programs in Bosnia and Herzegovina, if he determines and certifies to the Committees on Appropriations that the Federation of Bosnia and Herzegovina has not complied with article III of annex 1–A of the General Framework Agreement for Peace in Bosnia and Herzegovina concerning the withdrawal of foreign forces, and that intelligence cooperation on training, investigations, and related activities between Iranian officials and Bosnian officials has not been terminated.

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

(a) For necessary expenses to carry out the provisions of chapters 11 and 12 of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the Independent States of the former Soviet Union and for related programs, $784,000,000, to remain available until September 30, 2003: Provided, That the provisions of such chapters shall apply to funds appropriated by this paragraph: Provided further, That of the funds made available for the Southern Caucasus region, notwithstanding any other provision of law, funds may be used for confidence-building measures and other activities in furtherance of the peaceful resolution of the regional conflicts, especially those in the vicinity of Abkhazia and Nagorno-Karabagh: Provided further, That of the funds appropriated under this heading, not less than $1,500,000 should be available only to meet the health and other assistance needs of victims of trafficking in persons: Provided further, That of the funds appropriated under this heading not less than $17,500,000 shall be made available solely for the Russian Far East: Provided further, That, notwithstanding any other provision of law funds appropriated under this heading in this Act or prior Acts making appropriations for foreign operations, export financing, or related programs, that are made available pursuant to the provisions of section 807 of the FREEDOM Support Act (Public Law 102–511) shall be subject to the ceiling on administrative expenses contained in section 807(a)(5) of the FREEDOM Support Act. (b) Of the funds appropriated under this heading, not less than $154,000,000 should be made available for assistance for Ukraine: Provided, That of this amount, not less than $30,000,000 should be made available for nuclear reactor safety initiatives: Provided further, That not later than 60 days after the date of enactment of this Act, and 120 days thereafter, the Department of State shall submit to the Committees on Appropriations a report on progress by the Government of Ukraine in investigating and bringing to justice individuals responsible for the murders of Ukrainian journalists.

(c) Of the funds appropriated under this heading, not less than $90,000,000 shall be made available for assistance for Armenia.

(d) Of the funds appropriated under this heading, $90,000,000 should be made available for assistance for Georgia.

(e)(1) Of the funds appropriated under this heading that are allocated for assistance for the Government of the Russian Federation, 60 percent shall be withheld from obligation until the President determines and certifies in writing to the Committees on Appropriations that the Government of the Russian Federation:

(A) has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor, related nuclear research facilities or programs, or ballistic missile capability; and

(B) is providing full access to international non-government organizations providing humanitarian relief to refugees and internally displaced persons in Chechnya.

(2) Paragraph (1) shall not apply to—

(A) assistance to combat infectious diseases, child survival activities, or assistance for victims of trafficking in persons; and

(B) activities authorized under title V (Nonproliferation and Disarmament Programs and Activities) of the FREEDOM Support Act.

(f) Of the funds appropriated under this heading, not less than $49,000,000 should be made available, in addition to funds otherwise available for such purposes, for assistance for child survival, environmental and reproductive health/family planning, and to combat HIV/AIDS, tuberculosis, and other infectious diseases, and for related activities.

(g)(1) Section 907 of the FREEDOM Support Act shall not apply to—

(A) activities to support democracy or assistance under title V of the FREEDOM Support Act and section 1424 of Public Law 104–201 or non-proliferation assistance;

(B) any assistance provided by the Trade and Development Agency under section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421);

(C) any activity carried out by a member of the United States and Foreign Commercial Service while acting within his or her official capacity;

(D) any insurance, reinsurance, guarantee or other assistance provided by the Overseas Private Investment Corporation under title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191 et seq.);

(E) any financing provided under the Export-Import Bank Act of 1945; or

(F) humanitarian assistance.

(2) The President may waive section 907 of the FREEDOM Support Act if he determines and certifies to the Committees on Appropriations that to do so—

(A) is necessary to support United States efforts to counter international terrorism; or

(B) is necessary to support the operational readiness of United States Armed Forces or coalition partners to counter international terrorism; or

(C) is important to Azerbaijan's border security; and

(D) will not undermine or hamper ongoing efforts to negotiate a peaceful settlement between Armenia and Azerbaijan or be used for offensive purposes against Armenia.

(3) The authority of paragraph (2) may only be exercised through December 31, 2002.

(4) The President may extend the waiver authority provided in paragraph (2) on an annual basis on or after December 31, 2002 if he determines and certifies to the Committees on Appropriations in accordance with the provisions of paragraph (2).

(5) The Committees on Appropriations shall be consulted prior to the provision of any assistance made available pursuant to paragraph (2).

(6) Within 60 days of any exercise of the authority under paragraph (2) the President shall send a report to the appropriate congressional committees specifying in detail the following—

(A) the nature and quantity of all training and assistance provided to the Government of Azerbaijan pursuant to paragraph (2);

(B) the status of the military balance between Azerbaijan and Armenia and the impact of United States assistance on that balance; and

(C) the status of negotiations for a peaceful settlement between Armenia and Azerbaijan and the impact of United States assistance on those negotiations.

INDEPENDENT AGENCIES

INTER-AMERICAN FOUNDATION

For expenses necessary to carry out the functions of the Inter-American Foundation in accordance with the provisions of section 401 of the Foreign Assistance Act of 1969, and to make commitments without regard to fiscal year limitations, as provided by 31 U.S.C. 9104(b)(3), $13,106,950.

AFRICAN DEVELOPMENT FOUNDATION

For expenses necessary to carry out title V of the International Security and Development Cooperation Act of 1980, Public Law 96–533, and to make commitments without regard to fiscal year limitations, as provided by 31 U.S.C. 9104(b)(3), $16,542,000: Provided, That funds made available to grantees may be invested pending expenditure for project purposes when authorized by the President of the Foundation: Provided further, That interest earned shall be used only for the purposes for which the grant was made: Provided further, That this authority applies to interest earned both prior to and following enactment of this provision: Provided further, That notwithstanding section 505(a)(2) of the African Development Foundation Act, in exceptional circumstances the board of directors of the Foundation may waive the $250,000 limitation contained in that section with respect to a project: Provided further, That the Foundation shall provide a report to the Committees on Appropriations after each time such waiver authority is exercised.

PEACE CORPS

For necessary expenses to carry out the provisions of the Peace Corps Act (75 Stat. 612), $275,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States: Provided, That none of the funds appropriated under this heading shall be used to pay

for abortions: Provided further, That funds appropriated under this heading shall remain available until September 30, 2003.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961, $217,000,000, to remain available until expended: Provided, That any funds made available under this heading for anti-crime programs and activities shall be made available subject to the regular notification procedures of the Committees on Appropriations: Provided further, That during fiscal year 2002, the Department of State may also use the authority of section 608 of the Foreign Assistance Act of 1961, without regard to its restrictions, to receive excess property from an agency of the United States Government for the purpose of providing it to a foreign country under chapter 8 of part I of that Act subject to the regular notification procedures of the Committees on Appropriations: Provided further, That of the funds appropriated under this heading, $10,000,000 should be made available for anti-trafficking in persons programs, including trafficking prevention, protection and assistance for victims, and prosecution of traffickers: Provided further, That of the funds appropriated under this heading, not more than $21,738,000 may be available for administrative expenses.

ANDEAN COUNTERDRUG INITIATIVE

For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961 solely to support counterdrug activities in the Andean region of South America, $625,000,000, to remain available until expended: Provided, That in addition to the funds appropriated under this heading and subject to the regular notification procedures of the Committees on Appropriations, the President may make available up to an additional $35,000,000 for the Andean Counterdrug Initiative, which may be derived from funds appropriated under the heading ''International Narcotics Control and Law Enforcement'' in this Act and in prior Acts making appropriations for foreign operations, export financing, and related programs: Provided further, That of the amount appropriated under this heading, not less than $215,000,000 shall be apportioned directly to the United States Agency for International Development, to be used for economic and social programs: Provided further, That funds appropriated by this Act that are used for the procurement of chemicals for aerial coca fumigation programs may be made available for such programs only if the Secretary of State, after consultation with the Administrator of the Environmental Protection Agency, the Secretary of the Department of Agriculture, and, if appropriate, the Director of the Centers for Disease Control and Prevention, determines and reports to the Committees on Appropriations that (1) aerial coca fumigation is being carried out in accordance with regulatory controls required by the Environmental Protection Agency as labeled for use in the United States, and after consultation with the Colombian Government to ensure that the fumigation is in accordance with Colombian laws; (2) the chemicals used in the aerial fumigation of coca, in the manner in which they are being applied, do not pose unreasonable risks or adverse effects to humans or the environment; and (3) procedures are available to evaluate claims of local citizens that their health was harmed or their licit agricultural crops were damaged by such aerial coca fumigation, and to provide fair compensation for meritorious claims; and such funds may not be made available for such purposes after six months from the date of enactment of this Act unless alternative development programs have been developed, in consultation with communities and local authorities in the departments in which such aerial coca fumigation is planned, and in the departments in which such aerial coca fumigation has been conducted such programs are being implemented: Provided further, That none of the funds appropriated by this Act may be made available to support a Peruvian air interdiction program until the Secretary of State and Director of Central Intelligence certify to the Congress, 30 days before any resumption of United States involvement in a Peruvian air interdiction program, that an air interdiction program that permits the ability of the Peruvian Air Force to shoot down aircraft will include enhanced safeguards and procedures to prevent the occurrence of any incident similar to the April 20, 2001 incident: Provided further, That section 482(b) of the Foreign Assistance Act of 1961 shall not apply to funds appropriated under this heading: Provided further, That assistance provided with funds appropriated under this heading that is made available notwithstanding section 482(b) of the Foreign Assistance Act of 1961, as amended, shall be made available subject to the regular notification procedures of the Committees on Appropriations: Provided further, That section 3204(b)(1)(A) of Public Law 106–246 is amended by striking ''500'' and inserting in lieu thereof ''400'', and section 3204(b)(1)(B) of Public Law 106–246 is amended by striking ''300'' and inserting in lieu thereof ''400'': Provided further, That the President shall ensure that if any helicopter procured with funds under this heading is used to aid or abet the operations of any illegal self-defense group or illegal security cooperative, such helicopter shall be immediately returned to the United States: Provided further, That funds made available under this heading shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That of the funds appropriated under this heading, not more than $14,240,000 may be available for administrative expenses of the Department of State, and not more than $4,500,000 may be available for administrative expenses of the United States Agency for International Development.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, $705,000,000, which shall remain available until expended: Provided, That not more than $16,000,000 may be available for administrative expenses: Provided further, That funds appropriated under this heading may be made available for a headquarters contribution to the International Committee of the Red Cross only if the Secretary of State determines (and so reports to the appropriate committees of the Congress) that the Magen David Adom Society of Israel is not being denied participation in the activities of the International Red Cross and Red Crescent Movement: Provided further, That not less than $60,000,000 of the funds made available under this heading shall be made available for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 260(c)), $15,000,000, to remain available until expended: Provided, That the funds made available under this heading are appropriated notwithstanding the provisions contained in section 2(c)(2) of the Act which would limit the amount of funds which could be appropriated for this purpose.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For necessary expenses for nonproliferation, anti-terrorism and related programs and activities, $313,500,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, chapter 9 of part II of the Foreign Assistance Act of 1961, section 504 of the FREEDOM Support Act, section 23 of the Arms Export Control Act or the Foreign Assistance Act of 1961 for demining activities, the clearance of unexploded ordnance, the destruction of small arms, and related activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the International Atomic Energy Agency (IAEA) and a voluntary contribution to the Korean Peninsula Energy Development Organization (KEDO), and for a United States contribution to the Comprehensive Nuclear Test Ban Treaty Preparatory Commission: Provided, That the Secretary of State shall inform the Committees on Appropriations at least 15 days prior to the obligation of funds for the Comprehensive Nuclear Test Ban Treaty Preparatory Commission: Provided further, That of this amount not to exceed $14,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to nonproliferation and disarmament: Provided further, That such funds may also be used for such countries other than the Independent States of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so following consultation with the appropriate committees of Congress: Provided further, That funds appropriated under this heading may be made available for the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency: Provided further, That of the funds made available for demining and related activities, not to exceed $500,000, in addition to funds otherwise available for such purposes, may be used for administrative expenses related to the operation and management of the demining program.

DEPARTMENT OF THE TREASURY

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

For necessary expenses to carry out the provisions of section 129 of the Foreign Assistance Act of 1961 (relating to international affairs technical assistance activities), $6,500,000, to remain available until expended, which shall be available notwithstanding any other provision of law.

DEBT RESTRUCTURING

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying loans and loan guarantees, as the President may determine, for which funds have been appropriated or otherwise made available for programs within the International Affairs Budget Function 150, including the cost of selling, reducing, or canceling amounts owed to the United States as a result of concessional loans made to eligible countries, pursuant to parts IV and V of the Foreign Assistance Act of 1961, and

of modifying concessional credit agreements with least developed countries, as authorized under section 411 of the Agricultural Trade Development and Assistance Act of 1954, as amended, and concessional loans, guarantees and credit agreements, as authorized under section 572 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100–461), and of canceling amounts owed, as a result of loans or guarantees made pursuant to the Export-Import Bank Act of 1945, by countries that are eligible for debt reduction pursuant to title V of H.R. 3425 as enacted into law by section 1000(a)(5) of Public Law 106–113, $229,000,000, to remain available until expended: Provided, That not less than $5,000,000 of the funds appropriated under this heading shall be made available to carry out the provisions of part V of the Foreign Assistance Act of 1961, and up to $20,000,000 of unobligated balances of funds available under this heading from prior year appropriations acts should be made available to carry out such provisions: Provided further, That funds appropriated or otherwise made available under this heading in this Act may be used by the Secretary of the Treasury to pay to the Heavily Indebted Poor Countries (HIPC) Trust Fund administered by the International Bank for Reconstruction and Development amounts for the benefit of countries that are eligible for debt reduction pursuant to title V of H.R. 3425 as enacted into law by section 1000(a)(5) of Public Law 106–113: Provided further, That amounts paid to the HIPC Trust Fund may be used only to fund debt reduction under the enhanced HIPC initiative by—

(1) the Inter-American Development Bank;

(2) the African Development Fund;

(3) the African Development Bank; and

(4) the Central American Bank for Economic Integration:

Provided further, That funds may not be paid to the HIPC Trust Fund for the benefit of any country if the Secretary of State has credible evidence that the government of such country is engaged in a consistent pattern of gross violations of internationally recognized human rights or in military or civil conflict that undermines its ability to develop and implement measures to alleviate poverty and to devote adequate human and financial resources to that end: Provided further, That on the basis of final appropriations, the Secretary of the Treasury shall consult with the Committees on Appropriations concerning which countries and international financial institutions are expected to benefit from a United States contribution to the HIPC Trust Fund during the fiscal year: Provided further, That the Secretary of the Treasury shall inform the Committees on Appropriations not less than 15 days in advance of the signature of an agreement by the United States to make payments to the HIPC Trust Fund of amounts for such countries and institutions: Provided further, That the Secretary of the Treasury may disburse funds designated for debt reduction through the HIPC Trust Fund only for the benefit of countries that—

(a) have committed, for a period of 24 months, not to accept new market-rate loans from the international financial institution receiving debt repayment as a result of such disbursement, other than loans made by such institution to export-oriented commercial projects that generate foreign exchange which are generally referred to as ''enclave'' loans; and

(b) have documented and demonstrated their commitment to redirect their budgetary resources from international debt repayments to programs to alleviate poverty and promote economic growth that are additional to or expand upon those previously available for such purposes:

Provided further, That any limitation of subsection (e) of section 411 of the Agricultural Trade Development and Assistance Act of 1954 shall not apply to funds appropriated under this heading: Provided further, That none of the funds made available under this heading in this or any other appropriations Acts shall be made available for Sudan or Burma unless the Secretary of Treasury determines and notifies the Committees on Appropriations that a democratically elected government has taken office.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, $70,000,000, of which up to $3,000,000 may remain available until expended: Provided, That the civilian personnel for whom military education and training may be provided under this heading may include civilians who are not members of a government whose participation would contribute to improved civil-military relations, civilian control of the military, or respect for human rights: Provided further, That funds appropriated under this heading for military education and training for Indonesia and Guatemala may only be available for expanded international military education and training and funds made available for Algeria, Indonesia and Guatemala may only be provided through the regular notification procedures of the Committees on Appropriations.

FOREIGN MILITARY FINANCING PROGRAM

For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, $3,650,000,000: Provided, That of the funds appropriated under this heading, not less than $2,040,000,000 shall be available for grants only for Israel, and not less than $1,300,000,000 shall be made available for grants only for Egypt: Provided further, That the funds appropriated by this paragraph for Israel shall be disbursed within 30 days of the enactment of this Act or by October 31, 2001, whichever is later: Provided further, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed by Israel and the United States, be available for advanced weapons systems, of which not less than $535,000,000 shall be available for the procurement in Israel of defense articles and defense services, including research and development: Provided further, That of the funds appropriated by this paragraph, not less than $75,000,000 shall be made available for assistance for Jordan: Provided further, That of the funds appropriated by this paragraph, not less than $3,500,000 should be made available for assistance for Tunisia: Provided further, That during fiscal year 2002, the President is authorized to, and shall, direct the drawdowns of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training of an aggregate value of not less than $5,000,000 under the authority of this proviso for Tunisia for the purposes of part II of the Foreign Assistance Act of 1961: Provided further, That of the funds appropriated by this paragraph and under the heading ''International Narcotics Control and Law Enforcement'', not less than $2,300,000 shall be made available for assistance for Thailand, of which not less than $1,000,000 shall be made available from funds appropriated under the heading ''International Narcotics Control and Law Enforcement'' and which shall be in addition to other funds available for such purposes: Provided further, That of the funds appropriated by this paragraph, not less than $4,000,000 shall be made available for assistance for Armenia: Provided further, That funds appropriated by this paragraph shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act: Provided further, That funds made available under this paragraph shall be obligated upon apportionment in accordance with paragraph (5)(C) of title 31, United States Code, section 1501(a).

None of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements has first signed an agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds: Provided, That all country and funding level increases in allocations shall be submitted through the regular notification procedures of section 515 of this Act: Provided further, That none of the funds appropriated under this heading shall be available for assistance for Sudan and Liberia: Provided further, That funds made available under this heading may be used, notwithstanding any other provision of law, for demining, the clearance of unexploded ordnance, and related activities, and may include activities implemented through nongovernmental and international organizations: Provided further, That none of the funds appropriated under this heading shall be available for assistance for Guatemala: Provided further, That only those countries for which assistance was justified for the ''Foreign Military Sales Financing Program'' in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: Provided further, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: Provided further, That not more than $35,000,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the purchase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military assistance and sales: Provided further, That not more than $348,000,000 of funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during fiscal year 2002 pursuant to section 43(b) of the Arms Export Control Act, except that this limitation may be exceeded only through the regular notification procedures of the Committees on Appropriations: Provided further, That foreign military financing program funds estimated to be outlayed for Egypt during fiscal year 2002 shall be transferred to an interest bearing account for Egypt in the Federal Reserve Bank of New York within 30 days of enactment of this Act or by October 31, 2001, whichever is later: Provided further, That the ninth proviso under the heading ''Foreign Military Financing Program'' in title III of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2001, as enacted by Public Law 106–429, is amended by inserting ''or 2002'' after ''2001''.

PEACEKEEPING OPERATIONS

For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, $135,000,000: Provided, That none of the funds appropriated under this heading shall be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

GLOBAL ENVIRONMENT FACILITY

For the United States contribution for the Global Environment Facility, $100,500,000, to the International Bank for Reconstruction and Development as trustee for the Global Environment Facility, by the Secretary of the Treasury, to remain available until expended.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, $792,400,000, to remain available until expended: Provided, That in negotiating United States participation in the next replenishment of the International Development Association, the Secretary of the Treasury shall accord high priority to providing the International Development Association with the policy flexibility to provide new grant assistance to countries eligible for debt reduction under the enhanced HIPC Initiative: Provided further, That the Secretary of the Treasury should instruct the United States executive director to the International Bank for Reconstruction and Development to vote against any water or sewage project in India that does not prohibit the use of scavenger labor.

CONTRIBUTION TO THE MULTILATERAL INVESTMENT GUARANTEE AGENCY

For payment to the Multilateral Investment Guarantee Agency by the Secretary of the Treasury, $5,000,000, for the United States paid-in share of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Multilateral Investment Guarantee Agency may subscribe without fiscal year limitation for the callable capital portion of the United States share of such capital stock in an amount not to exceed $25,000,000.

CONTRIBUTION TO THE INTER-AMERICAN INVESTMENT CORPORATION

For payment to the Inter-American Investment Corporation, by the Secretary of the Treasury, $18,000,000, for the United States share of the increase in subscriptions to capital stock, to remain available until expended.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increase in resources of the Asian Development Fund, as authorized by the Asian Development Bank Act, as amended, $98,017,050, to remain available until expended.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK

For payment to the African Development Bank by the Secretary of the Treasury, $5,100,000, for the United States paid-in share of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the African Development Bank may subscribe without fiscal year limitation for the callable capital portion of the United States share of such capital stock in an amount not to exceed $79,991,500.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increase in resources of the African Development Fund, $100,000,000, to remain available until expended.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury, $35,778,717, for the United States share of the paid-in portion of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the European Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $123,237,803.

CONTRIBUTION TO THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

For the United States contribution by the Secretary of the Treasury to increase the resources of the International Fund for Agricultural Development, $20,000,000, to remain available until expended.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, $208,500,000: Provided, That none of the funds appropriated under this heading may be made available to the Korean Peninsula Energy Development Organization (KEDO) or the International Atomic Energy Agency (IAEA): Provided further, That not less than $6,000,000 should be made available to the World Food Program.

TITLE V—GENERAL PROVISIONS

OBLIGATIONS DURING LAST MONTH OF AVAILABILITY

SEC. 501. Except for the appropriations entitled ''International Disaster Assistance'', and ''United States Emergency Refugee and Migration Assistance Fund'', not more than 15 percent of any appropriation item made available by this Act shall be obligated during the last month of availability.

PRIVATE AND VOLUNTARY ORGANIZATIONS

SEC. 502. (a) None of the funds appropriated or otherwise made available by this Act for development assistance may be made available to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 percent of its total annual funding for international activities from sources other than the United States Government: Provided, That the Administrator of the United States Agency for International Development, after informing the Committees on Appropriations, may, on a case-by-case basis, waive the restriction contained in this subsection, after taking into account the effectiveness of the overseas development activities of the organization, its level of volunteer support, its financial viability and stability, and the degree of its dependence for its financial support on the agency.

(b) Funds appropriated or otherwise made available under title II of this Act should be made available to private and voluntary organizations at a level which is at least equivalent to the level provided in fiscal year 1995.

LIMITATION ON RESIDENCE EXPENSES

SEC. 503. Of the funds appropriated or made available pursuant to this Act, not to exceed $126,500 shall be for official residence expenses of the United States Agency for International Development during the current fiscal year: Provided, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

LIMITATION ON EXPENSES

SEC. 504. Of the funds appropriated or made available pursuant to this Act, not to exceed $5,000 shall be for entertainment expenses of the United States Agency for International Development during the current fiscal year.

LIMITATION ON REPRESENTATIONAL ALLOWANCES

SEC. 505. Of the funds appropriated or made available pursuant to this Act, not to exceed $95,000 shall be available for representation allowances for the United States Agency for International Development during the current fiscal year: Provided, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: Provided further, That of the funds made available by this Act for general costs of administering military assistance and sales under the heading ''Foreign Military Financing Program'', not to exceed $2,000 shall be available for entertainment expenses and not to exceed $125,000 shall be available for representation allowances: Provided further, That of the funds made available by this Act under the heading ''International Military Education and Training'', not to exceed $50,000 shall be available for entertainment allowances: Provided further, That of the funds made available by this Act for the Inter-American Foundation, not to exceed $2,000 shall be available for entertainment and representation allowances: Provided further, That of the funds made available by this Act for the Peace Corps, not to exceed a total of $4,000 shall be available for entertainment expenses: Provided further, That of the funds made available by this Act under the heading ''Trade and Development Agency'', not to exceed $2,000 shall be available for representation and entertainment allowances.

PROHIBITION ON FINANCING NUCLEAR GOODS

SEC. 506. None of the funds appropriated or made available (other than funds for ''Nonproliferation, Anti-terrorism, Demining and Related Programs'') pursuant to this Act, for carrying out the Foreign Assistance Act of 1961, may be used, except for purposes of nuclear safety, to finance the export of nuclear equipment, fuel, or technology.

PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES

SEC. 507. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Cuba, Iraq, Libya, North Korea, Iran, Sudan, or Syria: Provided, That for purposes of this section, the prohibition on obligations or expenditures shall include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents.

MILITARY COUPS

SEC. 508. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to the government of any country whose duly elected head of government is deposed by decree or military coup: Provided, That assistance may be resumed to such government if the President determines and certifies to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office: Provided further, That the provisions of this section shall not apply to assistance to promote democratic elections or public participation in democratic processes: Provided further, That funds made available pursuant to the previous provisos shall be subject to the regular notification procedures of the Committees on Appropriations.

TRANSFERS BETWEEN ACCOUNTS

SEC. 509. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate.

DEOBLIGATION/REOBLIGATION AUTHORITY

SEC. 510. Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act: Provided, That the authority of this subsection may not be used in fiscal year 2002.

AVAILABILITY OF FUNDS

SEC. 511. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: Provided, That funds appropriated for the purposes of chapters 1, 8, 11, and 12 of part I, section 667, chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, section 23 of the Arms Export Control Act, and funds provided under the heading ''Assistance for Eastern Europe and the Baltic States'', shall remain available for an additional four years from the date on which the availability of such funds would otherwise have expired, if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: Provided further, That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated or obligated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended.

LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

SEC. 512. No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to the government of such country by the United States pursuant to a program for which funds are appropriated under this Act unless the President determines, following consultations with the Committees on Appropriations, that assistance to such country is in the national interest of the United States.

COMMERCE AND TRADE

SEC. 513. (a) None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity: Provided, That such prohibition shall not apply to the Export-Import Bank if in the judgment of its Board of Directors the benefits to industry and employment in the United States are likely to outweigh the injury to United States producers of the same, similar, or competing commodity, and the Chairman of the Board so notifies the Committees on Appropriations.

(b) None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: Provided, That this subsection shall not prohibit—

(1) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or

(2) research activities intended primarily to benefit American producers.

SURPLUS COMMODITIES

SEC. 514. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the North American Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production or extraction of any commodity or mineral for export, if it is in surplus on world markets and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

NOTIFICATION REQUIREMENTS

SEC. 515. For the purposes of providing the executive branch with the necessary administrative flexibility, none of the funds made available under this Act for ''Child Survival and Health Programs Fund'', ''Development Assistance'', ''International Organizations and Programs'', ''Trade and Development Agency'', ''International Narcotics Control and Law Enforcement'', ''Andean Counterdrug Initiative'', ''Assistance for Eastern Europe and the Baltic States'', ''Assistance for the Independent States of the Former Soviet Union'', ''Economic Support Fund'', ''Peacekeeping Operations'', ''Operating Expenses of the United States Agency for International Development'', ''Operating Expenses of the United States Agency for International Development Office of Inspector General'', ''Nonproliferation, Anti-terrorism, Demining and Related Programs'', ''Foreign Military Financing Program'', ''International Military Education and Training'', ''Peace Corps'', and ''Migration and Refugee Assistance'', shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Appropriations Committees of both Houses of Congress are previously notified 15 days in advance: Provided, That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress or 20 percent in excess of the quantities justified to Congress unless the Committees on Appropriations are notified 15 days in advance of such commitment: Provided further, That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 10 percent of the amount previously justified to the Congress for obligation for such activity, program, or project for the current fiscal year: Provided further, That the requirements of this section or any similar provision of this Act or any other Act, including any prior Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations, may be waived if failure to do so would pose a substantial risk to human health or welfare: Provided further, That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as practicable, but in no event later than 3 days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: Provided further, That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 516. Subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of section 307(a) of the Foreign Assistance Act of 1961, shall remain available for obligation until September 30, 2003.

INDEPENDENT STATES OF THE FORMER SOVIET UNION

SEC. 517. (a) None of the funds appropriated under the heading ''Assistance for the Independent States of the Former Soviet Union'' shall be made available for assistance for a government of an Independent State of the former Soviet Union—

(1) unless that government is making progress in implementing comprehensive economic reforms based on market principles, private ownership, respect for commercial contracts, and equitable treatment of foreign private investment; and

(2) if that government applies or transfers United States assistance to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures.

Assistance may be furnished without regard to this subsection if the President determines that to do so is in the national interest.

(b) None of the funds appropriated under the heading ''Assistance for the Independent States of the Former Soviet Union'' shall be made available for assistance for a government of an Independent State of the former Soviet Union if that government directs any action in violation of the territorial integrity or national sovereignty of any other Independent State of the former Soviet Union, such as those violations included in the Helsinki Final Act: Provided, That such funds may be made available without regard to the restriction in this subsection if the President determines that to do so is in the national security interest of the United States.

(c) None of the funds appropriated under the heading ''Assistance for the Independent States of the Former Soviet Union'' shall be made available for any state to enhance its military capability: Provided, That this restriction does not apply to demilitarization, demining or nonproliferation programs.

(d) Funds appropriated under the heading ''Assistance for the Independent States of the

Former Soviet Union'' for the Russian Federation, Armenia, Georgia, and Ukraine shall be subject to the regular notification procedures of the Committees on Appropriations.

(e) Funds made available in this Act for assistance for the Independent States of the former Soviet Union shall be subject to the provisions of section 117 (relating to environment and natural resources) of the Foreign Assistance Act of 1961.

(f) Funds appropriated in this or prior appropriations Acts that are or have been made available for an Enterprise Fund in the Independent States of the Former Soviet Union may be deposited by such Fund in interest-bearing accounts prior to the disbursement of such funds by the Fund for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(g) In issuing new task orders, entering into contracts, or making grants, with funds appropriated in this Act or prior appropriations Acts under the heading ''Assistance for the Independent States of the Former Soviet Union'' and under comparable headings in prior appropriations Acts, for projects or activities that have as one of their primary purposes the fostering of private sector development, the Coordinator for United States Assistance to the New Independent States and the implementing agency shall encourage the participation of and give significant weight to contractors and grantees who propose investing a significant amount of their own resources (including volunteer services and in-kind contributions) in such projects and activities.

PROHIBITION ON FUNDING FOR ABORTIONS AND INVOLUNTARY STERILIZATION

SEC. 518. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for any biomedical research which relates in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations.

EXPORT FINANCING TRANSFER AUTHORITIES

SEC. 519. Not to exceed 5 percent of any appropriation other than for administrative expenses made available for fiscal year 2002, for programs under title I of this Act may be transferred between such appropriations for use for any of the purposes, programs, and activities for which the funds in such receiving account may be used, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 25 percent by any such transfer: Provided, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

SPECIAL NOTIFICATION REQUIREMENTS

SEC. 520. None of the funds appropriated by this Act shall be obligated or expended for Colombia, Haiti, Liberia, Serbia, Sudan, Zimbabwe, Pakistan, or the Democratic Republic of the Congo except as provided through the regular notification procedures of the Committees on Appropriations.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

SEC. 521. For the purpose of this Act, ''program, project, and activity'' shall be defined at the appropriations Act account level and shall include all appropriations and authorizations Acts earmarks, ceilings, and limitations with the exception that for the following accounts: Economic Support Fund and Foreign Military Financing Program, ''program, project, and activity'' shall also be considered to include country, regional, and central program level funding within each such account; for the development assistance accounts of the United States Agency for International Development ''program, project, and activity'' shall also be considered to include central program level funding, either as: (1) justified to the Congress; or (2) allocated by the executive branch in accordance with a report, to be provided to the Committees on Appropriations within 30 days of the enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.

CHILD SURVIVAL AND HEALTH ACTIVITIES

SEC. 522. Up to $15,500,000 of the funds made available by this Act for assistance under the heading ''Child Survival and Health Programs Fund'', may be used to reimburse United States Government agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of individuals (including for the personal services of such individuals) detailed or assigned to, or contracted by, as the case may be, the United States Agency for International Development for the purpose of carrying out activities under that heading: Provided, That up to $3,000,000 of the funds made available by this Act for assistance under the heading ''Development Assistance'' may be used to reimburse such agencies, institutions, and organizations for such costs of such individuals carrying out other development assistance activities: Provided further, That funds appropriated by this Act that are made available for child survival activities or disease programs including activities relating to research on, and the prevention, treatment and control of, HIV/AIDS may be made available notwithstanding any other provision of law: Provided further, That funds appropriated under title II of this Act may be made available pursuant to section 301 of the Foreign Assistance Act of 1961 if a primary purpose of the assistance is for child survival and related programs: Provided further, That of the funds appropriated under title II of this Act, $446,500,000 shall be made available for family planning/reproductive health.

PROHIBITION AGAINST INDIRECT FUNDING TO CERTAIN COUNTRIES

SEC. 523. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated to finance indirectly any assistance or reparations to Cuba, Iraq, Libya, Iran, Syria, North Korea, or Sudan, unless the President of the United States certifies that the withholding of these funds is contrary to the national interest of the United States.

NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

SEC. 524. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (f) of that section: Provided, That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees if such defense articles are significant military equipment (as defined in section 47(9) of the Arms Export Control Act) or are valued (in terms of original acquisition cost) at $7,000,000 or more, or if notification is required elsewhere in this Act for the use of appropriated funds for specific countries that would receive such excess defense articles: Provided further, That such Committees shall also be informed of the original acquisition cost of such defense articles.

AUTHORIZATION REQUIREMENT

SEC. 525. Funds appropriated by this Act, except funds appropriated under the headings ''Peace Corps'' and ''Trade and Development Agency'', may be obligated and expended notwithstanding section 10 of Public Law 91–672 and section 15 of the State Department Basic Authorities Act of 1956.

DEMOCRACY PROGRAMS

SEC. 526. (a) Funds appropriated by this Act that are provided to the National Endowment for Democracy may be made available notwithstanding any other provision of law or regulation: Provided, That notwithstanding any other provision of law, of the funds appropriated by this Act to carry out provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $10,000,000 shall be made available for assistance for activities to support democracy, human rights, and the rule of law in the People's Republic of China, of which not less than $5,000,000 should be made available for the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights and Labor, Department of State, for such activities, and of which not to exceed $3,000,000 may be made available to nongovernmental organizations located outside the People's Republic of China to support activities which preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan communities in Tibet: Provided further, That funds made available pursuant to the authority of this section for programs, projects, and activities in the People's Republic of China shall be subject to the regular notification procedures of the Committees on Appropriations.

(b) In addition to the funds made available in subsection (a), of the funds appropriated by this Act under the heading ''Economic Support Fund'', not less than $10,000,000 should be made available for programs and activities to foster democracy, human rights, press freedoms, women's development, and the rule of law in countries with a significant Muslim population, and where such programs and activities would be important to United States efforts to respond to, deter, or prevent acts of international terrorism: Provided, That funds made available pursuant to the authority of this subsection should support new initiatives or bolster ongoing programs and activities in those countries: Provided further, That not less than $6,000,000 of such funds should be made available for the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights and Labor, Department of State, and not less than $4,000,000 of such funds should be made available to a private, non-profit organization authorized by Congress to strengthen democratic institutions worldwide through nongovernmental efforts: Provided further, That funds made available pursuant to the authority of this subsection shall be subject to the regular notification procedures of the Committees on Appropriations.

PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

SEC. 527. (a) Funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to the enactment of this Act, shall not be made available to any country which the President determines—

(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism; or

(2) otherwise supports international terrorism.

(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least 15 days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.

DEBT-FOR-DEVELOPMENT

SEC. 528. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including endowments, debt-for-development and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the United States Agency for International Development may place in interest bearing accounts funds made available under this Act or prior Acts or local currencies which accrue to that organization as a result of economic assistance provided under title II of this Act and any interest earned on such investment shall be used for the purpose for which the assistance was provided to that organization.

SEPARATE ACCOUNTS

SEC. 529. (a) SEPARATE ACCOUNTS FOR LOCAL CURRENCIES.—(1) If assistance is furnished to the government of a foreign country under chapters 1 and 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961 under agreements which result in the generation of local currencies of that country, the Administrator of the United States Agency for International Development shall—

(A) require that local currencies be deposited in a separate account established by that government;

(B) enter into an agreement with that government which sets forth—

(i) the amount of the local currencies to be generated; and

(ii) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

(C) establish by agreement with that government the responsibilities of the United States Agency for International Development and that government to monitor and account for deposits into and disbursements from the separate account.

(2) USES OF LOCAL CURRENCIES.—As may be agreed upon with the foreign government, local currencies deposited in a separate account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

(A) to carry out chapter 1 or 10 of part I or chapter 4 of part II (as the case may be), for such purposes as—

(i) project and sector assistance activities; or

(ii) debt and deficit financing; or

(B) for the administrative requirements of the United States Government.

(3) PROGRAMMING ACCOUNTABILITY.—The United States Agency for International Development shall take all necessary steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (a)(2)(A) from the separate account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

(4) TERMINATION OF ASSISTANCE PROGRAMS.—Upon termination of assistance to a country under chapter 1 or 10 of part I or chapter 4 of part II (as the case may be), any unencumbered balances of funds which remain in a separate account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

(5) REPORTING REQUIREMENT.—The Administrator of the United States Agency for International Development shall report on an annual basis as part of the justification documents submitted to the Committees on Appropriations on the use of local currencies for the administrative requirements of the United States Government as authorized in subsection (a)(2)(B), and such report shall include the amount of local currency (and United States dollar equivalent) used and/or to be used for such purpose in each applicable country.

(b) SEPARATE ACCOUNTS FOR CASH TRANSFERS.—(1) If assistance is made available to the government of a foreign country, under chapter 1 or 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961, as cash transfer assistance or as nonproject sector assistance, that country shall be required to maintain such funds in a separate account and not commingle them with any other funds.

(2) APPLICABILITY OF OTHER PROVISIONS OF LAW.—Such funds may be obligated and expended notwithstanding provisions of law which are inconsistent with the nature of this assistance including provisions which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 (House Report No. 98–1159).

(3) NOTIFICATION.—At least 15 days prior to obligating any such cash transfer or nonproject sector assistance, the President shall submit a notification through the regular notification procedures of the Committees on Appropriations, which shall include a detailed description of how the funds proposed to be made available will be used, with a discussion of the United States interests that will be served by the assistance (including, as appropriate, a description of the economic policy reforms that will be promoted by such assistance).

(4) EXEMPTION.—Nonproject sector assistance funds may be exempt from the requirements of subsection (b)(1) only through the notification procedures of the Committees on Appropriations.

COMPENSATION FOR UNITED STATES EXECUTIVE DIRECTORS TO INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 530. (a) No funds appropriated by this Act may be made as payment to any international financial institution while the United States Executive Director to such institution is compensated by the institution at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to such institution is compensated by the institution at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) For purposes of this section, ''international financial institutions'' are: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the International Monetary Fund, the North American Development Bank, and the European Bank for Reconstruction and Development.

COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ

SEC. 531. None of the funds appropriated or otherwise made available pursuant to this Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq unless the President determines and so certifies to the Congress that—

(1) such assistance is in the national interest of the United States;

(2) such assistance will directly benefit the needy people in that country; or

(3) the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

AUTHORITIES FOR THE PEACE CORPS, INTER-AMERICAN FOUNDATION AND AFRICAN DEVELOPMENT FOUNDATION

SEC. 532. Unless expressly provided to the contrary, provisions of this or any other Act, including provisions contained in prior Acts authorizing or making appropriations for foreign operations, export financing, and related programs, shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act, the Inter-American Foundation Act or the African Development Foundation Act. The agency shall promptly report to the Committees on Appropriations whenever it is conducting activities or is proposing to conduct activities in a country for which assistance is prohibited.

IMPACT ON JOBS IN THE UNITED STATES

SEC. 533. None of the funds appropriated by this Act may be obligated or expended to provide—

(a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States; or

(b) assistance for any project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, including any designated zone or area in that country: Provided, That in recognition that the application of this subsection should be commensurate with the level of development of the recipient country and sector, the provisions of this subsection shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.

SPECIAL AUTHORITIES

SEC. 534. (a) AFGHANISTAN, LEBANON, MONTENEGRO, VICTIMS OF WAR, DISPLACED CHILDREN, AND DISPLACED BURMESE.—Funds appropriated in titles I and II of this Act that are made available for Afghanistan, Lebanon, Montenegro, and for victims of war, displaced children, and displaced Burmese, may be made available notwithstanding any other provision of law: Provided, That any such funds that are made available for Cambodia shall be subject to the provisions of section 531(e) of the Foreign Assistance Act of 1961 and section 906 of the International Security and Development Cooperation Act of 1985.

(b) TROPICAL FORESTRY AND BIODIVERSITY CONSERVATION ACTIVITIES.—Funds appropriated by this Act to carry out the provisions of sections 103 through 106, and chapter 4 of part II,

of the Foreign Assistance Act of 1961 may be used, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and biodiversity conservation activities and energy programs aimed at reducing greenhouse gas emissions: Provided, That such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

(c) PERSONAL SERVICES CONTRACTORS.—Funds appropriated by this Act to carry out chapter 1 of part I, chapter 4 of part II, and section 667 of the Foreign Assistance Act of 1961, and title II of the Agricultural Trade Development and Assistance Act of 1954, may be used by the United States Agency for International Development to employ up to 25 personal services contractors in the United States, notwithstanding any other provision of law, for the purpose of providing direct, interim support for new or expanded overseas programs and activities and managed by the agency until permanent direct hire personnel are hired and trained: Provided, That not more than 10 of such contractors shall be assigned to any bureau or office: Provided further, That such funds appropriated to carry out the Foreign Assistance Act of 1961 may be made available for personal services contractors assigned only to the Office of Health and Nutrition; the Office of Procurement; the Bureau for Africa; the Bureau for Latin America and the Caribbean; and the Bureau for Asia and the Near East: Provided further, That such funds appropriated to carry out title II of the Agricultural Trade Development and Assistance Act of 1954, may be made available only for personal services contractors assigned to the Office of Food for Peace.

(d)(1) WAIVER.—The President may waive the provisions of section 1003 of Public Law 100–204 if the President determines and certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that it is important to the national security interests of the United States.

(2) PERIOD OF APPLICATION OF WAIVER.—Any waiver pursuant to paragraph (1) shall be effective for no more than a period of 6 months at a time and shall not apply beyond 12 months after the enactment of this Act.

(e) During fiscal year 2002, the President may use up to $45,000,000 under the authority of section 451 of the Foreign Assistance Act, notwithstanding the funding ceiling in section 451(a).

(f) SMALL BUSINESS.—In entering into multiple award indefinite-quantity contracts with funds appropriated by this Act, the United States Agency for International Development may provide an exception to the fair opportunity process for placing task orders under such contracts when the order is placed with any category of small or small disadvantaged business.

POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT OF ISRAEL AND NORMALIZING RELATIONS WITH ISRAEL

SEC. 535. It is the sense of the Congress that—

(1) the Arab League countries should immediately and publicly renounce the primary boycott of Israel and the secondary and tertiary boycott of American firms that have commercial ties with Israel and should normalize their relations with Israel;

(2) the decision by the Arab League in 1997 to reinstate the boycott against Israel was deeply troubling and disappointing;

(3) the fact that only three Arab countries maintain full diplomatic relations with Israel is also of deep concern;

(4) the Arab League should immediately rescind its decision on the boycott and its members should develop normal relations with their neighbor Israel; and

(5) the President should—

(A) take more concrete steps to encourage vigorously Arab League countries to renounce publicly the primary boycotts of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel and to normalize their relations with Israel;

(B) take into consideration the participation of any recipient country in the primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel when determining whether to sell weapons to said country;

(C) report to Congress annually on the specific steps being taken by the United States and the progress achieved to bring about a public renunciation of the Arab primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel and to expand the process of normalizing ties between Arab League countries and Israel; and

(D) encourage the allies and trading partners of the United States to enact laws prohibiting businesses from complying with the boycott and penalizing businesses that do comply.

ADMINISTRATION OF JUSTICE ACTIVITIES

SEC. 536. Of the funds appropriated or otherwise made available by this Act for ''Economic Support Fund'', assistance may be provided to strengthen the administration of justice in countries in Latin America and the Caribbean and in other regions consistent with the provisions of section 534(b) of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act. Funds made available pursuant to this section may be made available notwithstanding section 534(c) and the second and third sentences of section 534(e) of the Foreign Assistance Act of 1961.

ELIGIBILITY FOR ASSISTANCE

SEC. 537. (a) ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1, 10, 11, and 12 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, and from funds appropriated under the heading ''Assistance for Eastern Europe and the Baltic States'': Provided, That the President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this subsection, whether assistance in support of programs of nongovernmental organizations is in the national interest of the United States: Provided further, That before using the authority of this subsection to furnish assistance in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: Provided further, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any other Act.

(b) PUBLIC LAW 480.—During fiscal year 2002, restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under the Agricultural Trade Development and Assistance Act of 1954: Provided, That none of the funds appropriated to carry out title I of such Act and made available pursuant to this subsection may be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

(c) EXCEPTION.—This section shall not apply—

(1) with respect to section 620A of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that support international terrorism; or

(2) with respect to section 116 of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to the government of a country that violates internationally recognized human rights.

EARMARKS

SEC. 538. (a) Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other Act: Provided, That any such reprogramming shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That assistance that is reprogrammed pursuant to this subsection shall be made available under the same terms and conditions as originally provided.

(b) In addition to the authority contained in subsection (a), the original period of availability of funds appropriated by this Act and administered by the United States Agency for International Development that are earmarked for particular programs or activities by this or any other Act shall be extended for an additional fiscal year if the Administrator of such agency determines and reports promptly to the Committees on Appropriations that the termination of assistance to a country or a significant change in circumstances makes it unlikely that such earmarked funds can be obligated during the original period of availability: Provided, That such earmarked funds that are continued available for an additional fiscal year shall be obligated only for the purpose of such earmark.

CEILINGS AND EARMARKS

SEC. 539. Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs. Earmarks or minimum funding requirements contained in any other Act shall not be applicable to funds appropriated by this Act.

PROHIBITION ON PUBLICITY OR PROPAGANDA

SEC. 540. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of the enactment of this Act by the Congress: Provided, That not to exceed $750,000 may be made available to carry out the provisions of section 316 of Public Law 96–533.

PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS

SEC. 541. To the maximum extent practicable, assistance provided under this Act should make full use of American resources, including commodities, products, and services.

PROHIBITION OF PAYMENTS TO UNITED NATIONS MEMBERS

SEC. 542. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations or, from funds appropriated by this Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, the costs for participation of another country's delegation at international conferences held under the auspices of multilateral or international organizations.

NONGOVERNMENTAL ORGANIZATIONS—DOCUMENTATION

SEC. 543. None of the funds appropriated or made available pursuant to this Act shall be available to a nongovernmental organization which fails to provide upon timely request any

document, file, or record necessary to the auditing requirements of the United States Agency for International Development.

PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

SEC. 544. (a) None of the funds appropriated or otherwise made available by this Act may be available to any foreign government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 6(j) of the Export Administration Act. The prohibition under this section with respect to a foreign government shall terminate 12 months after that government ceases to provide such military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after October 1, 1997.

(b) Assistance restricted by subsection (a) or any other similar provision of law, may be furnished if the President determines that furnishing such assistance is important to the national interests of the United States.

(c) Whenever the waiver of subsection (b) is exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Any such report shall include a detailed explanation of the assistance to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests.

WITHHOLDING OF ASSISTANCE FOR PARKING FINES OWED BY FOREIGN COUNTRIES

SEC. 545. (a) IN GENERAL.—Of the funds appropriated under this Act that are made available for a foreign country under part I of the Foreign Assistance Act of 1961, an amount equivalent to 110 percent of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia and New York City, New York by such country as of the date of the enactment of this Act that were incurred after the first day of the fiscal year preceding the current fiscal year shall be withheld from obligation for such country until the Secretary of State certifies and reports in writing to the appropriate congressional committees that such fines and penalties are fully paid to the governments of the District of Columbia and New York City, New York.

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

LIMITATION ON ASSISTANCE FOR THE PLO FOR THE WEST BANK AND GAZA

SEC. 546. None of the funds appropriated by this Act may be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza unless the President has exercised the authority under section 604(a) of the Middle East Peace Facilitation Act of 1995 (title VI of Public Law 104–107) or any other legislation to suspend or make inapplicable section 307 of the Foreign Assistance Act of 1961 and that suspension is still in effect: Provided, That if the President fails to make the certification under section 604(b)(2) of the Middle East Peace Facilitation Act of 1995 or to suspend the prohibition under other legislation, funds appropriated by this Act may not be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza.

WAR CRIMES TRIBUNALS DRAWDOWN

SEC. 547. If the President determines that doing so will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, the President may direct a drawdown pursuant to section 552(c) of the Foreign Assistance Act of 1961, as amended, of up to $30,000,000 of commodities and services for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council or such other tribunals or commissions as the Council may establish or authorize to deal with such violations, without regard to the ceiling limitation contained in paragraph (2) thereof: Provided, That the determination required under this section shall be in lieu of any determinations otherwise required under section 552(c): Provided further, That funds made available for tribunals other than Yugoslavia or Rwanda shall be made available subject to the regular notification procedures of the Committees on Appropriations.

LANDMINES

SEC. 548. Notwithstanding any other provision of law, demining equipment available to the United States Agency for International Development and the Department of State and used in support of the clearance of landmines and unexploded ordnance for humanitarian purposes may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe: Provided, That section 1365(c) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 22 U.S.C., 2778 note) is amended by striking ''During the 11-year period beginning on October 23, 1992'' and inserting ''During the 16-year period beginning on October 23, 1992''.

RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

SEC. 549. None of the funds appropriated by this Act may be obligated or expended to create in any part of Jerusalem a new office of any department or agency of the United States Government for the purpose of conducting official United States Government business with the Palestinian Authority over Gaza and Jericho or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles: Provided, That this restriction shall not apply to the acquisition of additional space for the existing Consulate General in Jerusalem: Provided further, That meetings between officers and employees of the United States and officials of the Palestinian Authority, or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles, for the purpose of conducting official United States Government business with such authority should continue to take place in locations other than Jerusalem. As has been true in the past, officers and employees of the United States Government may continue to meet in Jerusalem on other subjects with Palestinians (including those who now occupy positions in the Palestinian Authority), have social contacts, and have incidental discussions.

PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

SEC. 550. None of the funds appropriated or otherwise made available by this Act under the heading ''International Military Education and Training'' or ''Foreign Military Financing Program'' for Informational Program activities or under the headings ''Child Survival and Health Programs Fund'', ''Development Assistance'', and ''Economic Support Fund'' may be obligated or expended to pay for—

(1) alcoholic beverages; or

(2) entertainment expenses for activities that are substantially of a recreational character, including entrance fees at sporting events and amusement parks.

SPECIAL DEBT RELIEF FOR THE POOREST

SEC. 551. (a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States (or any agency of the United States) by an eligible country as a result of—

(1) guarantees issued under sections 221 and 222 of the Foreign Assistance Act of 1961;

(2) credits extended or guarantees issued under the Arms Export Control Act; or

(3) any obligation or portion of such obligation, to pay for purchases of United States agricultural commodities guaranteed by the Commodity Credit Corporation under export credit guarantee programs authorized pursuant to section 5(f) of the Commodity Credit Corporation Charter Act of June 29, 1948, as amended, section 4(b) of the Food for Peace Act of 1966, as amended (Public Law 89–808), or section 202 of the Agricultural Trade Act of 1978, as amended (Public Law 95–501).

(b) LIMITATIONS.—

(1) The authority provided by subsection (a) may be exercised only to implement multilateral official debt relief and referendum agreements, commonly referred to as ''Paris Club Agreed Minutes''.

(2) The authority provided by subsection (a) may be exercised only in such amounts or to such extent as is provided in advance by appropriations Acts.

(3) The authority provided by subsection (a) may be exercised only with respect to countries with heavy debt burdens that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as ''IDA-only'' countries.

(c) CONDITIONS.—The authority provided by subsection (a) may be exercised only with respect to a country whose government—

(1) does not have an excessive level of military expenditures;

(2) has not repeatedly provided support for acts of international terrorism;

(3) is not failing to cooperate on international narcotics control matters;

(4) (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and

(5) is not ineligible for assistance because of the application of section 527 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.

(d) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading ''Debt Restructuring''.

(e) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to subsection (a) shall not be considered assistance for purposes of any provision of law limiting assistance to a country. The authority provided by subsection (a) may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961 or section 321 of the International Development and Food Assistance Act of 1975.

AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES

SEC. 552. (a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, pursuant to the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less

than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710 of the Foreign Assistance Act of 1961, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

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

(3) ADMINISTRATION.—The Facility, as defined in section 702(8) of the Foreign Assistance Act of 1961, shall notify the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) LIMITATION.—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

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

(c) ELIGIBLE PURCHASERS.—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(d) DEBTOR CONSULTATIONS.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President should consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(e) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading ''Debt Restructuring''.

RESTRICTIONS ON VOLUNTARY CONTRIBUTIONS TO UNITED NATIONS AGENCIES

SEC. 553. (a) PROHIBITION ON VOLUNTARY CONTRIBUTIONS FOR THE UNITED NATIONS.—None of the funds appropriated by this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) if the United Nations implements or imposes any taxation on any United States persons.

(b) CERTIFICATION REQUIRED FOR DISBURSEMENT OF FUNDS.—None of the funds appropriated by this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) unless the President certifies to the Congress 15 days in advance of such payment that the United Nations is not engaged in any effort to implement or impose any taxation on United States persons in order to raise revenue for the United Nations or any of its specialized agencies.

(c) DEFINITIONS.—As used in this section the term ''United States person'' refers to—

(1) a natural person who is a citizen or national of the United States; or

(2) a corporation, partnership, or other legal entity organized under the United States or any State, territory, possession, or district of the United States.

HAITI COAST GUARD

SEC. 554. The Government of Haiti shall be eligible to purchase defense articles and services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), for the Coast Guard: Provided, That the authority provided by this section shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON ASSISTANCE TO THE PALESTINIAN AUTHORITY

SEC. 555. (a) PROHIBITION OF FUNDS.—None of the funds appropriated by this Act to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 may be obligated or expended with respect to providing funds to the Palestinian Authority.

(b) WAIVER.—The prohibition included in subsection (a) shall not apply if the President certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that waiving such prohibition is important to the national security interests of the United States.

(c) PERIOD OF APPLICATION OF WAIVER.—Any waiver pursuant to subsection (b) shall be effective for no more than a period of 6 months at a time and shall not apply beyond 12 months after the enactment of this Act.

LIMITATION ON ASSISTANCE TO SECURITY FORCES

SEC. 556. None of the funds made available by this Act may be provided to any unit of the security forces of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights, unless the Secretary determines and reports to the Committees on Appropriations that the government of such country is taking effective measures to bring the responsible members of the security forces unit to justice: Provided, That nothing in this section shall be construed to withhold funds made available by this Act from any unit of the security forces of a foreign country not credibly alleged to be involved in gross violations of human rights: Provided further, That in the event that funds are withheld from any unit pursuant to this section, the Secretary of State shall promptly inform the foreign government of the basis for such action and shall, to the maximum extent practicable, assist the foreign government in taking effective measures to bring the responsible members of the security forces to justice.

DISCRIMINATION AGAINST MINORITY RELIGIOUS FAITHS IN THE RUSSIAN FEDERATION

SEC. 557. None of the funds appropriated under this Act may be made available for the Government of the Russian Federation, after 180 days from the date of the enactment of this Act, unless the President determines and certifies in writing to the Committees on Appropriations and the Committee on Foreign Relations of the Senate that the Government of the Russian Federation has implemented no statute, executive order, regulation or similar government action that would discriminate, or would have as its principal effect discrimination, against religious groups or religious communities in the Russian Federation in violation of accepted international agreements on human rights and religious freedoms to which the Russian Federation is a party.

ASSISTANCE FOR THE MIDDLE EAST

SEC. 558. Of the funds appropriated in titles II and III of this Act under the headings ''Economic Support Fund'', ''Foreign Military Financing Program'', ''International Military Education and Training'', ''Peacekeeping Operations'', for refugees resettling in Israel under the heading ''Migration and Refugee Assistance'', and for assistance for Israel to carry out provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 under the heading ''Nonproliferation, Anti-Terrorism, Demining and Related Programs'', not more than a total of $5,141,150,000 may be made available for Israel, Egypt, Jordan, Lebanon, the West Bank and Gaza, the Israel-Lebanon Monitoring Group, the Multinational Force and Observers, the Middle East Regional Democracy Fund, Middle East Regional Cooperation, and Middle East Multilateral Working Groups: Provided, That any funds that were appropriated under such headings in prior fiscal years and that were at the time of the enactment of this Act obligated or allocated for other recipients may not during fiscal year 2002 be made available for activities that, if funded under this Act, would be required to count against this ceiling: Provided further, That funds may be made available notwithstanding the requirements of this section if the President determines and certifies to the Committees on Appropriations that it is important to the national security interest of the United States to do so and any such additional funds shall only be provided through the regular notification procedures of the Committees on Appropriations.

ENERGY CONSERVATION AND CLEAN ENERGY PROGRAMS

SEC. 559. (a) FUNDING.—Of the funds appropriated by this Act, not less than $155,000,000 should be made available to support policies and actions in developing countries and countries in transition that promote energy conservation and efficient energy production and use; that measure, monitor, and reduce greenhouse gas emissions; increase carbon sequestration activities; and enhance climate change mitigation programs.

(b) GREENHOUSE GAS EMISSIONS REPORT.—Not later than 30 days after the date on which the President's fiscal year 2003 budget request is submitted to Congress, the President shall submit a report to the Committees on Appropriations describing in detail the following—

(1) all Federal agency obligations and expenditures, domestic and international, for climate change programs and activities in fiscal year 2002, including an accounting of expenditures by agency with each agency identifying climate change activities and associated costs by line item as presented in the President's Budget Appendix; and

(2) all fiscal year 2001 obligations and estimated expenditures, fiscal year 2002 estimated expenditures and estimated obligations, and fiscal year 2003 requested funds by the United States Agency for International Development, by country and central program, for each of the following: (1) to promote the transfer and deployment of United States clean energy technologies; (2) to assist in the measurement, monitoring, reporting, verification, and reduction of greenhouse gas emissions; (3) to promote carbon capture and sequestration measures; (4) to help meet such countries' responsibilities under the Framework Convention on Climate Change; and (5) to develop assessments of the vulnerability to impacts of climate change and response strategies.

ZIMBABWE

SEC. 560. The Secretary of the Treasury shall instruct the United States executive director to each international financial institution to vote against any extension by the respective institution of any loans, to the Government of Zimbabwe, except to meet basic human needs or to promote democracy, unless the Secretary of State determines and certifies to the Committees on Appropriations that the rule of law has been restored in Zimbabwe, including respect for

ownership and title to property, freedom of speech and association.

CENTRAL AMERICA RELIEF AND RECONSTRUCTION

SEC. 561. Funds made available to the Comptroller General pursuant to title I, chapter 4 of Public Law 106–31, to monitor the provision of assistance to address the effects of hurricanes in Central America and the Caribbean and the earthquake in Colombia, shall also be available to the Comptroller General to monitor earthquake relief and reconstruction efforts in El Salvador.

ENTERPRISE FUND RESTRICTIONS

SEC. 562. Prior to the distribution of any assets resulting from any liquidation, dissolution, or winding up of an Enterprise Fund, in whole or in part, the President shall submit to the Committees on Appropriations, in accordance with the regular notification procedures of the Committees on Appropriations, a plan for the distribution of the assets of the Enterprise Fund.

CAMBODIA

SEC. 563. (a) The Secretary of the Treasury should instruct the United States executive directors of the international financial institutions to use the voice and vote of the United States to oppose loans to the Central Government of Cambodia, except loans to meet basic human needs.

(b)(1) None of the funds appropriated by this Act may be made available for assistance for the Central Government of Cambodia unless the Secretary of State determines and reports to the Committees on Appropriations that the Central Government of Cambodia—

(A) is making significant progress in resolving outstanding human rights cases, including the 1994 grenade attack against the Buddhist Liberal Democratic Party, and the 1997 grenade attack against the Khmer Nation Party;

(B) has held local elections that are deemed free and fair by international and local election monitors; and

(C) is making significant progress in the protection, management, and conservation of the environment and natural resources, including in the promulgation and enforcement of laws and policies to protect forest resources.

(2) In the event the Secretary of State makes the determination under paragraph (1), assistance may be made available to the Central Government of Cambodia only through the regular notification procedures of the Committees on Appropriations.

(c) Notwithstanding subsection (b) of this section or any other provision of law, funds appropriated by this Act may be made available for assistance for basic education and for assistance to the Government of Cambodia's Ministry of Women and Veteran's Affairs to combat human trafficking, subject to the regular notification procedures of the Committees on Appropriations.

(d) None of the funds appropriated or otherwise made available by this Act may be used to provide equipment, technical support, consulting services, or any other form of assistance to any tribunal established by the Government of Cambodia pursuant to a memorandum of understanding with the United Nations unless the President determines and certifies to Congress that the tribunal is capable of delivering justice for crimes against humanity and genocide in an impartial and credible manner.

FOREIGN MILITARY TRAINING REPORT

SEC. 564. (a) The Secretary of Defense and the Secretary of State shall jointly provide to the Congress by March 1, 2002, a report on all military training provided to foreign military personnel (excluding sales, and excluding training provided to the military personnel of countries belonging to the North Atlantic Treaty Organization) under programs administered by the Department of Defense and the Department of State during fiscal years 2001 and 2002, including those proposed for fiscal year 2002. This report shall include, for each such military training activity, the foreign policy justification and purpose for the training activity, the cost of the training activity, the number of foreign students trained and their units of operation, and the location of the training. In addition, this report shall also include, with respect to United States personnel, the operational benefits to United States forces derived from each such training activity and the United States military units involved in each such training activity. This report may include a classified annex if deemed necessary and appropriate.

(b) For purposes of this section a report to Congress shall be deemed to mean a report to the Appropriations and Foreign Relations Committees of the Senate and the Appropriations and International Relations Committees of the House of Representatives.

KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION

SEC. 565. (a) Of the funds made available under the heading ''Nonproliferation, Anti-terrorism, Demining and Related Programs'', not to exceed $95,000,000 may be made available for the Korean Peninsula Energy Development Organization (hereafter referred to in this section as ''KEDO''), notwithstanding any other provision of law, only for the administrative expenses and heavy fuel oil costs associated with the Agreed Framework.

(b) Such funds may be made available for KEDO only if, 15 days prior to such obligation of funds, the President certifies and so reports to Congress that—

(1) the parties to the Agreed Framework have taken and continue to take demonstrable steps to implement the Joint Declaration on Denuclearization of the Korean Peninsula;

(2) North Korea is complying with all provisions of the Agreed Framework; and

(3) the United States is continuing to make significant progress on eliminating the North Korean ballistic missile threat, including further missile tests and its ballistic missile exports.

(c) The President may waive the certification requirements of subsection (b) if the President determines that it is vital to the national security interests of the United States and provides written policy justifications to the appropriate congressional committees. No funds may be obligated for KEDO until 15 days after submission to Congress of such waiver.

(d) The Secretary of State shall, at the time of the annual presentation for appropriations, submit a report providing a full and detailed accounting of the fiscal year 2003 request for the United States contribution to KEDO, the expected operating budget of KEDO, proposed annual costs associated with heavy fuel oil purchases, including unpaid debt, and the amount of funds pledged by other donor nations and organizations to support KEDO activities on a per country basis, and other related activities.

(e) The final proviso under the heading ''International Organizations and Programs'' in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996 (Public Law 104–107) is repealed.

PLO COMPLIANCE REPORT

SEC. 566. (a) REPORTING REQUIREMENT.—The President should, at the time specified in subsection (b), submit a report to the Congress assessing the steps that the Palestine Liberation Organization (PLO), or the Palestinian Authority, as appropriate, has taken to comply with its 1993 commitments to renounce the use of terrorism and all other acts of violence and to assume responsibility over all PLO or Palestinian Authority elements and personnel in order to assure their compliance, prevent violations, and discipline violators, including the arrest and prosecution of individuals involved in acts of terror and violence. The President should determine, based on such assessment, whether the PLO or the Palestinian Authority, as appropriate, has substantially complied with such commitments. If the President determines based on the assessment that such compliance has not occurred, then the President should, for a period of time of not less than six months, impose one or more of the following sanctions:

(1) Withdraw or terminate any waiver by the President of the requirements of section 1003 of the Foreign Relations Authorization Act of 1988 and 1989 (22 U.S.C. 5202) (prohibiting the establishment or maintenance of a Palestinian information office in the United States), such section to apply so as to prohibit the operation of a PLO or Palestinian Authority office in the United States from carrying out any function other than those functions carried out by the Palestinian information office in existence prior to the Oslo Accords.

(2) Designate the PLO, or one or more of its constituent groups (including Fatah and Tanzim) or groups operating as arms of the Palestinian Authority (including Force 17) as a foreign terrorist organization, in accordance with section 219(a) of the Immigration and Nationality Act.

(3) Terminate United States assistance (except humanitarian and development assistance) for the West Bank and Gaza Program.

(b) SUBMISSION OF REPORT.—The report required under subsection (a) should be transmitted not later than 60 days after the date of enactment of this Act and shall cover the period commencing June 13, 2001.

(c) UPDATE OF REPORT.—The President should update the report submitted pursuant to subsection (a) as part of the next report required under the PLO Commitments Compliance Act of 1989 (title VIII of Public Law 101–246).

(d) WAIVER AUTHORITY.—The President may waive any or all of the sanctions imposed under subsection (a) if the President determines and reports to the appropriate committees of the Congress that such a waiver is in the national security interests of the United States.

COLOMBIA

SEC. 567. (a) DETERMINATION AND CERTIFICATION REQUIRED.—Notwithstanding any other provision of law, funds appropriated by this Act or prior Acts making appropriations for foreign operations, export financing, and related programs, may be made available for assistance for the Colombian Armed Forces as follows:

(1) not more than sixty percent of such funds may be obligated after a determination by the Secretary of State and a certification to the appropriate congressional committees that:

(A) the Commander General of the Colombian Armed Forces is suspending from the Armed Forces those members, of whatever rank, who have been credibly alleged to have committed gross violations of human rights, including extra-judicial killings, or to have aided or abetted paramilitary groups;

(B) the Colombian Armed Forces are cooperating with civilian prosecutors and judicial authorities (including providing requested information, such as the identity of persons suspended from the Armed Forces and the nature and cause of the suspension, and access to witnesses and relevant military documents and other information), in prosecuting and punishing in civilian courts those members of the Colombian Armed Forces, of whatever rank, who have been credibly alleged to have committed gross violations of human rights, including extra-judicial killings, or to have aided or abetted paramilitary groups;

(C) the Colombian Armed Forces are taking effective measures to sever links (including by denying access to military intelligence, vehicles,

and other equipment or supplies, and ceasing other forms of active or tacit cooperation), at the command, battalion, and brigade levels, with paramilitary groups, and to execute outstanding orders for capture for members of such groups; and

(2) the balance of such funds may be obligated after June 1, 2002, if the Secretary of State determines and certifies to the appropriate congressional committees that the Colombian Armed Forces are continuing to meet the criteria contained in paragraphs (1)(A), (B) and (C).

(b) CONSULTATIVE PROCESS.—At least ten days prior to making the determination and certification required by this section, and every 120 days thereafter during fiscal year 2002, the Secretary of State shall consult with internationally recognized human rights organizations regarding progress in meeting the conditions contained in subsection (a).

(c) REPORT.—One hundred and twenty days after the enactment of this Act, and every 120 days thereafter during fiscal year 2002, the Secretary of State shall submit a report to the Committees on Appropriations describing actions taken by the Colombian Armed Forces to meet the requirements set forth in subsections (a)(1)(A) through (a)(1)(C); and

(d) DEFINITIONS.—In this section:

(1) AIDED OR ABETTED.—The term ''aided or abetted'' means to provide any support to paramilitary groups, including taking actions which allow, facilitate, or otherwise foster the activities of such groups.

(2) PARAMILITARY GROUPS.—The term ''paramilitary groups'' means illegal self-defense groups and illegal security cooperatives.

ILLEGAL ARMED GROUPS

SEC. 568. (a) DENIAL OF VISAS TO SUPPORTERS OF COLOMBIAN ILLEGAL ARMED GROUPS.—Subject to subsection (b), the Secretary of State shall not issue a visa to any alien who the Secretary determines, based on credible evidence—

(1) has willfully provided any support to the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), or the United Self-Defense Forces of Colombia (AUC), including taking actions or failing to take actions which allow, facilitate, or otherwise foster the activities of such groups; or

(2) has committed, ordered, incited, assisted, or otherwise participated in the commission of gross violations of human rights, including extra-judicial killings, in Colombia.

(b) WAIVER.—Subsection (a) shall not apply if the Secretary of State determines and certifies to the appropriate congressional committees, on a case-by-case basis, that the issuance of a visa to the alien is necessary to support the peace process in Colombia or for urgent humanitarian reasons.

PROHIBITION ON ASSISTANCE TO THE PALESTINIAN BROADCASTING CORPORATION

SEC. 569. None of the funds appropriated or otherwise made available by this Act may be used to provide equipment, technical support, consulting services, or any other form of assistance to the Palestinian Broadcasting Corporation.

IRAQ

SEC. 570. Notwithstanding any other provision of law, funds appropriated under the heading ''Economic Support Fund'' may be made available for programs benefitting the Iraqi people and to support efforts to bring about a political transition in Iraq: Provided, That not more than 15 percent of the funds (except for costs related to broadcasting activities) may be used for administrative and representational expenses, including expenditures for salaries, office rent and equipment: Provided further, That not later than 60 days after the date of enactment of this Act, the Secretary of State shall consult with the Committees on Appropriations regarding plans for the expenditure of funds under this section: Provided further, That funds made available under this heading are made available subject to the regular notification procedures of the Committees on Appropriations.

WEST BANK AND GAZA PROGRAM

SEC. 571. For fiscal year 2002, 30 days prior to the initial obligation of funds for the bilateral West Bank and Gaza Program, the Secretary of State shall certify to the appropriate committees of Congress that procedures have been established to assure the Comptroller General of the United States will have access to appropriate United States financial information in order to review the uses of United States assistance for the Program funded under the heading ''Economic Support Fund'' for the West Bank and Gaza.

INDONESIA

SEC. 572. (a) Funds appropriated by this Act under the headings ''International Military Education and Training'' and ''Foreign Military Financing Program'' may be made available for assistance for Indonesian military personnel only if the President determines and submits a report to the appropriate congressional committees that the Government of Indonesia and the Indonesian Armed Forces are—

(1) taking effective measures to bring to justice members of the armed forces and militia groups against whom there is credible evidence of human rights violations in East Timor and Indonesia;

(2) taking effective measures to bring to justice members of the armed forces against whom there is credible evidence of aiding or abetting illegal militia groups in East Timor and Indonesia;

(3) allowing displaced persons and refugees to return home to East Timor, including providing safe passage for refugees returning from West Timor and demonstrating a commitment to preventing incursions into East Timor by members of militia groups in West Timor;

(4) demonstrating a commitment to accountability by cooperating with investigations and prosecutions of members of the armed forces and militia groups responsible for human rights violations in East Timor and Indonesia;

(5) demonstrating a commitment to civilian control of the armed forces by reporting to civilian authorities audits of receipts and expenditures of the armed forces;

(6) allowing United Nations and other international humanitarian organizations and representatives of recognized human rights organizations access to West Timor, Aceh, West Papua, and Maluka; and

(7) releasing political detainees.

BRIEFINGS ON POTENTIAL PURCHASES OF DEFENSE ARTICLES OR DEFENSE SERVICES BY TAIWAN

SEC. 573. (a) BRIEFINGS.—Not later than 90 days after the date of enactment of this Act, and not later than every 120 days thereafter during fiscal year 2002, the Department of State, in consultation with the Department of Defense, shall provide detailed briefings to the appropriate congressional committees (including the Committees on Appropriations) on any discussions conducted between any executive branch agency and the government of Taiwan during the preceding 120 days (or, in the case of the initial briefing, since the date of enactment of this Act) on any potential purchase of defense articles or defense services by the government of Taiwan.

(b) EXECUTIVE AGENCY DEFINED.—In this section, the term ''executive branch agency'' has the meaning given the term ''agency'' in section 551(1) of title 5, United States Code.

RESTRICTIONS ON ASSISTANCE TO GOVERNMENTS DESTABILIZING SIERRA LEONE

SEC. 574. (a) None of the funds appropriated by this Act may be made available for assistance for the government of any country for which the Secretary of State determines there is credible evidence that such government has knowingly facilitated the safe passage of weapons or other equipment, or has provided lethal or non-lethal military support or equipment, directly or through intermediaries, within the previous six months to the Sierra Leone Revolutionary United Front (RUF), Liberian Security Forces, or any other group intent on destabilizing the democratically elected government of the Republic of Sierra Leone.

(b) None of the funds appropriated by this Act may be made available for assistance for the government of any country for which the Secretary of State determines there is credible evidence that such government has aided or abetted, within the previous six months, in the illicit distribution, transportation, or sale of diamonds mined in Sierra Leone.

(c) Whenever the prohibition on assistance required under subsection (a) or (b) is exercised, the Secretary of State shall notify the Committees on Appropriations in a timely manner.

VOLUNTARY SEPARATION INCENTIVES

SEC. 575. Section 579(c)(2)(D) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000, as enacted by section 1000(a)(2) of the Consolidated Appropriations Act, 2000 (Public Law 106–113), as amended, is amended by striking ''December 31, 2001'' and inserting in lieu thereof ''December 31, 2002''.

UNITED NATIONS POPULATION FUND

SEC. 576. (a) LIMITATIONS ON AMOUNT OF CONTRIBUTION.—Of the amounts made available under ''International Organizations and Programs'', not more than $34,000,000 for fiscal year 2002 shall be made available for the United Nations Population Fund (hereafter in this section referred to as the ''UNFPA'').

(b) PROHIBITION ON USE OF FUNDS IN CHINA.—None of the funds made available under ''International Organizations and Programs'' may be made available for the UNFPA for a country program in the People's Republic of China.

(c) CONDITIONS ON AVAILABILITY OF FUNDS.—Amounts made available under ''International Organizations and Programs'' for fiscal year 2002 for the UNFPA may not be made available to UNFPA unless—

(1) the UNFPA maintains amounts made available to the UNFPA under this section in an account separate from other accounts of the UNFPA;

(2) the UNFPA does not commingle amounts made available to the UNFPA under this section with other sums; and

(3) the UNFPA does not fund abortions.

AMERICAN CHURCHWOMEN AND OTHER CITIZENS IN EL SALVADOR AND GUATEMALA

SEC. 577. (a) To the fullest extent possible information relevant to the December 2, 1980, murders of four American churchwomen in El Salvador, and the May 5, 2001, murder of Sister Barbara Ann Ford and the murders of six other American citizens in Guatemala since December 1999, should be investigated and made public.

(b) The Department of State is urged to pursue all reasonable avenues in assuring the collection and public release of information pertaining to the murders of the six American citizens in Guatemala.

(c) The President shall order all Federal agencies and departments, including the Federal Bureau of Investigation, that possess relevant information, to expeditiously declassify and release to the victims' families such information, consistent with existing standards and procedures on classification.

(d) In making determinations concerning declassification and release of relevant information, all Federal agencies and departments should use the discretion contained within such

existing standards and procedures on classification in support of releasing, rather than withholding, such information.

(e) All reasonable efforts should be taken by the American Embassy in Guatemala to work with relevant agencies of the Guatemalan Government to protect the safety of American citizens in Guatemala, and to assist in the investigations of violations of human rights.

PROCUREMENT AND FINANCIAL MANAGEMENT REFORM

SEC. 578. (a) FUNDING CONDITIONS.—Of the funds made available under the heading ''International Financial Institutions'' in this Act, 10 percent of the United States portion or payment to such International Financial Institution shall be withheld by the Secretary of the Treasury, until the Secretary certifies to the Committees on Appropriations that, to the extent pertinent to its lending programs, the institution is—

(1) implementing procedures for conducting annual audits by qualified independent auditors for all new investment lending;

(2) implementing procedures for annual independent external audits of central bank financial statements for countries making use of International Monetary Fund resources under new arrangements or agreements with the Fund;

(3) taking steps to establish an independent fraud and corruption investigative organization or office;

(4) implementing a process to assess a recipient country's procurement and financial management capabilities including an analysis of the risks of corruption prior to initiating new investment lending; and

(5) taking steps to fund and implement programs and policies to improve transparency and anti-corruption programs and procurement and financial management controls in recipient countries.

(b) DEFINITIONS.—The term ''International Financial Institutions'' means the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the Inter-American Investment Corporation, the Enterprise for the Americas Multilateral Investment Fund, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the European Bank for Reconstruction and Development, and the International Monetary Fund.

BASIC EDUCATION ASSISTANCE FOR INDONESIA AND PAKISTAN

SEC. 579. (a) Of the funds made available under the heading ''Development Assistance'' for basic education, $8,000,000 shall be made available to Indonesia and Pakistan.

(b) Of the funds made available under the heading ''Economic Support Fund'' for Pakistan, not less than $2,500,000 shall be transferred to ''Operating Expenses of the United States Agency for International Development'' for the purpose of monitoring and implementing United States economic support, including that provided under the provisions of Public Law 107–38 and this general provision, of basic education, health, and democracy and governance activities in Pakistan.

(c) Not more than 60 days after the enactment of this Act, the Administrator of the United States Agency for International Development shall report to the House Committees on Appropriations and International Relations and the Senate Committees on Appropriations and Foreign Relations on the Agency's proposed allocation of basic education funding for Indonesia and Pakistan, including in-country monitoring of budget support for basic education provided under Public Law 107–38.

COMMERCIAL LEASING OF DEFENSE ARTICLES

SEC. 580. Notwithstanding any other provision of law, and subject to the regular notification procedures of the Committees on Appropriations, the authority of section 23(a) of the Arms Export Control Act may be used to provide financing to Israel, Egypt and NATO and major non-NATO allies for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers, not including Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under such Act.

WAR CRIMINALS

SEC. 581. (a)(1) None of the funds appropriated or otherwise made available pursuant to this Act may be made available for assistance, and the Secretary of the Treasury shall instruct the United States executive directors to the international financial institutions to vote against any new project involving the extension by such institutions of any financial or technical assistance, to any country, entity, or municipality whose competent authorities have failed, as determined by the Secretary of State, to take necessary and significant steps to implement its international legal obligations to apprehend and transfer to the International Criminal Tribunal for the former Yugoslavia (the ''Tribunal'') all persons in their territory who have been publicly indicted by the Tribunal and to otherwise cooperate with the Tribunal.

(2) The provisions of this subsection shall not apply to humanitarian assistance or assistance for democratization.

(b) The provisions of subsection (a) shall apply unless the Secretary of State determines and reports to the appropriate congressional committees that the competent authorities of such country, entity, or municipality are—

(1) cooperating with the Tribunal, including access for investigators, the provision of documents, and the surrender and transfer of publicly indicted persons or assistance in their apprehension; and

(2) are acting consistently with the Dayton Accords.

(c) Not less than 10 days before any vote in an international financial institution regarding the extension of any new project involving financial or technical assistance or grants to any country or entity described in subsection (a), the Secretary of the Treasury, in consultation with the Secretary of State, shall provide to the Committees on Appropriations a written justification for the proposed assistance, including an explanation of the United States position regarding any such vote, as well as a description of the location of the proposed assistance by municipality, its purpose, and its intended beneficiaries.

(d) In carrying out this section, the Secretary of State, the Administrator of the United States Agency for International Development, and the Secretary of the Treasury shall consult with representatives of human rights organizations and all government agencies with relevant information to help prevent publicly indicted war criminals from benefiting from any financial or technical assistance or grants provided to any country or entity described in subsection (a).

(e) The Secretary of State may waive the application of subsection (a) with respect to projects within a country, entity, or municipality upon a written determination to the Committees on Appropriations that such assistance directly supports the implementation of the Dayton Accords.

(f) DEFINITIONS.—As used in this section—

(1) COUNTRY.—The term ''country'' means Bosnia and Herzegovina, Croatia and Serbia.

(2) ENTITY.—The term ''entity'' refers to the Federation of Bosnia and Herzegovina, Kosovo, Montenegro and the Republika Srpska.

(3) MUNICIPALITY.—The term ''municipality'' means a city, town or other subdivision within a country or entity as defined herein.

(4) DAYTON ACCORDS.—The term ''Dayton Accords'' means the General Framework Agreement for Peace in Bosnia and Herzegovina, together with annexes relating thereto, done at Dayton, November 10 through 16, 1995.

USER FEES

SEC. 582. The Secretary of the Treasury shall instruct the United States Executive Director at each international financial institution (as defined in section 1701(c)(2) of the International Financial Institutions Act) and the International Monetary Fund to oppose any loan of these institutions that would require user fees or service charges on poor people for primary education or primary healthcare, including prevention and treatment efforts for HIV/AIDS, malaria, tuberculosis, and infant, child, and maternal well-being, in connection with the institutions' lending programs.

HEAVILY INDEBTED POOR COUNTRIES TRUST FUND AUTHORIZATION

SEC. 583. Section 801(b)(1) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2001 (Public Law 106–429) is amended by striking ''$435,000,000'' and inserting ''$600,000,000''.

FUNDING FOR SERBIA

SEC. 584. (a) Funds appropriated by this Act may be made available for assistance for Serbia after March 31, 2002, if the President has made the determination and certification contained in subsection (c).

(b) After March 31, 2002, the Secretary of the Treasury should instruct the United States executive directors to the international financial institutions to support loans and assistance to the Government of the Federal Republic of Yugoslavia subject to the conditions in subsection (c): Provided, That section 576 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, as amended, shall not apply to the provision of loans and assistance to the Federal Republic of Yugoslavia through international financial institutions.

(c) The determination and certification referred to in subsection (a) is a determination by the President and a certification to the Committees on Appropriations that the Government of the Federal Republic of Yugoslavia is—

(1) cooperating with the International Criminal Tribunal for the former Yugoslavia including access for investigators, the provision of documents, and the surrender and transfer of indictees or assistance in their apprehension;

(2) taking steps that are consistent with the Dayton Accords to end Serbian financial, political, security and other support which has served to maintain separate Republika Srpska institutions; and

(3) taking steps to implement policies which reflect a respect for minority rights and the rule of law, including the release of political prisoners from Serbian jails and prisons.

(d) Subsections (b) and (c) shall not apply to Montenegro, Kosovo, humanitarian assistance or assistance to promote democracy in municipalities.

EL SALVADOR RECONSTRUCTION AND CENTRAL AMERICA DISASTER RELIEF

SEC. 585. (a) During fiscal year 2002, not less than $100,000,000 shall be made available for rehabilitation and reconstruction assistance for El Salvador: Provided, That such funds shall be derived as follows: (1) from funds appropriated by this Act, not less than $65,000,000, of which not less than $25,000,000 shall be from funds appropriated under the heading ''Economic Support Fund'', $25,000,000 should be from funds

appropriated under the heading ''International Disaster Assistance'', and not less than $15,000,000 shall be from funds appropriated under the headings ''Child Survival and Health Programs Fund'' and ''Development Assistance''; and (2) from funds appropriated under such headings in Acts making appropriations for foreign operations, export financing, and related programs for fiscal year 1999 and prior years, not to exceed $35,000,000: Provided further, That none of the funds made available under this section may be obligated for nonproject assistance: Provided further, That prior to any obligation of funds made available under this section, the Administrator of the United States Agency for International Development (USAID) shall provide the Committees on Appropriations with a detailed report containing the amount of the proposed obligation and a description of the programs and projects, on a sector-by-sector basis, to be funded with such amount: Provided further, That of the funds made available under this section, up to $2,500,000 may be used for administrative expenses, including auditing costs, of USAID.

(b) During fiscal year 2002, not less than $35,000,000 of the funds managed by the United States Agency for International Development should be made available for mitigation of the drought and rural food shortages elsewhere in Central America.

REPORTS ON CONDITIONS IN HONG KONG

SEC. 586. (a) Section 301 of the United States-Hong Kong Policy Act (22 U.S.C. 5731) is amended by striking ''and March 31, 2000,'' and inserting: ''March 31, 2000, March 31, 2001, March 31, 2002, March 31, 2003, March 31, 2004, March 31, 2005, and March 31, 2006''.

(b) The requirement in section 301 of the United States-Hong Kong Policy Act, as amended by subsection (a), that a report under that section shall be transmitted not later than March 31, 2001, shall be considered satisfied by the transmittal of such report by August 7, 2001.

COMMUNITY-BASED POLICE ASSISTANCE

SEC. 587. (a) AUTHORITY.—Of the funds made available to carry out the provisions of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, up to $1,500,000 may be used, notwithstanding section 660 of that Act, to enhance the effectiveness and accountability of civilian police authority in Jamaica through training and technical assistance in internationally recognized human rights, the rule of law, strategic planning, and through the promotion of civilian police roles that support democratic governance including programs to prevent conflict and foster improved police relations with the communities they serve.

(b) REPORT.—Twelve months after the initial obligation of funds for Jamaica for activities authorized under subsection (a), the Administrator of the United States Agency for International Development shall submit a report to the appropriate congressional committees describing the progress the program is making toward improving police relations with the communities they serve and institutionalizing an effective community-based police program.

(c) NOTIFICATION.—Assistance provided under subsection (a) shall be subject to the regular notification procedures of the Committees on Appropriations.

AUTHORIZATIONS

SEC. 588. The Secretary of the Treasury may, to fulfill commitments of the United States, contribute on behalf of the United States to the fifth replenishment of the resources of the International Fund for Agricultural Development. The following amount is authorized to be appropriated without fiscal year limitation for payment by the Secretary of the Treasury: $30,000,000 for the International Fund for Agricultural Development: Provided, That notwithstanding the dates specified in section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) and section 1(c) of Public Law 103–428, the Export-Import Bank of the United States shall continue to exercise its functions in connection with and in furtherance of its objects and purposes through March 31, 2002.

EXCESS DEFENSE ARTICLES FOR CENTRAL AND SOUTHERN EUROPEAN COUNTRIES AND CERTAIN OTHER COUNTRIES

SEC. 589. Notwithstanding section 516(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)), during each of the fiscal years 2002 and 2003, funds available to the Department of Defense may be expended for crating, packing, handling, and transportation of excess defense articles transferred under the authority of section 516 of such Act to Albania, Bulgaria, Croatia, Estonia, Former Yugoslavia Republic of Macedonia, Georgia, India, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Mongolia, Pakistan, Romania, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan: Provided, That section 105 of Public Law 104–164 is amended by striking ''2000 and 2001'' and inserting ''2002 and 2003''.

OVERSEAS PRIVATE INVESTMENT CORPORATION AND EXPORT-IMPORT BANK RESTRICTIONS

SEC. 590. (a) LIMITATION ON USE OF FUNDS BY OPIC.—None of the funds made available in this Act may be used by the Overseas Private Investment Corporation to insure, reinsure, guarantee, or finance any investment in connection with a project involving the mining, polishing or other processing, or sale of diamonds in a country that fails to meet the requirements of subsection (c).

(b) LIMITATION ON USE OF FUNDS BY THE EXPORT-IMPORT BANK.—None of the funds made available in this Act may be used by the Export-Import Bank of the United States to guarantee, insure, extend credit, or participate in an extension of credit in connection with the export of any goods to a country for use in an enterprise involving the mining, polishing or other processing, or sale of diamonds in a country that fails to meet the requirements of subsection (c).

(c) REQUIREMENTS.—The requirements referred to in subsection (a) and (b) are that the country concerned is implementing a system of controls, or taking other appropriate measures, that the Secretary of State determines to contribute effectively to preventing and eliminating the trade in conflict diamonds.

MODIFICATION TO THE ANNUAL DRUG CERTIFICATION PROCEDURES

SEC. 591. During fiscal year 2002 funds in this Act that would otherwise be withheld from obligation or expenditure under section 490 of the Foreign Assistance Act of 1961 may be obligated or expended provided that:

(1) REPORT.—Not later than 45 days after enactment the President has submitted to the appropriate congressional committees a report identifying each country determined by the President to be a major drug-transit country or major illicit drug producing country.

(2) DESIGNATION AND JUSTIFICATION.—In each report under paragraph (1), the President shall also—

(A) designate each country, if any, identified in such report that has failed demonstrably, during the previous 12 months, to make substantial efforts—

(i) to adhere to its obligations under international counternarcotics agreements; and

(ii) to take the counternarcotics measures set forth in section 489(a)(1) of the Foreign Assistance Act of 1961; and

(B) include a justification for each country so designated.

(3) LIMITATION ON ASSISTANCE FOR DESIGNATED COUNTRIES.—In the case of a country identified in a report for fiscal year 2002 under paragraph (1) that is also designated under paragraph (2) in the report, United States assistance may be provided under this Act to such country in fiscal year 2002 only if the President determines and reports to the appropriate congressional committees that—

(A) provision of such assistance to the country in such fiscal year is vital to the national interests of the United States; or

(B) commencing at any time 45 days after enactment, the country has made substantial efforts—

(i) to adhere to its obligations under international counternarcotics agreements; and

(ii) to take the counternarcotics measures set forth in section 489(a)(1) of the Foreign Assistance Act of 1961.

(4) INTERNATIONAL COUNTERNARCOTICS AGREEMENT DEFINED.—In this section, the term ''international counternarcotics agreement'' means—

(A) the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances; or

(B) any bilateral or multilateral agreement in force between the United States and another country or countries that addresses issues relating to the control of illicit drugs, such as—

(i) the production, distribution, and interdiction of illicit drugs,

(ii) demand reduction,

(iii) the activities of criminal organizations,

(iv) international legal cooperation among courts, prosecutors, and law enforcement agencies (including the exchange of information and evidence),

(v) the extradition of nationals and individuals involved in drug-related criminal activity,

(vi) the temporary transfer for prosecution of nationals and individuals involved in drug-related criminal activity,

(vii) border security,

(viii) money laundering,

(ix) illicit firearms trafficking,

(x) corruption,

(xi) control of precursor chemicals,

(xii) asset forfeiture, and

(xiii) related training and technical assistance;

and includes, where appropriate, timetables and objective and measurable standards to assess the progress made by participating countries with respect to such issues.

(5) APPLICATION.—Section 490 (a)–(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j) shall not apply during fiscal year 2002 with respect to any country identified in paragraph (1) of this section.

(6) STATUTORY CONSTRUCTION.—Nothing in this section supersedes or modifies the requirement in section 489(a) of the Foreign Assistance Act of 1961 (with respect to the International Control Strategy Report) for the transmittal of a report not later than March 1, 2002 under that section.

KENNETH M. LUDDEN

SEC. 592. This Act may be cited as the Kenneth M. Ludden Foreign Operations, Export Financing, and Related Programs Appropriations Act, Fiscal Year 2002.

This Act may be cited as the ''Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002''.

And the Senate agree to the same.

JIM KOLBE,
SONNY CALLAHAN,
JOE KNOLLENBERG,
JACK KINGSTON,
JERRY LEWIS,
ROGER F. WICKER,
HENRY BONILLA,
JOHN E. SUNUNU,
BILL YOUNG,
NITA LOWEY,
NANCY PELOSI,

JESSE L. JACKSON, Jr.,
CAROLYN C. KILPATRICK,
STEVEN R. ROTHMAN,
DAVE OBEY,
Managers on the Part of the House.

PATRICK J. LEAHY,
DANIEL K. INOUYE,
TOM HARKIN,
TIM JOHNSON,
JACK REED,
ROBERT C. BYRD,
MITCH MCCONNELL,
JUDD GREGG,
RICHARD C. SHELBY,
ROBERT F. BENNETT,
BEN NIGHTHORSE CAMPBELL,
CHRISTOPHER BOND,
TED STEVENS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2506) ''making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002'', submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

SUBSIDY APPROPRIATION

The conference agreement appropriates $727,323,000 for the subsidy appropriation of the Export-Import Bank as proposed by the Senate, instead of $738,323,000 as proposed by the House. The managers have been informed that the level of subsidy provided will support a projected level of authorizations of $10,600,000,000 in 2002, approximately $1,400,000,000 higher than the level of authorizations in fiscal year 2001.

ADMINISTRATIVE EXPENSES

The conference agreement appropriates $63,000,000 for administrative expenses of the Export-Import Bank instead of $60,000,000 as proposed by the House and $64,000,000 as proposed by the Senate.

OVERSEAS PRIVATE INVESTMENT CORPORATION

The managers are concerned about an announcement by OPIC that it intends to begin making bridge loans to non-governmental organizations (NGOs) and private voluntary organizations (PVOs). While OPIC has provided financing to several PVOs since 1999, the managers are concerned that OPIC has not adequately consulted and informed Congress on these projects. Therefore, the managers direct the President of OPIC to consult with the Committees on Appropriations in the House and the Senate before any future financing for NGOs or PVOs is approved.

The managers are also concerned that significant changes to the insurance market in the wake of the September 11, 2001 attacks against the United States may jeopardize coverage of American investments overseas. The managers note that the inability to obtain sufficient insurance coverage could have significant adverse impact on large infrastructure project support by U.S. corporations, U.S. commercial banks, the Export-Import Bank, and the Overseas Private Investment Corporation.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

COMPLIANCE WITH REPORT LANGUAGE

The managers note that at times in the past, the Department of State and USAID have failed to respond to recommendations in the House and Senate Appropriations Committee reports, choosing instead to recognize only language in the statement of the managers accompanying the Conference Report. The managers expect the Department of State and USAID to follow the recommendations in the House and Senate reports, unless those recommendations are modified in the statement of the managers. In the event that the House and Senate Appropriations Committee reports contain conflicting recommendations on the same subject, the managers expect the Department of State and USAID to consult with the House and Senate Appropriations Committees regarding those recommendations.

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND HEALTH PROGRAMS FUND

The conference agreement appropriates $1,433,500,000 for the Child Survival and Health Programs Fund instead of $1,425,000,000 as proposed by the House and $1,510,500,000 as proposed by the Senate. The conference agreement also continues limitations on the use of the Fund for non-project assistance.

The conference agreement includes language allocating $1,430,500,000 among six program categories in the Child Survival and Health Programs Fund: $315,000,000 for child survival and maternal health, including vaccine-preventable diseases such as polio; $25,000,000 for vulnerable children; $435,000,000 for HIV/AIDS; $165,000,000 for other infectious diseases; $368,500,000 for reproductive health/family planning; and $120,000,000 for UNICEF. The managers expect that any change proposed subsequent to the allocation as directed in bill language will be subject to the requirements of section 515 of the Act. A definition of program categories and their components can be found on pages 9 through 11 of House Report 107–142 and under the heading ''Family Planning/Reproductive Health'' on page 12 of Senate Report 107–58.

Within the child survival and maternal health program, authority is provided to transfer up to $53,000,000 instead of $60,000,000 as proposed by the House and $50,500,000 as proposed by the Senate to The Vaccine Fund established for child immunization by the Global Alliance for Vaccines and Immunization (GAVI). The managers continue to be supportive of GAVI and again direct that the Committees be informed in writing 20 days prior to the obligation of any funds for GAVI on the proposed use of any U.S. contribution, particularly with regard to the amount to be donated for procurement of vaccines for children. Any in-kind contributions through USAID should be in addition to the $53,000,000 contribution to The Vaccine Fund.

The managers note that the vulnerable children program is not intended to be used to assist AIDS orphans, who will be major beneficiaries of the HIV/AIDS program. Although the conference agreement does not include bill language regarding funding for blind children, the managers recommend not less than $1,300,000 for assistance for blind children. The managers support efforts to eliminate iodine deficiency disorder, the leading cause of mental retardation, and expect that at least $2,500,000 from the Child Survival and Health Programs Fund and $2,225,000 from the Europe and Eurasia regional accounts be provided for the Kiwanis International/UNICEF–IDD partnership program. USAID is also encouraged to increase support for non-governmental organizations, such as Special Olympics, that work with older children, including those with cognitive disabilities and mild mental retardation, to teach life and job skills. The managers encourage USAID to explore expanding support for NGO programs for vulnerable children and adults in Southeast Asian countries where government policies impede the establishment of a regular USAID mission or limit government-to-government economic cooperation. The managers also direct that $27,500,000 be provided to combat polio.

The conference agreement includes $475,000,000 for HIV/AIDS, of which $435,000,000 is allocated within this account and not less than $40,000,000 in other accounts and programs. The conference agreement includes bill language on the development of microbicides. The managers expect that these funds will be managed by the director of the HIV/AIDS division at USAID. In addition, the conference agreement includes up to $10,000,000 for a United States contribution to the International AIDS Vaccine Initiative.

The managers note that the Global AIDS and Tuberculosis Relief Act of 2000 (P.L. 106–264) authorized that 65 percent of the HIV/AIDS funding be provided through non-governmental organizations (NGOs). The managers concur that NGOs, including faith-based organizations, provide invaluable services in the fight against HIV/AIDS. In anticipation of an increasing involvement of the public sector, particularly in the areas of treatment and the provision of interventions to reduce mother-to-child transmission, the managers agree that assistance provided through NGOs in cooperation with a foreign government or using government facilities may be counted against the 65 percent target in USAID's strategy to implement the Act.

The managers recognize the value of innovative projects to combat the ever-growing HIV/AIDS pandemic. The managers are aware of two innovative faith-based alliances and recommend that USAID provide not less than $2,000,000 to fund proposals by each NGO. The first is between a United States NGO and the southern African Anglican Church to provide information and communications technologies and platforms to strengthen community efforts to combat HIV/AIDS in southern Africa. The second is between Hope worldwide and a number of communities in southern Africa. The NGO seeks to replicate and extend its well-known Soweto Community Childcare program for orphans and other children affected by AIDS to other sites in Africa. The managers encourage USAID to seek out and support similar innovative programs, especially in Africa, South and Central Asia, and the Caribbean region.

Within the overall Child Survival and Health Programs Fund, authority is provided to transfer $50,000,000 to a proposed global fund to fight AIDS, tuberculosis and malaria. Of this amount, $10,000,000 would be transferred from the allocation for other infectious diseases, which include tuberculosis and malaria. In addition, the President may use up to $50,000,000 from other accounts in title II of this and prior Acts for the fund, for a total of $100,000,000 under the authorities provided in this Act.

The managers note that up to an additional $200,000,000 is available for the proposed global fund from two other appropriations Acts a total of $100,000,000 in the Child

Survival and Disease Programs Fund under a provision of Public Law 107–20, and another $100,000,000 from H.R. 3061, the Departments of Labor, Health and Human Services, and Education Appropriations Act, 2002. The managers further note that the President's request for the fund is $200,000,000.

The managers expect the Secretary of State and the Secretary of Health and Human Services to report to the Committees no later than April 30, 2002 on progress toward establishment of a global fund to combat AIDS, tuberculosis and malaria. If substantial progress has not been made by August 1, 2002, in establishing a global fund on terms mutually acceptable to the Secretaries and the Committees, the managers expect that the funds intended to be contributed to the proposed global fund will be made available for obligation, as needed, for ongoing bilateral programs to fight HIV/AIDS, tuberculosis, and malaria.

The managers urge that expanded resources be made available to mother-to-child transmission (MTCT) programs. As effective implementation of MTCT programs will take time, during which health care workers will be trained, laboratory and testing facilities established, and community based care services for HIV positive mothers developed, USAID not be able to meet the Global AIDS Act's 8.3 percent MTCT funding target in fiscal year 2002. The managers expect that USAID will achieve the MTCT target by the end of fiscal year 2003.

The conference agreement allocates $165,000,000 for other infectious diseases including $65,000,000 to address the global health threat from tuberculosis. The managers expect that a total of at least $75,000,000 will be provided for tuberculosis from all accounts.

The other infectious diseases program also includes $65,000,000 for efforts to reduce the incidence of malaria and $35,000,000 for antimicrobial resistance and infectious diseases surveillance. Proper antibiotic use and increasing global resistance have assumed a higher priority since the recent bioterrorism incidents, and the managers urge USAID to reserve part of its increase in funding to invest in public/private partnerships and alliances that promote more prudent uses of antibiotics in developing countries.

The managers are aware that the HIV/AIDS, tuberculosis and malaria crises require extraordinary efforts on the part of the U.S. Government. USAID is encouraged to use, as appropriate, its existing waiver authorities regarding financing and procurement of goods and services, and grant making, in order to expedite the provision of assistance to combat infectious diseases and enhance the efficiency of that assistance.

The conference agreement allocates $368,500,000 for family planning/reproductive health within the Child Survival and Health Programs Fund. The Senate amendment proposed that not less than $395,000,000 be made available from the Child Survival and Health Programs Fund to carry out section 104(b) of the Foreign Assistance Act, regarding international population planning assistance. The House bill allocated $358,000,000 from this account for bilateral reproductive health/family planning assistance. The conference agreement provides overall funding of $446,500,000 for bilateral family planning/reproductive health from this account, the Economic Support Fund, and the regional accounts for Eastern Europe and the former Soviet Union in section 522.

As the managers are concerned about logging, poaching and other development harmful to the environment in regions where population pressures threaten biodiversity and endangered species, such as Indonesia, Central Africa, and parts of Latin America, the conference agreement includes Senate language that urges USAID to undertake and implement reproductive health/family planning programs in these regions.

The managers also direct USAID to continue to provide the Committees with a detailed annual report not later than February 28, 2002, on the programs, projects, and activities undertaken by the Child Survival and Disease Programs Fund during fiscal year 2001.

Funds appropriated for the Child Survival and Health Programs Fund are appropriated for programs, projects and activities. Funds for administrative expenses to manage Fund activities are provided in a separate account, with two exceptions included in the conference agreement: authority for USAID's central and regional bureaus to use up to $125,000 from program funds for Operating Expense-funded personnel to better monitor and provide oversight of the Fund; and, in section 522, authority to use up to $15,500,000 to reimburse other government agencies and private institutions for professional services. Any proposed transfer of appropriations from the Fund for administrative expenses of USAID under any other authority shall be subject to section 515 of this Act.

None of the funds appropriated under this heading or the heading ''Child Survival and Disease Programs Fund'' in prior Acts making appropriations for foreign operations, export financing, and related programs may be allocated or reserved in USAID's operating year budget for a Global Development Alliance. Any proposed obligations for Global Development Alliance programs, projects or activities shall be subject to the regular notification procedures of the Committees on Appropriations.

DEVELOPMENT ASSISTANCE

The conference agreement appropriates $1,178,000,000 for ''Development Assistance'' instead of $1,098,000,000 as proposed by the House and $1,245,000,000 as proposed by the Senate.

The managers have increased funds for Development Assistance above the amount requested by the President in order to make additional funds available for urgent basic education, environment and energy conservation, and economic growth programs. Within the economic growth, agriculture and trade sector, environment and clean energy, trade promotion, and rule of law activities are of special interest.

The managers have agreed to provide $150,000,000 for basic education under the development assistance account, instead of $135,000,000 as proposed by the House bill and the Senate amendment. In addition, $15,000,000 should be derived from other accounts.

The managers also direct USAID to conduct an immediate review of basic education programs in countries whose assistance is primarily provided from the Economic Support Fund (ESF). Widespread anti-American sentiment in predominately Muslim countries has exposed a deficiency in basic education within countries that have received large amounts of U.S. assistance through ESF-funded programs. The managers urge that cooperative efforts be initiated with ESF-recipient countries to develop and implement creative basic education programs that strengthen the capacity and accessibility of public education systems. The conferees expect that expenditures from the ESF account for education will increase as a result of these efforts.

The managers continue to be concerned about worldwide trafficking of women and children and urge the Department of State and USAID to provide $20,000,000 from title II of this Act, including not less than $1,500,000 under the heading ''Independent States'' and not less than $10,000,000 under the heading ''International Narcotics Control and Law Enforcement'', to continue and expand anti-trafficking programs.

The conference agreement provides that, of the funds for agriculture and rural development programs, $25,000,000 should be provided for biotechnology research and development.

The managers strongly support the fertilizer-related research and development being conducted by the International Fertilizer Development Center (IFDC) and urge the Administrator of USAID to make at least $4,000,000 available to IFDC, including not less than $2,300,000 for its core grant, as provided under the Senate amendment and the House Report.

The managers expect USAID to increase funding for the Collaborative Research Support Programs (CRSPs) above the fiscal year 2001 level. The managers recommend that USAID should focus on increasing the overall funds available for CRSPs, and consult with the Committees on directives included in the House and Senate reports regarding funding for the CRSPs. The managers note the ongoing bipartisan and bicameral support for the Peanut CRSP.

The conference agreement does not contain language proposed in the Senate amendment providing up to $100,000 for an assessment of the causes of flooding along the Volta River in Accra, Ghana, and recommendations for solving the problem. The House did not address this matter. The managers support this endeavor, and expect $100,000 to be provided for the assessment.

The managers direct that not less than $500,000 be made available for the United States Telecommunications Training Institute, a long-standing and successful program that provides communications and broadcasting training to professionals around the world. The Senate amendment included bill language mandating that such funds be made available for this purpose. The House bill did not address this matter.

The conference agreement provides that $18,000,000 should be made available for the American Schools and Hospitals Abroad (ASHA) program. The Senate amendment included bill language mandating that $19,000,000 be made available for this purpose. The House bill did not address this matter. The managers direct ASHA to give full consideration to grant proposals from all qualified institutions. These may include grant proposals for curriculum, staff support, and related expenses and for expansion overseas facilities owned and operated by U.S. based, non-profit educational institutions. No regulation, statute, or congressional directive precludes ASHA funds from being utilized for these purposes.

The managers strongly support programs to protect the environment, including biodiversity and endangered species. They also support sustainable use of natural resources and sustainable agriculture and programs that conserve energy and promote efficient energy production and use in developing countries. The conference agreement includes language similar to the Senate bill, which provides that $275,000,000 should be made available for these activities. Of this

amount, $100,000,000 should be made available for programs to protect biodiversity.

The conference agreement includes language similar to the Senate amendment, which provides that $2,000,000 should be made available from ''Development Assistance'' and the ''Child Survival and Health Programs Fund'' for activities in Laos. These funds are to be made available only through nongovernmental organizations to address basic human needs. The managers are extremely troubled by the repressive policies of the Government of Laos. In addition to condemning the wholesale denial of human rights to the people of Laos, particularly the Hmong, the managers are concerned about a recent event in which several European nationals were arrested, detained in inhumane conditions, and eventually expelled from Laos for demonstrating for democracy and the release of political prisoners. The House bill did not address this matter.

As a result of the situation since September 11, 2001, the managers support and urge USAID to include in its initiative to prevent conflict $2,500,000 to support environmental threat assessments and preventive solutions. The Foundation for Security and Sustainability is prepared to mobilize its interdisciplinary experts to address urgent challenges such as highly infectious diseases and environmental indicators to provide credible warnings as they pertain to the security of key regions.

The conferees continue to strongly support dairy development and urge the USAID to provide $8,000,000 to fund new projects in fiscal year 2002, the same level provided for the past two years. The program has helped the U.S. dairy industry become more competitive through promoting American technology, equipment, inputs and industry-based technical assistance in developing and market transition countries.

The managers support the language in House Report 107–142 regarding education and technology in Africa, especially with regard to the Education of Development and Democracy Initiative (EDDI) and the AFTECH initiative. As such, the managers strongly recommend that $17,000,000 be made available for EDDI in fiscal year 2002, instead of the multiyear funding recommendation in the House Report. The managers also support the Republic of Congo's (Brazzaville) efforts to achieve economic self sufficiency and democratic reform following its civil war. The conferees strongly encourage USAID to support the Congo Republic's multi-year effort to boost local production of agricultural foodstuffs. This project complements the Agency's ongoing effort to engage the private sector in developing methods to achieve food security in Africa.

The managers endorse House and Senate report language supporting assistance for victims of torture and recommend $10,000,000 for these activities, including treatment centers. The managers are also aware of the Hacia La Seguridad program in Quito, Ecuador and the United States-Honduras Program of Investments Alliance and encourage USAID to consider proposals for supporting both projects. The managers also endorse the Senate report language recommending support for the Navsarjan Trust in India.

The managers recognize the important contributions made by American volunteers through the Citizens Democracy Corps and the International Executive Service Corps (IESC), and support additional funding by USAID over and above existing grants and cooperative agreements for both PVOs. In particular, the managers support proposals by the IESC to renew its technical assistance activities in small and medium-sized enterprises in Latin America, Africa, and Asia.

The managers expect USAID to comply with the House Report directives, as modified below, as it develops more fully its Global Development Alliance concept. Until those recommendations have been implemented, as determined by the Committees, any proposed obligations from Development Assistance appropriations for Global Development Alliance programs, projects or activities shall be subject to the regular notification procedures of the Committees on Appropriations on a case-by-case basis. Overall, any allocation or reservation of funds for a Global Development Alliance in USAID's operating year budget shall be limited to $20,000,000 during fiscal year 2002.

BURMA

The conference agreement contains language that provides that of the funds appropriated for the Economic Support Fund, not less than $6,500,000 shall be made available to support democracy activities in Burma and for related activities outside of Burma. These funds are available notwithstanding any other provision of law, but shall be made available subject to the regular notification procedures of the Committees on Appropriations. The conference agreement also amends a similar provision for the fiscal year 2001 appropriations act to provide for the use of funds appropriated under ''Child Survival and Disease Programs Fund'' for activities in Burma. The conference agreement does not contain Senate language that conditioned the use of funds on the direct involvement of the National League for Democracy.

The managers expect that programs and activities conducted inside Burma will be carried out in consultation with the leadership of the National League for Democracy (NLD). The managers do not support the provision of any assistance to the State Peace and Development Council (SPDC), and encourage a just and peaceful settlement to the political stalemate.

The managers are deeply concerned with the detention of Burma's legitimately elected leader Daw Aung San Suu Kyi, and the imprisonment and torture of Burmese democracy activists. The managers recognize the humanitarian crises that exist in Burma today, including an explosive HIV/AIDS infection rate, and condemn the repressive policies of the SPDC that directly contribute to human suffering in that country. The managers denounce the SPDC's efforts to obtain a nuclear reactor and its recent decision to purchase ten MIG–29 fighter aircraft. These funds could be better used for basic health care for the Burmese people.

The managers note that talks have taken place between the NLD and the SPDC, and a few political prisoners have been released. However, at the current rate it will take a decade before all 1,800 political prisoners are set free. The managers urge the immediate and unconditional release of all prisoners of conscience in Burma. The SPDC is also urged to allow NLD offices to reopen throughout Burma and to operate without restriction.

The managers request that within 90 days of enactment of the Act, the Administrator of USAID, in consultation with the Under Secretary of State for Global Affairs, provide a report to the Committees on Appropriations on the extent of the HIV/AIDS epidemic in Burma, including recommendations for action that the United States Government could take to limit the spread of HIV/AIDS in Burma. The recommendations may not include direct support to the SPDC.

INTERNATIONAL DISASTER ASSISTANCE

The conference agreement appropriates $235,500,000 for ''International Disaster Assistance'', instead of $245,000,000 as proposed by the Senate and $201,000,000 as proposed by the House bill. The managers have agreed to a 17.5 percent increase above the request in anticipation that additional resources will be needed for humanitarian assistance, especially in Central America and sub-Saharan Africa. The director of the Office of Foreign Disaster Assistance is to consult with the Committees not less than every three months, on the current status of commitments, obligations, and expenditures by the Office and on any proposals to augment ''International Disaster Assistance'' by transfers from other accounts.

The conferees urge USAID to at least double its disaster preparedness programs and activities in South Asia by initiating offers of technical assistance in this area with the Governments of India and other regional states. Not less than $5,000,000 should be committed by the Office of Foreign Disaster Assistance to develop national and regional emergency response capabilities to prevent unnecessary loss of life and property during frequent natural disasters such as cyclones, earthquakes and floods. This program should be designed to promote regional cooperation and stability.

TRANSITION INITIATIVES

The conference agreement appropriates $50,000,000 for ''Transition Initiatives'' to support USAID's Office of Transition Initiatives (OTI). The House bill proposed $40,000,000 and the Senate amendment $52,500,000 for this account. The conference agreement requires that USAID submit a report to the Appropriations Committees not less than five days prior to beginning a new program of assistance. The House bill contained a similar provision.

The managers recognize the importance of identifying and supporting women leaders in post-conflict societies, and urge USAID and the Department of State to make women's leadership training a central part of U.S. transition assistance to the people of Afghanistan and the surrounding region. The Vital Voices Leadership Institute is among the groups with the expertise to move quickly to implement such a program. The conferees urge USAID and the State Department to quickly identify opportunities for such initiatives within Afghanistan.

DEVELOPMENT CREDIT AUTHORITY

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates up to $18,500,000 by transfer from funds made available under the heading ''Development Assistance'' for the cost of loans and loan guarantees for USAID's Development Credit Authority, instead of $25,000,000 as proposed by the Senate and $12,500,000 as proposed by the House. In addition, the conference agreement includes urban programs among the potential beneficiaries and extends the availability of the credit subsidy authority until September 30, 2007, instead of until expended as proposed by the Senate.

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

The conference agreement includes language providing that up to $10,000,000 may be made available until expended for security-related costs.

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

OFFICE OF INSPECTOR GENERAL

The conference agreement appropriates $31,500,000 for Operating Expenses of the

United States Agency for International Development, Office of Inspector General, instead of $32,000,000 as proposed by the Senate and $30,000,000 as proposed by the House. The managers encourage the Inspector General to continue the policy of constructive and ongoing reviews of USAID's attempts to resolve its serious financial and human resource management and procurement challenges. The managers also request the Inspector General to inform the Committee promptly of any emerging deficiencies.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

The conference agreement appropriates $2,199,000,000 for the Economic Support Fund as proposed by the House instead of $2,239,500,000 as proposed by the Senate.

The conference agreement includes language that provides not less than $200,000,000 for the Commodity Import Program in Egypt. The Senate amendment had proposed not less than $160,000,000 for this program, while the House bill did not address this matter.

The conference agreement also includes language that provides that not less than $150,000,000 should be made available for assistance for Jordan. The Senate language would have mandated this level of support. The House bill did not address this matter.

The conference agreement also includes language that provides that not less than $25,000,000 shall be made available for East Timor, including up to $1,000,000 which may be transferred to and merged with Operating Expenses of the United States Agency for International Development. The House bill did not address this matter.

The conference agreement includes Senate language that provides that not less $15,000,000 shall be available for assistance for Cyprus. The House bill had similar language, but it provided that $15,000,000 should be made available rather than making this level mandatory.

In addition, the conference report provides not less than $35,000,000 for assistance for Lebanon. The managers are concerned with the failure of the Government of Lebanon, despite repeated requests at the highest levels, to enforce the orders of Lebanese courts requiring the return of abducted American children in Lebanon. The conference agreement provides that the Government of Lebanon should enforce the custody and international pickup orders, issued during calendar year 2001, of Lebanon's civil courts regarding abducted American children in Lebanon. The House bill had language that provided this level of assistance for Lebanon, but did not include Senate language regarding child custody and international pickup orders.

The managers are deeply concerned by reports that the Government of Lebanon will not cooperate with the President's request, made pursuant to Executive Order 13224, to freeze the assets of Hezbollah, a group included on the State Department's list of terrorist organizations. The managers will closely monitor the Government of Lebanon's future cooperation with this and other aspects of the campaign against terrorism. The managers note that any funding provided in this account to the Central Government of Lebanon is subject to Congressional notification.

The conference agreement includes language that provides that $50,000,000 of the funds appropriated under this heading should be provided for Indonesia. The Senate amendment contained language that provided that $135,000,000 should be provided for Indonesia from ''Economic Support Fund'', as well as from ''Development Assistance'' and ''Child Survival and Health Programs Fund''. The House bill did not address this matter.

The conference agreement does not include Senate language providing that not less than $10,000,000 from various accounts should be made available for humanitarian, economic rehabilitation and reconstruction, political reconciliation and related activities in Aceh, Papua, West Timor and Malukus. However, the managers direct USAID to urgently pursue opportunities to provide such assistance to address urgent needs in these impoverished and politically volatile regions. Funds made available for these purposes may be made available to and managed by the Office of Transition Initiatives.

The managers remain concerned with the political situation in Indonesia, and encourage the Government to continue to implement needed political, legal, economic, and military reforms. While the managers appreciate the complex situation within Indonesia, they find criticism by President Megawati Sukarnoputri of American-led efforts to counter international terrorism to be dismaying.

The managers did not include Senate language relating to funding for the Documentation Center of Cambodia, but recognize the vital research the Center provides to the people of Cambodia on atrocities committed by the Khmer Rouge. The managers expect the Department of State and USAID to provide sufficient levels of funding to the Center, and endorse the Senate report language on this matter. The managers request the Secretary of State to report to the Committees on Appropriations not later than 60 days after the enactment of this Act on a multi-year funding strategy for the Documentation Center of Cambodia.

The conference agreement does not include Senate language that stated that not less than $12,000,000 should be made available for Mongolia. However, the managers support this level of funding for assistance for Mongolia, which is consistent with the budget request.

The managers direct that $53,000,000 of the funds appropriated in this account be provided for reproductive health/family planning, as assumed in the budget request.

The conferees reiterate their support for conflict prevention analysis in light of the events of September 11th, and urge the Administration to provide funding for groups previously cited, such as the International Crisis Group, whose work identifies and addresses the causes of conflict and the failed states which breed terrorism. The managers also reiterate support for important conflict resolution programs as described in the House and Senate reports, including funding of up to $1,000,000 for Seeds of Peace and up to $1,000,000 for the School for International Training's Conflict Transformation Across Cultures Program (CONTACT).

The managers endorse the House report language regarding support for the International Arid Lands Consortium. In addition, the managers express support for the House report language regarding the Blaustein Institute for Desert Research.

The conference agreement also includes House language that provides that funds from this account may be used, notwithstanding any other provision of law and subject to the regular notification procedures of the Committees on Appropriations, to provide certain specified assistance to the National Democratic Alliance of Sudan. The Senate amendment contained similar language, but included a ceiling of $10,000,000 on funds for this purpose.

Significant developments in Sudan have opened the door for historical changes for the suffering people there. A special humanitarian relief flight sponsored by the United States and cleared by the Sudan People's Liberation Movement (SPLM) and the government of Sudan has delivered over eight metric tons of wheat to the remote Nuba Mountain area that had been cut off from international assistance. The United States is negotiating expanded delivery of food aid through air drops to the Nuba Mountains to be implemented by the World Food Program. In order to set up and maintain these proposed initiatives, the managers support additional funding for new programs including expanded access for humanitarian assistance, education, agriculture, peace building, and reconciliation in war-affected areas of Sudan and to refugees in neighboring countries.

The conference agreement includes language that provides, with respect to funds appropriated under the heading ''Economic Support Fund'' in this Act or prior Acts making appropriations for foreign operations, export financing, and related programs, the responsibility for policy decisions and justifications for the use of such funds, including whether there will be a program for a country that uses those funds and the amount of each such program, shall be the responsibility of the Secretary of State and the Deputy Secretary of State and this responsibility shall not be delegated. The managers are concerned that the programs and activities funded through this account accurately reflect both the priorities of the Secretary of State and the budget justification material provided to the Committees on Appropriations, as modified by the conference agreement. The managers reiterate the importance of Congressional intent in the programming of funds appropriated to the Economic Support Fund, and anticipate a cooperative approach during fiscal year 2002 on funding allocations and programming decisions. To improve accountability for the delivery of assistance, the managers urge the Department of State and the Office of Management and Budget to streamline the current process of apportioning Economic Support Funds so that the bureau or agency designated by the Secretary or Deputy Secretary to obligate and manage the funds is able to do so in a more efficient and timely manner.

The managers endorse the Senate report language concerning the jurisdiction of and accelerated U.S. financial support for the war crimes tribunal for Sierra Leone.

The managers encourage the State Department to support programs designed to connect the information technology networks of Central Asian and Central and Eastern European members of the Partnership for Peace, to help strengthen integration and cooperation between these nations.

INTERNATIONAL FUND FOR IRELAND

The conference agreement appropriates $25,000,000 as proposed by the House. The Senate amendment contained no provision on this matter.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

The conference agreement appropriates $621,000,000, instead of $615,000,000 as proposed by the Senate and $600,000,000 as proposed by the House. The conference agreement also provides authority to provide up to

$43,000,000 for debt relief and restructuring for the Federal Republic of Yugoslavia (FRY), of which not to exceed $21,500,000 would be derived from funds appropriated in this and prior Acts under this account, and not to exceed $21,500,000 would be derived from funds appropriated in this and prior Acts for the Economic Support Fund. The managers note that a modification of direct loans and guarantees for the FRY using funds appropriated under this Act or under prior year foreign operations, export financing or related programs appropriations Acts shall not be considered assistance for purposes of any provision of law limiting assistance to a country.

The conference report also contains Senate language making a reference in paragraph (e) to paragraph (d); this is a technical amendment.

The managers recommend that $3,000,000 be provided to the United Nations Children's Fund (UNICEF) for a program in Bosnia for the protection of unaccompanied children and children at risk of being institutionalized. The program would focus on reforming residential institutions, strengthening social welfare centers for children, and helping to prevent abuse of, and violence against, children in Bosnia.

The managers direct that $10,000,000 of the funds appropriated in this account be provided for reproductive health/family planning.

The managers recommend that funding should be provided for the Russian, Eurasian, and East European Research and Training Program (Title VIII) at a level of at least $5,000,000. The managers strongly recommend that the existing administrative mechanism within the Department of State for the Title VIII program be preserved.

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

The conference agreement appropriates $784,000,000, instead of $768,000,000 as proposed by the House and $795,500,000 as proposed by the Senate.

The conference agreement includes not less than $49,000,000 only for child survival, environmental and other health activities, and programs to reduce the incidence of HIV/AIDS, tuberculosis, and other infectious diseases, including $15,000,000 for reproductive health/family planning.

The managers strongly support regional cooperation efforts among the countries of Armenia, Azerbaijan, and Georgia. To further regional cooperation, the conference agreement continues the current six exemptions from the statutory restrictions on assistance to the Government of Azerbaijan. The managers include a provision that funds available for the Southern Caucasus may be used for confidence-building measures and other activities related to the resolution of regional conflicts, notwithstanding any other provision of law, as proposed by the Senate.

The conference agreement includes not less than $90,000,000 for assistance for Armenia under the heading ''Assistance for the Independent States of the Former Soviet Union'' and $4,000,000 under the heading ''Foreign Military Financing Program''. In addition, the managers direct that not less than $300,000 be provided for Armenia under the heading ''International Military Education and Training''. The managers endorse the provision of $5,000,000 for an education initiative, proposed by the Senate amendment, to provide computer equipment, Internet access, and related assistance to primary and secondary schools in Armenia, and support the provision of assistance under title II of this Act for programs and activities to counter weapons of mass destruction, improve regional stability, increase inter-operational capabilities with the United States, and clear land mines.

The conference agreement includes Senate language that provides a conditional waiver of section 907 of the FREEDOM Support Act for the purposes of providing assistance to Azerbaijan to counter international terrorism. The language makes clear the intent of Congress that the provision of such assistance shall not hamper or deter ongoing efforts to negotiate a peaceful settlement of the Nagorno-Karabagh conflict, or be used for offensive purposes against any Armenian community in the Caucasus region. The waiver is conditional upon cooperation with the United States in the international fight against terrorism, and the managers intend to review and reserve the right to amend the waiver language in the fiscal year 2003 appropriations process. In undertaking its review, the managers expect to consider the progress of the investigation by the Government of Azerbaijan into the murder of John Alvis, a democracy worker with the International Republican Institute.

The conference agreement provides that $90,000,000 of the funds in this account should be provided for Georgia. The managers urge the Coordinator and USAID to allocate $3,000,000 for a small business project to promote private sector technology start-ups in Georgia and award grants directly to the ongoing Atlanta-Tbilisi Partnership's Sustained Healthcare Initiative, instead of through the American International Health Alliance as discussed in House Report 107–142.

The conference agreement includes language providing that $154,000,000 should be made available for Ukraine, instead of an earmark of $180,000,000 as proposed by the Senate and a ceiling of $125,000,000 as proposed by the House. Of the amount for Ukraine, not less than $30,000,000 should be provided for nuclear reactor safety programs. The managers also support the initiation of simulator projects at the Rivne and the Khmelnitsky reactors, and the provision of related safety simulator equipment at other reactors. The managers have also included a Senate provision requiring the Department of State to report on the progress in resolving the murders of Ukrainian journalists. The managers endorse House report language on child survival and health activities in Ukraine.

The managers have concluded that assistance for Ukraine can succeed only if the Government of Ukraine is committed to economic, legal, and democratic reforms. The managers note that assistance to Ukraine takes on heightened significance as Ukraine prepares for parliamentary elections in March 2002, the outcome of which may determine the country's future direction.

The conference agreement includes conditions on assistance to the Government of the Russian Federation, with exceptions for specified humanitarian and security programs, with respect to its adherence in the Northern Caucasus to certain conventional arms and human rights conventions and agreements, as proposed by both the House and the Senate. The managers reiterate language in the Statement of the Managers from prior years with regard to other limitations on assistance, ''that assistance to combat infectious diseases, . . . support for regional and municipal governments, and partnerships between United States hospitals, universities, judicial training institutions and environmental organizations and counterparts in Russia should not be affected by this section.''

The conference agreement includes language providing not less than $17,500,000 for the Russian Far East. The Senate amendment had included not less than $20,000,000 for this purpose. This matter was not addressed in the House bill.

The conference agreement does not include Senate bill language providing that not to exceed 8 percent of the funds provided for any single nuclear safety project may be used to pay for management costs incurred by a United States agency or national lab in administering said project. The House did not address this matter. The managers endorse this cap on management costs.

The conference agreement again directs the Coordinator of Assistance to the Independent States to obligate not less than $1,500,000, primarily through locally-based and indigenous private voluntary organizations, to reduce trafficking in women and children. The managers urge the Coordinator to augment anti-trafficking projects by continuing and strengthening law enforcement and other activities to reduce all forms of violence against women.

United States national security interests in Central Asia intensified as a result of the September 11th attack on the United States. The managers recognize that countries in the region are playing a supportive role in the international coalition allied against terrorism and are on the front line of U.S. efforts to isolate and destroy the Al Queda network.

The managers believe that the United States should develop a targeted foreign aid response for Central Asia to counter the destabilizing effects of the war against terrorism. As part of this response, the United States should actively consider micro-lending institutions. Such organizations can serve as a vehicle for increasing the economic participation and security of the working poor and thus constitute a strategy to limit further marginalization and foster economic stability and democracy in the region.

While only a fraction of the population of the Central Asia region has access to financial services, certain countries have strong or emerging micro-finance sectors. Kyrgyzstan has positioned itself as the regional leader in micro-enterprise development. In Pakistan, the government has recently taken steps to promote the development of a micro-finance industry.

The managers believe that micro-enterprise development is a potentially powerful tool in striking at the root causes of instability that arise from the economic disenfranchisement of peoples in the Central Asia region. The managers request that USAID provide, in coordination with the National Security Council, the Department of the Treasury, and the Office of Management & Budget, an addendum to the micro-enterprise report to Congress required by March, 2002 under the provisions of P.L. 106–309.

The managers recommend $2,000,000 to support expansion of the Primary Healthcare Initiative to become self-sustaining.

The managers remain concerned that the initial budget request for the U.S. Russia Investment Fund (TUSRIF) is inadequate. The managers therefore urge that the Fund receive no less than an additional $50,000,000 in fiscal year 2002. As with the enterprise fund in Poland the managers expect that more rapid capitalization of TUSRIF will lead

over time to a similar repatriation of foreign aid funds to the U.S. Treasury. In return for a more rapid rate of investment the conferees also expect that TUSRIF will develop more opportunities for United States companies and investors throughout Russia.

The managers endorse House Report language under the heading ''Expanded Threat Reduction'' regarding collaborative research grants for American and Russian scholars.

INDEPENDENT AGENCIES

INTER-AMERICAN FOUNDATION

The conference agreement appropriates $13,106,950 as proposed by the Senate instead of $12,000,000 as proposed by the House.

AFRICAN DEVELOPMENT FOUNDATION

The conference agreement appropriates $16,542,000 as proposed by the Senate instead of $16,042,000 as proposed by the House.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

The conference agreement provides that $10,000,000 should be made available for anti-trafficking in persons programs, as proposed by the Senate. The House addressed this matter in a general provision.

The conference agreement makes available $21,738,000 for administrative expenses instead of $16,600,000 as proposed by the House and the Senate.

The managers endorse House report language regarding $10,000,000 in anti-crime programs for Africa.

ANDEAN COUNTERDRUG INITIATIVE

The conference agreement appropriates $625,000,000, instead of $675,000,000 as proposed by the House and $547,000,000 as proposed by the Senate.

Additionally, the conference agreement allows for the authority to provide up to $35,000,000 through a permissive transfer from the International Narcotics Control and Law Enforcement funds. The managers intend that this discretionary authority shall apply only to funds within the International Narcotics Control and Law Enforcement account in this Act and in prior Acts making appropriations for foreign operations, export financing, and related programs. Such a transfer is subject to the regular notification procedures of the House and Senate Committees on Appropriations. In the event of such a transfer, the managers intend for the funds to support interdiction, alternative development, or other economic assistance to the Andean countries. The managers emphasize that there are other funds for Andean nations in this Act that may be made available for the Andean Regional Initiative (ARI).

The conference agreement includes no earmarks for Bolivia, Ecuador, or Venezuela as proposed by the Senate. The House did not address this matter. The managers strongly support the provision of $86,000,000 for assistance for Bolivia, and $33,000,000 for assistance for Ecuador. The managers note the success these countries have had in combating narcotics cultivation and trafficking, and expect the Department of State to ensure that successful programs and activities continue under the ARI.

The conference agreement does not include Senate bill language making available $2,000,000 for democracy-building activities in Venezuela. The managers strongly support efforts to promote democracy, the rule of law, and civil society in Venezuela and note with concern that the country remains a significant transit route for illegal drugs destined for the United States.

The conference report does not include language proposed by the Administration that would have exempted funds appropriated in fiscal year 2002 and subsequent fiscal years from the limitation imposed in section 3204(a) of the Emergency Supplemental Act, 2000 (P.L. 106–246). It is the conferees' understanding that funds appropriated in this Act that are made available in support of Plan Colombia satisfy the conditions set forth in section 3204(a) of the Emergency Supplemental Act, 2000 (P.L. 106–246).

The managers are concerned that funds included in P.L. 106–246 for assistance for the Colombian Fiscalia Human Rights Office, have been allocated without consultation with the Appropriations Committees for purposes that do not address this unit's priority needs of security, mobility and communications equipment for prosecutors, in particular for those prosecutors based in secondary cities and outlying regions. The managers direct the Department of State and Department of Justice to consult with the committees prior to the obligation or expenditure of funds appropriated in this Act or in P.L. 106–246 for administration of justice programs in Colombia regarding the use of such funds.

The Colombian National Police (CNP) anti-drug unit has the lead law enforcement role in the overall fight against illicit drugs and a commendable human rights record. The CNP has already been provided at least 8 Black Hawks and nearly 30 Huey II helicopters by the United States to carry out this important drug fighting function including providing protection of the eradication planes. The managers believe it is vital that the CNP now be provided adequate spare parts and maintenance monies to keep this equipment flying at the high rates of operation that has been seen to date. The managers expect the Department of State to maximize the U.S. investment in these expensive helicopters and other equipment provided the CNP by providing adequate parts.

The conference agreement includes language, similar to the Senate amendment, requiring consultations, a determination and report by the Secretary of State to ensure that chemicals used in the aerial fumigation of coca do not pose unreasonable health or safety risks to humans or the environment, and that the fumigation is conducted in accordance with regulatory controls in the U.S. as described in the January 23, 2001 State Department health and safety report on aerial spraying. Additionally, the managers have required the Secretary of State to consult with the Colombian government to ensure that the spraying is in accordance with Colombian laws.

The managers are concerned with the lack of effective procedures for evaluating claims of local citizens that their health was harmed or their licit agricultural crops were damaged by such fumigation. The managers are informed that, in order to correct these problems, new procedures for handling claims have been put in place. The conference agreement requires the Secretary to determine and report that procedures are available to evaluate such claims, and the managers direct the Secretary to report to the Committees on Appropriations not later than 90 days after enactment on the effectiveness of these new procedures.

The managers are concerned that coca eradication in some areas has proceeded before effective alternative development programs have been in place, and that some farmers in those areas have already replanted coca. In order to ensure that farmers whose coca is eradicated have alternative sources of income, access to markets and social services, the Conference Agreement includes Senate language requiring that within 6 months of the date of enactment alternative development programs have been developed in consultation with communities and local authorities in each department in which aerial fumigation is planned, and that such programs are being implemented in each department in which aerial coca fumigation has been conducted.

The conference agreement includes the Senate provision requiring the return of any helicopter found to aid or abet paramilitary groups. The House did not address this matter.

While the managers fully appreciate the linkages between narco-traffickers and Colombian guerrilla movements and paramilitary organizations, they remain concerned with the prospects of involvement by the United States in Colombia's civil war. The managers strongly express reservations and objections to any mission creep in Colombia beyond ongoing counterdrug efforts.

The conference agreement includes a provision prohibiting funds for the resumption of flights in support of a Peruvian air interdiction program until a system of enhanced safeguards are in place. The conference agreement differs from the conditions on funding for Peru as proposed by the House. The first condition, the submission of a report by the Secretary of State, has been provided to the Congress. The second condition requires that the resumption of flights in Peru must include enhanced safeguards, and to date the State Department has not decided to resume flights in Peru. The Senate did not address this matter.

The conference agreement makes available $14,240,000 for administrative expenses of the Department of State and $4,500,000 for the U.S. Agency for International Development.

MIGRATION AND REFUGEE ASSISTANCE

The conference agreement appropriates $705,000,000, instead of $715,000,000 as proposed by the House and $735,000,000 as proposed by the Senate. The primary reason for this level of funding is that $100,000,000 in supplemental funding for Migration and Refugee Assistance has already been provided to deal with the refugee crisis in Central Asia, which will help to relieve pressure on the fiscal year 2002 budget for this account. The managers expect that this level of funding will not be misinterpreted as a lack of support for Migration and Refugee Assistance by the Administration when submitting future budget requests. The conference agreement makes available $16,000,000, for administrative expenses as proposed by the Senate instead of $15,000,000 as proposed in the House.

Although refugee crises are often temporary, the managers are aware that in many instances it is necessary to provide relief services over an extended period of time. The managers encourage USAID and the State Department to invest in basic health, education services, and food production industries in developing countries where there are longer-term refugee crises.

The conference agreement prohibits funds for headquarters costs of the International Committee of the Red Cross (ICRC) until the Secretary of State certifies that the Magen David Adom Society of Israel is not being denied participation in ICRC activities, as proposed by the House. The Senate amendment did not address this matter.

The managers are concerned with the increasing dangers facing humanitarian relief workers in conflict zones, and endorse Senate report language directing the Secretary

of State to submit a report by April 1, 2002, on efforts to improve the safety of relief workers.

The conference agreement also includes Senate language that provides not less than $60,000,000 for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel. The House bill did not address this matter.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

The conference agreement appropriates $313,500,000 instead of $311,000,000 as proposed by the House and $318,500,000 as proposed by the Senate.

The managers intend that funds in this account be allocated as follows:

[In thousands of dollars]

Nonproliferation and Disarmament Fund	$14,000
Export control assistance	17,000
International Atomic Energy Agency	50,000
CTBT Preparatory Commission	20,000
Korean Peninsula Economic Development Organization (KEDO)	90,500
Anti-terrorism assistance	38,000
Terrorist Interdiction Program	4,000
Demining	40,000
Small arms destruction	3,000
Science Centers	37,000
Total	313,500

The conference agreement includes language that requires that the Secretary of State inform the Committees on Appropriations at least 15 days prior to the obligation of funds for the Comprehensive Nuclear Test Ban Treaty (CTBT) Preparatory Commission. The House bill would have required a 20 day informational period, while the Senate amendment would have required a 10 day informational period.

The conference agreement includes Senate language authorizing not to exceed $500,000 for administrative expenses associated with the demining program. The House bill did not address this matter. The conference agreement does not contain Senate language stating that $40,000,000 should be used for demining, clearance of unexploded ordnance and related activities; however, the managers support the budget request of $40,000,000 for these purposes.

The conference agreement does not contain Senate language providing that $3,500,000 should be available to support the Small Arms Destruction Initiative. The managers strongly support a level of $3,000,000 for this program and endorse the Senate report language on this matter.

DEPARTMENT OF THE TREASURY

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

The conference agreement provides $6,500,000 for the International Affairs Technical Assistance program of the Department of the Treasury, instead of $6,000,000 as proposed by the House, the Senate, and the President's request. The managers direct that the additional $500,000 be used to assist HIPC countries in Africa and will be in addition to the $3,000,000 already dedicated to existing Treasury International Affairs Technical Assistance programs and activities in Africa.

DEBT RESTRUCTURING

The conference agreement appropriates $229,000,000 for debt restructuring instead of $224,000,000 as proposed by the House and $235,000,000 as proposed by the Senate. The managers make available $5,000,000 in fiscal year 2002 funds and up to $20,000,000 from unobligated balances for implementation of the Tropical Forest Conservation Act. The remainder of the amount provided for debt restructuring may be used at the Administration's discretion, subject to certain reporting and notification requirements, either for bilateral debt restructuring or for United States contributions to the Heavily Indebted Poor Country (HIPC) Trust Fund administered by the World Bank.

TITLE III—MILITARY ASSISTANCE

INTERNATIONAL MILITARY EDUCATION AND TRAINING

The conference agreement appropriates $70,000,000, instead of $65,000,000 as proposed by the House and $75,000,000 as proposed by the Senate. The conference agreement also contains language providing that up to $3,000,000 may be available until expended, instead of $1,000,000 as proposed by the House and $5,000,000 as proposed by the Senate.

The conference agreement does not include Senate language that would have required notification for assistance for Zimbabwe, the Democratic Republic of Congo, Cote D'Ivoire and the Gambia. The managers note that assistance for Zimbabwe and the Democratic Republic of Congo is subject to the notification provisions of section 520 of this Act. Prior to any decision to obligate funds for Cote D'Ivoire, the managers expect that the Departments of State and Defense will consult with the Committees on Appropriations.

The conference agreement provides that funding for Algeria shall be subject to the regular notification procedures of the Committees on Appropriations as proposed by the Senate. The House bill did not address this matter.

The conference agreement does not contain language that would have provided not less than $600,000 for Armenia. However, the managers support funding for a program for Armenia at a level of not less than $300,000.

The managers urge that a program for Colombia to define structures and processes for responding to armed conflict and maintaining civilian control of the military be considered at the Naval Postgraduate School.

FOREIGN MILITARY FINANCING PROGRAM

The conference agreement appropriates $3,650,000,000 instead of $3,627,000,000 as proposed by the House and $3,674,000,000 as proposed by the Senate.

The conference agreement includes Senate language that provides not less than $75,000,000 for assistance for Jordan. The House bill did not address this matter.

The conference agreement includes language that provides that not less than $3,500,000 in grant assistance should be made available for Tunisia, as well as language mandating not less than $5,000,000 in drawdowns of defense articles, services, and education and training for Tunisia. The Senate amendment directed the allocation of $5,000,000 and $5,000,000, respectively, for these activities. The House bill did not address this matter.

The conference agreement contains language that provides not less than $2,300,000 for assistance for Thailand, of which not less than $1,000,000 shall be derived from funds appropriated under the heading ''International Narcotics Control and Law Enforcement'' in addition to funds otherwise available for such purposes. The Senate amendment proposed similar language, but did not address a transfer from ''International Narcotics Control and Law Enforcement''. The House bill did not address this matter. The managers are agreed that this grant assistance shall be made available for one-time costs associated with border security.

The conference agreement contains Senate language that provides not less than $4,000,000 for assistance for Armenia. The House bill did not address this matter.

The conference agreement also contains Senate language that amends the ninth proviso under this heading in Public Law 106–429 to allow for a mandated drawdown of defense articles, services, and education and training for Georgia for 2001 or 2002. The House bill did not contain a provision on this matter.

PEACEKEEPING OPERATIONS

The conference agreement appropriates $135,000,000 as proposed by the House instead of $140,000,000 as proposed by the Senate.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

INTERNATIONAL FINANCIAL INSTITUTIONS

GLOBAL ENVIRONMENT FACILITY

The conference agreement appropriates $100,500,000 for the Global Environment Facility instead of $82,500,000 as proposed by the House and $109,500,000 as proposed by the Senate.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

The conference agreement appropriates $792,400,000 instead of $803,400,000 as proposed by the House and $775,000,000 as proposed by the Senate. The managers have included modified language as proposed by the Senate, regarding instructions to the U.S. executive director to the International Bank for Reconstruction and Development (IBRD) to vote against water or sewage projects in India that do not prohibit the use of scavenger labor. The House did not address this matter. Manual scavenging is a particular occupation in India only for Dalits or ''untouchables'' that entails waste collection and disposal through primitive and squalid means. Over 500,000 Dalits in India are employed as manual scavengers, and Dalits who seek to avoid this demeaning and unhealthy labor are often denied other jobs. India is one of the largest borrowers from the World Bank with over $11 billion in IBRD loans in 2001, some of which fund government sanitation programs. Given that the Indian government has banned manual scavenging, once these laws are implemented there would be other employment opportunities for Dalits. The managers urge the IBRD to work with the Indian government to improve the economic and social status of Dalits.

CONTRIBUTION TO THE MULTILATERAL INVESTMENT GUARANTEE AGENCY

The conference agreement appropriates $5,000,000 for paid-in capital for the Multilateral Investment Guarantee Agency. Approval for a subscription to the appropriate amount of callable capital is also included in the conference agreement. The House and Senate included authority for callable capital only.

CONTRIBUTION TO THE INTER-AMERICAN INVESTMENT CORPORATION

The conference agreement appropriates $18,000,000 for a United States contribution to the Inter-American Investment Corporation, instead of $10,000,000 as proposed by the House and $20,000,000 as proposed by the Senate.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

The conference agreement appropriates $98,017,050 for the Asian Development Fund, instead of $93,017,050 as proposed by the House and $103,017,050 as proposed by the Senate.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

The conference agreement provides $208,500,000 instead of $196,000,000 as proposed by the House and $218,000,000 as proposed by Senate.

The conference agreement provides that $6,000,000 should be made available for the World Food Program, as proposed by the Senate. The House did not include this language.

The managers support $5,000,000 from this account for a United States contribution to the United Nations Voluntary Fund for Victims of Torture Program, as recommended in the House and Senate Reports, and $97,100,000 for the United Nations Development Program, as recommended in the House and Senate Reports.

The conferees urge that $60,000 be provided to cover the expenses relating to the development of a Guide to Best Practice by the Permanent Bureau of the Hague Convention on Private International Law to cover the application of the Hague Convention on Civil Aspects of International Child Abduction.

The managers intend that funds in this account be allocated as follows:

[In thousands of dollars]

UN Fund for Tech. Cooperation in Human Rights	$1,500
UN Voluntary Fund for Victims of Torture	5,000
OAS Fund for Strengthening Democracy	2,500
World Food Program	6,000
UNDP	97,100
UNIFEM	1,000
OAS Development Assistance	5,500
WTO	1,000
ICAO Aviation Programs	300
UNEP	10,750
Montreal Protocol	25,000
International Conservation Programs (CITES/ITTO/IUCN/Ramsar/CCD)	7,700
IPCC/UNFCCC	7,400
International Contributions for Scientific Educational & Cultural Activities	1,750
World Meteorological Organization	2,000
UNFPA	34,000
Total	208,500

TITLE V—GENERAL PROVISIONS

(Note: If House and Senate language is identical except for a different section number or minor technical differences, the section is not discussed in the Statement of Managers.)

Sec. 505. Limitation on Representational Allowances

The conference agreement sets a limitation of $125,000 on representation allowances from funds appropriated under ''Foreign Military Financing Program,'' instead of $150,000 as proposed by the House and $100,000 as proposed by the Senate.

Sec. 507. Prohibition Against Direct Funding for Certain Countries

The conference agreement does not include Senate language that adds a prohibition of direct assistance to the government of any nation that the President determines is harboring, has financed, or is financing terrorists involved in the attacks of September 11, 2001. The House did not include such a provision. The managers note that the President has the authority to undertake this action and are confident he will exercise this authority should the need arise.

Sec. 508. Military Coups

The conference agreement includes revised language that specifies that funds shall be prohibited for the government of any country whose duly elected head of government is deposed by decree or military coup, but it does not include broader conditions for the resumption of assistance, as proposed by the House. The House bill and the Senate amendment did not include the words ''government of''. Prior year language has been further modified to permit the provision of assistance to promote democratic elections or public participation in democratic processes.

Sec. 515. Notification Requirements

The conference agreement reflects a technical change proposed by the Senate to include ''Andean Counterdrug Initiative'' in the list of accounts that are subject to notification pursuant to this section. The House did not address this matter. The conference agreement does not include Senate language, not in the House bill, that imposed notification requirements on drawdowns pursuant to section 506(a)(2) of the Foreign Assistance Act. The managers note that section 506(b)(1) of such Act already requires notifications for drawdowns made for the purposes and under the authorities of several provisions of law, including chapter 8 of part I of the Foreign Assistance Act relating to international narcotics control assistance.

Section 518. Prohibition on Funding for Abortions and Involuntary Sterilization

The conference agreement does not include prior year language prohibiting the use of funds to lobby for or against abortion, as proposed by the House bill. The conference agreement moves the ban on use of funds for lobbying to language under the heading ''Child Survival and Health Programs Fund'', as proposed by the Senate amendment.

Sec. 520. Special Notification Requirements

The conference agreement adds ''Serbia'' as proposed in the Senate amendment to the list of countries subject to the special notification procedures of this section, but does not include ''Burma'', ''Ethiopia'' and ''Eritrea'' as recommended by the Senate.

Sec. 522. Child Survival and Health Activities

The conference agreement authorizes USAID to use up to $15,500,000 from the ''Child Survival and Health Programs Fund'' and up to $3,000,000 from ''Development Assistance'' for technical experts from other government agencies, universities, and other institutions. The managers have increased this authority in order to accelerate implementation and oversight of USAID's expanded infectious disease and basic education activities. The managers direct USAID to provide the Committees with a detailed multi-year workforce planning strategy not later than March 15, 2002, that includes target dates and anticipated costs or savings to replace or reclassify the majority of the additional temporary personnel authorized by this section and by section 534(c) with direct hire USAID Operating Expenses-funded personnel.

A new subsection provides that $446,500,000 shall be made available for reproductive health/family planning activities from funds appropriated by this Act, including $368,500,000 from the Child Survival and Health Programs Fund, $53,000,000 from the Economic Support Fund, $15,000,000 from Assistance to the Independent States of the Former Soviet Union, and $10,000,000 from Assistance to Eastern Europe and the Baltic States. The managers have provided these funds in recognition of the continuing unmet need for basic reproductive health/family planning services in developing countries, where 95 percent of new births will occur. The managers have designated funds for the two regions of Eastern Europe and the former Soviet Union where the high frequency of abortion adversely affects women's reproductive health.

Section 523. Prohibition Against Indirect Funding to Certain Countries

The conference agreement does not include Senate language that adds a prohibition of indirect assistance to the government of any nation that the President determines is harboring, has financed, or is financing, terrorists involved in the attacks of September 11, 2001. The House did not include such a provision. The managers note that the President has the authority to undertake this action and are confident he will exercise this authority should the need arise.

Sec. 525. Authorization Requirement

The conference agreement includes language that provides that funds appropriated by this Act may be obligated and expended notwithstanding section 10 of Public Law 91–672 and section 15 of the State Department Basic Authorities Act of 1956, as provided in the House bill and the Senate amendment. It includes Senate language exempting the accounts ''International Military Education and Training'' and ''Foreign Military Financing Program'' from these waivers.

Sec. 526. Democracy Programs

The conference agreement contains language in subsection (a) that authorizes funding for certain democracy programs. It includes language similar to the Senate amendment that provides that not less than $10,000,000 shall be made available for activities to support democracy, human rights, and the rule of law in the People's Republic of China. Of these funds, the managers support the programming of not less than $5,000,000 through the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights and Labor, Department of State. In addition, subsection (a) authorizes funding of not to exceed $3,000,000 for non-governmental organizations located outside the People's Republic of China to support activities that preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan communities in Tibet, as authorized in the House bill. The House bill did not address democracy activities in China. The managers are aware of the valuable assistance the Bridge Fund has provided to promote Tibetan-owned and operated businesses and educational, cultural, and natural resource conservation projects and urge that substantial funds be made available to the Bridge Fund and its subgrantees.

The conference agreement does not include Senate language that would have authorized funding of activities of the United States-Asia Environmental Partnership within China. The House bill did not address this matter.

The managers intend that within the amount identified above, funds be made available to continue support for democracy programs for Tibet and China as described in the House report.

The conference agreement also includes language in subsection (b) that recommends that not less than $10,000,000 from funds appropriated to the Economic Support Fund should be made available for programs and activities to foster democracy, human rights, press freedoms, women's development, and the rule of law in countries with a significant Muslim population, and where such programs and activities would be important to United States efforts to respond

to, deter, or prevent acts of international terrorism. The language further specifies that such funds should support new initiatives or bolster ongoing programs and activities in those countries, and that not less than $6,000,000 should be made available for the State Department's Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights, and Labor, and not less than $4,000,000 should be made available for the National Endowment for Democracy (NED). The funds for NED should be made available using the authority of section 632(b) of the Foreign Assistance Act. The conference agreement is similar to language contained in section 592 of the Senate amendment. The House bill did not address these matters.

The conference agreement does not contain language allocating not less than $2,000,000 for programs and activities that train emerging Afghan women leaders in civil society development and democracy building. However, the managers strongly support such programs and urge the Department of State to provide up to $2,000,000 for such activities.

In addition to the funding authorized in this section and ongoing funding to support the maintenance of the Reagan/Fascell Fellowship Program, the managers support the budget request for the Human Rights and Democracy Fund of the Department of State.

Sec. 532. Authorities for the Peace Corps, Inter-American Foundation, and African Development Foundation

The conference agreement does not include language, as proposed by the Senate, to include a waiver of prohibitions against certain activities for the International Fund for Agricultural Development (IFAD) from International Organizations and Programs funds. IFAD is no longer funded from the International Organizations and Programs account.

Sec. 534. Special Authorities

The conference agreement deletes language proposed by the House that provided that section 576 of the Foreign Operations, Export Financing, and Related Programs Act, 1997, as amended, shall not apply to the provision of assistance to the Federal Republic of Yugoslavia. The Senate amendment contained identical language in a general provision, and this matter is addressed in section 584 of the conference agreement.

The conference agreement does not contain language from the House bill that was not in the Senate amendment that would have subjected energy programs aimed at reducing greenhouse gas emissions to the regular notification requirements of the Committees on Appropriations. In addition, it does not contain a reference in the Senate amendment that was not in the House bill that adds the Global Development Alliance initiative to the provisions of this section.

The conference agreement authorizes the President to use up to $45,000,000 under the authority of section 451 of the Foreign Assistance Act, rather than $50,000,000 as proposed by the House and $35,000,000 as proposed by the Senate.

The conference agreement includes language from the Senate amendment that was not in the House bill that states that in entering into multiple award indefinite-quantity contracts, USAID may provide an exception to the fair opportunity process for placing task orders under such contracts when the order is placed with any category of small or small disadvantaged business.

The managers request that USAID place a high priority on generating meaningful opportunities for small businesses to compete for procurement of the agency. Specifically, of the multiple award indefinite quantity contract that will replace the current Support for Economic Growth and Institutional Reform/Legal and Institutional Reform contract, the managers support USAID's decision to define ''fair opportunity'' for task orders in excess of $750,000 as requiring the submission of resumes of proposed personnel or technical proposals from businesses eligible to compete for such task orders.

By one year after enactment of this act, the managers look forward to a report on the effect of this change in promoting small business competition and participation in the contract, USAID's views as to whether such an approach should be extended to other multiple award indefinite quantity contracts, and an identification of annual benchmarks by which USAID will look to evaluate itself for advancing the ability of small businesses to participate and effectively compete in the procurement process.

USAID is strongly encouraged to take such other steps that would improve the participation of small businesses, as either prime or subcontractors, in future indefinite quantity contracts and to report to the Committees on Appropriations any legal or regulatory impediments to achieving this objective.

Sec. 539. Ceilings and Earmarks

The conference agreement includes Senate language that restores prior year language regarding earmarks and minimum funding levels. The House bill did not address this matter.

Sec. 545. Withholding of Assistance for Parking Fines Owed by Foreign Countries

The conference agreement allows 110 percent of the total amount of unpaid fully adjudicated parking fines and penalties owed by foreign countries to New York City, New York, to be withheld from obligation for assistance to such country, as proposed by the Senate. The managers have modified similar prior year language relating to parking fines and penalties owed by foreign governments to the District of Columbia.

Sec. 547. War Crimes Tribunals Drawdown

The conference agreement includes House language authorizing up to $30,000,000 in drawdowns of commodities or services for war crimes tribunals instead of $35,000,000 as proposed by the Senate. It includes Senate language that authorizes such drawdowns for tribunals authorized or established by the United Nations Security Council. The conference agreement deletes House language that specifies that any drawdown made under this section shall not be construed as an endorsement or precedent for the establishment of any standing or permanent international criminal tribunal or court. The managers note that section 705 of H.R. 3427, as enacted into law as part of H.R. 3194 (Public Law 106–113) prohibits the obligation of any funds for use by, or for support of, the International Criminal Court.

Sec. 548. Landmines

The conference agreement contains Senate language, not addressed in the House bill, that amends Public Law 102–484 to extend the ban on the export of landmines until October 23, 2008.

Sec. 553. Restrictions on Voluntary Contributions to United Nations Agencies

The conference agreement is the same as current law, as proposed by the House. The Senate did not address this matter.

Sec. 557. Discrimination Against Minority Religious Faiths in the Russian Federation

The conference agreement retains prior year language as proposed by the House bill. The Senate amendment proposed technical modifications.

Sec. 558. Assistance for the Middle East

The conference agreement contains House language that imposes a spending ceiling of $5,141,150,000 on specified assistance for the Middle East. The Senate amendment did not address this matter.

Sec. 559. Energy Conservation and Clean Energy Programs

The conference agreement requires the Executive Office of the President to submit an updated and revised annual government-wide report on federal activities and costs relating to climate change and greenhouse gas emissions. The report is due not later than 30 days following the date the President's budget is submitted to Congress, instead of on the same day that the budget is submitted as proposed by the Senate.

The managers have included a new provision, similar to the Senate proposal, that not less than $155,000,000 should be made available to support policies and actions in certain countries that promote energy conservation and efficient energy production and use; that measure, monitor, and reduce greenhouse gas emissions; increase carbon sequestration activities; and enhance climate change mitigation programs. The House bill did not address this matter.

Sec. 560. Zimbabwe

The conference agreement includes the provision as included in the Senate amendment to direct the Secretary of the Treasury to instruct the United States executive directors to the international financial institutions to vote against loans to the Government of Zimbabwe, except humanitarian assistance and the promotion of democracy. The House did not address this matter.

Sec. 561. Central America Relief and Reconstruction

The conference agreement extends current law by providing authority to allow funds appropriated in Public Law 106–31 to be used by the Comptroller General to monitor earthquake relief and reconstruction activities in El Salvador. The House did not address this matter.

Sec. 563. Cambodia

The conference agreement prohibits assistance to the central Government of Cambodia, unless the Secretary of State certifies to Congress that certain conditions have been met. The conditions governing the restoration of assistance are similar to those contained in the Senate amendment. However, exceptions to the ban on assistance are provided for basic education as proposed by the House and activities conducted by the Ministry of Women and Veteran's Affairs to combat human trafficking as proposed by the Senate. The conference agreement contains House language on the provision of assistance through international financial institutions.

The managers remain concerned with Cambodia's political, legal, and economic development, and the lack of independence of its judiciary. The managers strongly condemn acts of intimidation and violence against the democratic opposition in the run up to commune council elections next year, and note with concern human rights violations that are committed by government, police, and military officials with impunity. The conference agreement also contains the provisions of section 591 of the Senate amendment that conditions assistance to any Khmer Rouge tribunal established by the Government of Cambodia on a determination and

certification to Congress that the tribunal is capable of delivering justice for crimes against humanity in an impartial and credible manner.

Section 566. PLO Compliance Report

The conference agreement contains language that states that the President should undertake certain assessments regarding actions of the Palestinian Liberation Organization or the Palestinian Authority, and should impose certain sanctions based on those assessments. The House bill would have mandated such assessments and certain sanctions. The Senate amendment did not address this matter.

Section 567. Colombia

The conference agreement includes a modified version of the Senate provision on Colombia. The House did not address this matter. The managers are concerned with the alarming number of human rights violations and massacres of civilians in Colombia by paramilitary forces, kidnapping and other abuses by guerrilla forces, as well as persistent reports of aiding and abetting of paramilitaries by some units of the Colombian Armed Forces. The conference agreement includes language that provides for the obligation of 60 percent of funds appropriated for the Colombian Armed Forces if certain conditions relating to human rights are met, and for the obligation of the balance of funds after June 1, 2002 if such are conditions are met.

The conditions on assistance to the Colombian Armed Forces require suspending individuals, of whatever rank, who have been credibly alleged to have committed gross violations of human rights or to have aided or abetted paramilitary groups. By ''suspending'' the managers refer to removal from active duty and assignment to administrative duties only without combat responsibilities or command of troops in the field, pending investigation and prosecution, when civilian prosecutors determine there is credible evidence to support such allegations.

The conditions on assistance to the Colombian Armed Forces also require their cooperation with civilian prosecutors and judicial authorities, in prosecuting and punishing in civilian courts members of the Armed Forces who have been credibly alleged to have committed gross violations of human rights or aided or abetted paramilitary groups, including members who have been suspended for allegedly committing such crimes.

Section 568. Illegal Armed Groups

The conference agreement includes the provision in the Senate amendment prohibiting the Secretary of State from issuing visas to individuals with ties to illegal armed groups in Colombia. The House did not address this matter.

Sec. 570. Iraq

The conference agreement includes language similar to that in the Senate amendment, which provides that funds from the Economic Support Fund may be made available for programs benefiting the Iraqi people and to support efforts to bring about political transition in Iraq. The conference agreement also includes language that establishes a ceiling of 15 percent on administrative and representational expenses, except for costs related to broadcasting activities. It also includes language that directs the Administration to consult with the Committees on Appropriations within 60 days of enactment regarding its plans for the use of these funds.

The managers are troubled by the recent audit conducted by the State Department Inspector General on the use of prior year funds appropriated for this program. The managers also note that this section does not impose restrictions on which groups may receive these funds or on the use of funds for activities inside Iraq. As part of the consultation process regarding the use of these funds, the managers expect the Department to identify options for the transfer of funding for this program to a more appropriate source.

Sec. 572. Indonesia

The conference agreement provision regarding military assistance to Indonesia is similar to current law, except that it allows for civilian officials to participate in Expanded IMET activities. The House bill and the Senate amendment both included 4 prior year provisions under which a Presidential report and determination could result in a resumption of military assistance to Indonesia that is funded in this bill. The revised language includes new subsections relating to civilian control of the armed forces and the release of political detainees and it expands the geographical scope of the retained subsections beyond Timor island to other parts of Indonesia.

While the conference agreement does not include a specific reference to the murders of American citizen Carlos Caceres and two other United Nations humanitarian workers in West Timor on September 6, 2000, the managers insist that any determination that effective measures are being taken to investigate and bring to justice militia groups involved in human rights violations would accord special consideration to the just punishment for the killers of the United Nations humanitarian workers in West Timor.

Sec. 573. Briefings on Potential Purchases of Defense Articles or Defense Services by Taiwan

The conference agreement includes language similar to the House bill, which requires the State Department, in consultation with the Department of Defense, to provide briefings to the appropriate congressional committees (including the Committees on Appropriations) on any discussions conducted between the Administration and the Government of Taiwan concerning the potential purchase of defense articles or defense services by the Government of Taiwan. The briefings are to occur 90 days after enactment and every 120 days thereafter, during fiscal year 2002.

Sec. 574. Restrictions on Assistance to Governments Destabilizing Sierra Leone

The conference agreement prohibits assistance to any government for which the Secretary of State has credible evidence that such government has, within the previous six months, provided military support for, facilitated safe passage of weapons or other equipment to, or which has assisted illicit diamond trading which benefits the Revolutionary United Front in Sierra Leone, Liberian security forces, or any other group intent on destabilizing Sierra Leone. This section is similar to the Senate amendment. The House provision was identical to current law.

Sec. 576. United Nations Population Fund

The conference agreement provides that not more than $34,000,000 from the ''International Organizations and Programs'' account shall be made available for the United Nations Fund for Population Activities, including UNFPA programs to combat HIV/AIDS, instead of not less than $40,000,000 as proposed by the Senate and not more than $25,000,000 as proposed by the House. The United States contribution to the UNFPA is subject to a number of conditions regarding UNFPA activities, including a provision relating to UNFPA activities in the People's Republic of China as proposed by the House.

The conference agreement provides that not more than $34,000,000 shall be made available for a United States contribution to the United Nations Fund for Population Activities (UNFPA). The managers recognize and support the family planning/reproductive health activities, and HIV/AIDS activities, conducted by UNFPA, and understand that a portion of the United States contribution to UNFPA will be used for HIV/AIDS activities. None of the United States contribution to UNFPA may be made available for activities in the People's Republic of China. The Senate amendment addressed this matter under the heading ''International Organizations and Programs'' in title IV.

Sec. 577. American Churchwomen and Other Citizens in El Salvador and Guatemala

The conference agreement contains language similar to that in the Senate amendment that provides that information on certain murders in El Salvador and Guatemala is being released to the victims' families. The House bill only addressed certain murders in El Salvador.

Sec. 578. Procurement and Financial Management Reform

The conference agreement includes language similar to a House provision withholding 10 percent of the funds made available for international financial institutions until the Secretary of the Treasury certifies that a number of procurement and financial management reforms are being implemented. The Senate did not address this matter. The modified provision deletes a reporting requirement.

Sec. 579. Basic Education Assistance for Indonesia and Pakistan

The conference agreement includes language that provides not less than $8,000,000 from Development Assistance for basic education activities in Indonesia and Pakistan. The managers expect that $3,000,000 will be provided for Indonesia and $5,000,000 for Pakistan. House and Senate language did not refer to Indonesia.

The managers have also included language providing that $2,500,000 from the Economic Support fund shall be transferred to Operating Expenses of the United States Agency for International Development for the purpose of monitoring and implementing United States economic and development assistance for Pakistan, including the $500,000,000 that was provided in economic assistance under the provisions of P.L. 107–38, the Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, FY 2001 and the funds made available under this general provision for Pakistan. The funds would be derived from the amount for Pakistan in the fiscal year 2002 budget request for the Economic Support Fund.

The managers request the Administrator of USAID, after consultation with the Secretary of State, to report to the relevant committees not later than 60 days after enactment of the Act on the Agency's proposals for implementing basic education activities in Indonesia and expanding ongoing education assistance for Pakistan. The report should include USAID's plans to use its operating expenses to provide in-country monitoring of agreements between the United States and Pakistan to provide cash

grants in support of Pakistan's education and other social sectors, utilizing funds made available under the provisions of Public Law 107–38.

Sec. 581. War Criminals

The conference agreement contains language similar to that in both the House bill and Senate amendment regarding war criminals in the Balkans.

Sec. 582. User Fees

The conference agreement extends current law by requiring the Secretary of the Treasury to instruct the United States executive directors of the international financial institutions (IFIs) to oppose loans that would impose user fees on poor people for primary education and healthcare. While the managers did not include Senate language adding structural adjustment schemes, debt relief, and Poverty Reduction Strategy Papers (PRSPs) to the prohibition, the managers do not intend this exclusion to be interpreted as an endorsement for user fees on the poor in such actions. It is the managers' understanding that the Treasury Department opposes user fees on the poor and that this is now Treasury's policy with regard to all IFI actions. The managers support this policy and expect it to continue and to be applied in Treasury's careful review process for PRSPs, which are subject to IFI review but not a vote. The managers direct the Secretary of the Treasury to examine the use of user fees by the World Bank, their impact on the poor, and whether such user fees exemption schemes for the poor are successful. The managers direct the Secretary to report back these findings to the House and Senate Committees on Appropriations before April 15, 2002.

Sec. 584. Funding for Serbia

The conference agreement authorizes funding for Serbia as proposed by the House but does not include a maximum funding level as proposed by the Senate. The conference agreement includes language similar to the House bill that conditions assistance for Serbia that may be made available after March 31, 2002, on continued cooperation with the International Criminal Tribunal for the former Yugoslavia, the termination of financial and other support to Republika Srpska institutions, and respect for the rule of law including the release of political prisoners. The provision regarding the release of political prisoners was included in the Senate amendment but not in the House bill.

The managers recognize the efforts of Serbian democrats and reformers to implement much needed reforms necessitated by years of corruption and political violence, and expect that up to $115,000,000 will be provided for assistance for Serbia, in addition to regional funds that may become available, as appropriate. The managers have also provided authority for debt forgiveness for the Federal Republic of Yugoslavia in title II of this Act.

Sec. 585. El Salvador Reconstruction and Central America Disaster Relief

The conference agreement includes a modified version of the House and Senate provisions making $100,000,000 available for reconstruction assistance for El Salvador and $35,000,000 in USAID-managed assistance for drought victims elsewhere in Central America.

Sec. 586. Reports on Conditions in Hong Kong

The conference agreement contains Senate language that amends section 301 of the United States-Hong Kong Policy Act to allow for annual reports on conditions in Hong Kong until March 31, 2006. The House bill did not address this matter.

Sec. 587. Community-Based Police Assistance

The conference agreement includes language similar to the Senate language authorizing use of certain USAID-administered funds in title II of this Act for support for civilian police in Jamaica, notwithstanding section 660 of the Foreign Assistance Act. The House did not address this matter. The conference agreement includes a ceiling on funds for this purpose at a level of $1,500,000.

Sec. 588. Authorizations

The conference report includes the authorization for the International Fund for Agricultural Development, but not the Asian Development Fund. The Senate amendment included authorizations for both organizations. The House did not address this matter. The managers have also included an extension of the Export-Import Bank's charter until March 31, 2002.

Sec. 589. Excess Defense Articles for Central and Southern European Countries and Certain Other Countries

The conference agreement contains Senate language not in the House bill that authorizes the provision of excess defense articles for central and southern European countries and certain other countries. The House bill did not address this matter.

Sec. 591. Modification to the Annual Drug Certification Procedures

The conference agreement waives the annual drug certification process for one year on a global basis. The Senate amendment provided a waiver for the Western Hemisphere only. The House did not address this matter.

Sec. 592. Kenneth M. Ludden

The conference agreement includes language similar to that proposed by the Senate regarding a short title for the Act.

PROVISIONS NOT ADOPTED BY THE CONFEREES:

The conference agreement does not include section 567 of the House bill regarding ''Man and the Biosphere''. The Senate amendment did not address this matter.

The conference report does not include section 578 of the Senate amendment regarding ''Funding for Private Organizations''. The Senate amendment did not address this matter.

The conference report does not include section 580 of the House bill regarding ''Improving Global Health Through Safe Injections''. The Senate amendment did not address this matter. The managers concur with the language on safe injections under the heading ''Child Survival and Health Programs'' contained in Senate Report 107–58.

The conference report does not include section 580 of the Senate amendment regarding Cuba. The House did not address this matter. The managers are concerned about U.S. counternarcotics policy with respect to Cuba and the lack of authoritative information from the Government of Cuba with regard to drug trafficking through Cuba. The managers realize that Cuba's unique geography presents an appealing environment to air and maritime smugglers and recognize the national security threat posed by illicit drug production, distribution, and consumption, and crimes related thereto, particularly those in the Western Hemisphere. The managers are aware that there are reports of Cuba's willingness to cooperate with the U.S. in aiding U.S. interdiction of illicit drug distribution, as well as other reports that Cuba facilitates drug smuggling. Therefore the managers expect that not later than 6 months after the date of the enactment of this Act, the Secretary of State shall report to the Congress regarding the following: (1) the extent, if any, of the direct involvement of the Government of Cuba in illegal drug trafficking; (2) the likelihood that U.S. international narcotics assistance to the Government of Cuba would decrease the flow of drugs transiting through Cuba, and (3) the degree to which the Government of Cuba is exchanging with U.S. agencies drug-related law enforcement information. Additionally, the managers encourage the Administration, not later than 9 months after the date of the enactment of this Act, to transmit to Congress any legislation necessary to decrease the flow of drugs to or from Cuba.

The conference agreement does not include section 582 of the House bill prohibiting the use of funds in this Act for a contribution to the UN International Narcotics Control Board. Funds for such this purpose are not within the jurisdiction of this Act. The Senate did not address this matter.

The conference agreement does not include section 582 of the Senate amendment requiring that housing constructed with development assistance funds in this Act be wheelchair accessible. The House bill did not address this matter. However, the managers expect USAID to ensure that doors in houses or other facilities constructed with funds administered by USAID are of a sufficient width to accommodate wheelchairs.

The conference agreement does not include section 583 of the House bill regarding the ''Buy America Act''. The Senate amendment did not address this matter.

The conference agreement does not include section 584 of the House bill regarding the ''Funding for Trafficking Victims Protection Act of 2000''. The Senate amendment did not address this matter. However, the managers concur that trafficking in persons is a matter of urgency, and address related funding issues in report language under the heading ''Development Assistance'', and in bill and report language under the headings ''Assistance for the Independent States of the Former Soviet Union'' and ''International Narcotics Control and Law Enforcement''.

The conference agreement does not contain section 584 of the Senate amendment regarding democracy and human rights programs. This matter is addressed under section 526 of the conference report.

The conference agreement does not include section 585 of the Senate amendment regarding a report on the use of defense articles, defense services, and financial assistance to Uzbekistan. The House bill did not address this matter. The managers recognize and appreciate that Uzbekistan is providing logistical support and facilities for United States military and humanitarian operations in Afghanistan. However, the managers are aware of reports by the Department of State of serious human rights violations by members of Uzbek security forces. Therefore, the managers direct the Secretary of State to submit two reports to the appropriate congressional committees not later than four months after the date of enactment and ten months thereafter, describing in detail (1) the defense articles, defense services, and financial assistance provided by the United States to Uzbekistan during the six-month period ending 30 days prior to the submission of such report; and (2) the use during such period of defense articles, defense services, and financial assistance provided by the United States by units of the Uzbek Ministry

of National Security or Ministry of Internal Affairs.

The conference agreement does not include section 586 of the Senate amendment expressing the Sense of the Senate on humanitarian assistance for Afghanistan. The House bill did not address this matter. The managers are concerned with the plight of Afghan refugees, and the status of women within Afghanistan who are emerging from years of repression under the Taliban. The managers support substantial United States contributions of humanitarian assistance for the people of Afghanistan, particularly through overland truck convoys, and efforts to ensure that Afghan women are included in planning the future reconstruction of Afghanistan and equal opportunities for women throughout Afghan society.

The conference agreement does not include section 589 of the Senate amendment expressing the Sense of the Senate regarding the role of women in the reconstruction of Afghanistan. The House bill did not address this matter. The managers address this matter under the heading ''Development Assistance''.

The conference agreement does not include section 591 of the Senate amendment regarding restrictions on funding for the Cambodian Genocide Tribunal. The substance of Senate section 591 is contained in section 563 of the conference report.

The conference agreement does not include section 593 of the Senate amendment regarding an increased Peace Corps presence in Muslim countries. The House bill did not address this matter. While the managers support the concept of the Senate language, a key concern of the managers is the safety of Peace Corps volunteers around the world. The managers direct the Director of the Peace Corps to undertake a study to determine the feasibility of an increase in volunteers in predominantly Muslim countries and to submit a report to the appropriate congressional committees not later than 6 months after the date of enactment. The study should make the determinations required by the Senate language but also should include a detailed description of measures the agency plans to implement in fiscal year 2002 to increase volunteers' safety.

The conference agreement does not include section 594 of the Senate amendment regarding machine readable passports. The House bill did not address this matter. The managers note that this matter has been addressed in Public Law 107–56.

The conference agreement does not include section 595 of the Senate amendment regarding Sudan. The House bill did not address this matter.

The conference agreement does not include section 598 of the Senate amendment regarding projects honoring the victims of terrorist attacks. The House bill did not address this matter.

The conference report does not include section 599 of the Senate bill regarding a conditional waiver of section 907 of the FREEDOM Support Act. This language is included in title II of the conference report. The House bill did not address this matter.

The conference report does not include section 599A of the Senate amendment regarding the Federal Investigation Enhancement Act of 2001. The House bill did not address this matter.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 2002 recommended by the Committee of Conference, with comparisons to the fiscal year 2001 amount, the 2002 budget estimates, and the House and Senate bills for 2002 follow:

[In thousands of dollars]

New budget (obligational) authority, fiscal year 2001	$15,021,168
Budget estimates of new (obligational) authority, fiscal year 2002	15,212,631
House bill, fiscal year 2002	15,212,173
Senate bill, fiscal year 2002	15,568,880
Conference agreement, fiscal year 2002	15,390,780
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 2001	+369,612
Budget estimates of new (obligational) authority, fiscal year 2002	+178,149
House bill, fiscal year 2002	+178,607
Senate bill, fiscal year 2002	−178,100

JIM KOLBE,
SONNY CALLAHAN,
JOE KNOLLENBERG,
JACK KINGSTON,
JERRY LEWIS,
ROGER F. WICKER,
HENRY BONILLA,
JOHN E. SUNUNU,
BILL YOUNG,
NITA LOWEY,
NANCY PELOSI,
JESSE L. JACKSON, Jr.,
CAROLYN C. KILPATRICK,
STEVEN R. ROTHMAN,
DAVE OBEY,
Managers on the Part of the House.

PATRICK J. LEAHY,
DANIEL K. INOUYE,
TOM HARKIN,
TIM JOHNSON,
JACK REED,
ROBERT C. BYRD,
MITCH MCCONNELL,
JUDD GREGG,
RICHARD C. SHELBY,
ROBERT F. BENNETT,
BEN NIGHTHORSE CAMPBELL,
CHRISTOPHER BOND,
TED STEVENS,
Managers on the Part of the Senate.

DISTRICT OF COLUMBIA POLICE COORDINATION AMENDMENT ACT OF 2001

Mrs. MORELLA. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 2199) to amend the National Capital Revitalization and Self-Government Improvement Act of 1997 to permit any federal law enforcement agency to enter into a cooperative agreement with the Metropolitan Police Department of the District of Columbia to assist the Department in carrying out crime prevention and law enforcement activities in the District of Columbia if deemed appropriate by the Chief of the Department and the United States Attorney for the District of Columbia, and for other purposes.

The Clerk read as follows:

Senate amendment:

Page 2, line 13, strike out ''sec. 4–192(d)'' and insert ''sec. 5–133.17(d)''.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Maryland (Mrs. MORELLA) and the gentlewoman from the District of Columbia (Ms. NORTON) each will control 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. MORELLA).

GENERAL LEAVE

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2199.

The SPEAKER pro tempore (Mr. ISAKSON). Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

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

I urge all Members to concur in the Senate amendments to H.R. 2199, entitled the District of Columbia Police Coordination Act of 2001. The Senate amendment is simply technical.

The Senate and the House versions of H.R. 2199 are identical in content. However, when the House version was prepared and introduced, reference was made to section 4–192(d) of the D.C. Code, and at that time, the newly codified version of the D.C. Code had not been received. Section 4–192(d) was one of many provisions that was redesignated as part of a new codification. Section 4–192(d) is now section 5–133.17(d) of the D.C. Official Code. The Senate amendment reflects this change.

Mr. Speaker, I urge all Members to concur in the Senate amendment to H.R. 2199, if they can understand it, the District of Columbia Police Coordination Act of 2001.

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

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

Today, I rise in strong support of H.R. 2199, the District of Columbia Police Coordination Amendment Act, as amended by the Senate, which will strengthen PL 105–33, legislation that has done much to cure uncoordinated efforts of Federal and local law enforcement officials in the Nation's capital. I want to thank the gentlewoman from Maryland (Mrs. MORELLA), the chair of our subcommittee, my good friend, for her leadership on this bill in the Subcommittee on the District of Columbia and in bringing this matter to the floor today.

H.R. 2199 amends the Police Coordination Act I introduced in 1997 by allowing agencies not named in the original legislation to assist the Metropolitan Police Department with local law enforcement in the District. Inadvertently, PL 105–33 failed to make the language sufficiently open-ended to include agencies not mentioned in the original bill.

Prior to the Police Coordination Act, Federal agencies often were confined to agency premises and were unable to enforce local laws on or near their premises. Therefore, although they were police officers, they could not adequately protect their agencies. Instead, for example, Federal officers often called 911, losing time in preventing crime and apprehending criminals, while taking hard-pressed D.C. police officers from urgent work in the city experiencing serious crimes. Federal officers were trained and willing to do the job but lacked the authority to do so before the passage of the Police Coordination Act.

Five agencies have already signed agreements with the U.S. attorney for the District of Columbia enabling them to assist the MPD, including the Federal Protective Service, the largest police force in the Federal service and the largest to participate. Now, over 400 officers are assisting D.C. police in protecting the District, as well as the Federal presence.

Federal agencies understand that the extension of their jurisdiction enhances safety and security within and around their agencies, while offering needed assistance as well to District residents, visitors and tourists. The Capitol Police and Amtrak Police, who have the longest experience with expanded jurisdiction, report that the morale of their officers has been affected positively because of the satisfaction that comes from being integrated into efforts to reduce and prevent crime in and around agencies and in the Nation's capital.

The only reason the House must again consider this bill, already passed once in the House and passed in the Senate last week, is because of a minor technical amendment included by the Senate that updates the bill language to reflect a recent recodification of the D.C. Code. This noncontroversial technical amendment to the Police Coordination Act is another step toward achieving my goal of assuring the most efficient use of all the available police resources to protect Federal agency staff, visitors and D.C. residents.

I urge my colleagues to support H.R. 2199.

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

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

H.R. 2199 was introduced by the gentlewoman from the District of Columbia (Ms. NORTON) and went through our subcommittee and the full committee, and I am pleased that the technical amendment from the Senate has come over because this is truly a Police Coordination Act and very needed.

What it does is it allows the Federal law enforcement agencies to enter into a cooperative agreement with the Metropolitan Police Department of the District of Columbia, thus enhancing the safety and security of the residents and travelers in the District of Columbia.

I urge this Congress to adopt unanimously the H.R. 2199, as amended.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland (Mrs. MORELLA) that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 2199.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Ms. NORTON. 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. Pursuant to clause 8, rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

RECOGNIZING SERVICE OF CREW MEMBERS OF USS ENTERPRISE BATTLE GROUP FOR WAR EFFORT IN AFGHANISTAN

Mr. SCHROCK. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 279) recognizing the service of the crew members of the USS *Enterprise* Battle Group during its extended deployment for the war effort in Afghanistan, as amended.

The Clerk read as follows:

H. CON. RES. 279

Whereas the terrorist attacks of September 11, 2001, on the United States resulted in shifting the principal focus of the Armed Forces from preserving peace to prosecuting and winning a war against terrorism;

Whereas among the first military units to make this transition to wartime operations was the USS *Enterprise* Battle Group, which, on September 11, 2001, while en route back to the United States from a scheduled peacetime deployment, was immediately redeployed to conduct operations against terrorists;

Whereas elements of the Army, Navy, Air Force, and Marine Corps began deploying to the theater of war to secure bases and support combat operations as early as September 19, 2001; and

Whereas since then, not only have the special operations and conventional forces of all the services performed magnificently, but the members of the Armed Forces have repeatedly demonstrated an extraordinary level of commitment and professionalism: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress recognizes and commends the excellent service of all in the Armed Forces who are prosecuting the war to end terrorism and protecting the security of the Nation.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. SCHROCK) and the gentlewoman from California (Ms. SANCHEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. SCHROCK).

GENERAL LEAVE

Mr. SCHROCK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Con. Res. 279.

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

There was no objection.

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

Mr. Speaker, I want to thank very much the majority leader, the gentleman from Texas (Mr. ARMEY); the chairman of the Committee on Armed Services, the gentleman from Arizona (Mr. STUMP); the ranking member, the gentleman from Missouri (Mr. SKELTON); and Members of the House leadership for allowing me to bring this resolution to the House floor today.

On November 10, the aircraft carrier USS *Enterprise* and her battle group returned to Norfolk, Virginia, after an extended deployment that included participation in the war on global terrorism in Afghanistan.

On September 11, while America was under attack, the USS *Enterprise* and her battle group had just begun their journey home from a routine deployment in the Persian Gulf in support of Operation Southern Watch over Iraq. Within 30 minutes after the first attack on New York City, the commanding officer of the *Enterprise* made a 180-degree turn, headed back towards the Middle East, and waited for orders from the National Command Authority here in Washington. The captain and his crew and accompanying ships were eager and ready to defend America against attack.

Mr. Speaker, I was privileged to serve in the United States Navy for 24 years. I am privileged today to represent the Second Congressional District of Virginia, home to the USS *Enterprise* Battle Group, a battle group that consists of 14,500 military personnel, 13 ships, and 8 squadrons of helos and airplanes.

The crew of this ship and her battle group were prepared to defend America every day of the year. September 11 was no exception. The first attacks on Afghanistan came from the USS *Enterprise* Battle Group. Our men and women wear the uniform of their Nation with more pride than any other Nation in the world.

I worked closely with the Committee on Armed Services to expand this resolution to thank all services fighting in the war against terrorism. The combined efforts of the Army, Navy, Air Force, Marine Corps and the Coast Guardsmen will win that war for America and rid this world of terrorism forever.

Mr. Speaker, let me say it once again: our soldiers, sailors, airmen, Marine Corps and Coast Guardsmen are the best in the world. The purpose of this resolution is to commend the USS *Enterprise* Battle Group and thank them for extending their deployment and for being the first ones to enter the battle against terrorism.

To all the soldiers, sailors, airmen, Marines, Coast Guardsmen on active duty and in the reserves fighting this battle today, I thank you for your commitment, your bravery, and for volunteering to defend our great country.

Mr. Speaker, I think I can speak for all of my colleagues when I say ''thank you'' to the men and women in the Armed Forces, who served with honor, respect and bravery. They are true American heroes. God bless them, God bless their families, and God bless America.

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

Ms. SANCHEZ. Mr. Speaker, I yield myself such time as I may consume, and I rise in support of House Concurrent Resolution 279 offered by my colleague, the gentleman from Virginia (Mr. SCHROCK). This legislation recognizes and commends members of the Armed Forces who are fighting the war against terrorism and protecting the security of our Nation.

The success we have had to date is due to our highly trained and dedicated American forces. Shortly after the tragic and deadly attack against the United States, military units were preparing to protect and defend Americans at home and around the world.

For example, on September 11, the USS *Enterprise* Battle Group was headed back to the United States after a 6-month deployment in the Persian Gulf. Upon learning of the attacks, the battle group returned to the Persian Gulf and remained on station for several additional months to conduct the initial counterterrorism operations. The first wave of air attacks against the Taliban and al Qaeda forces in Afghanistan included planes launched from that carrier group.

This war against terrorism has shown what our military services can do by working together to protect our country and its citizens. ''United We Stand'' means as much today at it has ever meant in America's history. We have had men and women in uniform on the front lines in this battle against terrorism since day one.

Army and Air Force Special Forces are deployed in Afghanistan to gather intelligence and tactical information. And the marines have been securing bases and protecting landing strips for follow-on forces in nongovernmental assistance organizations who are trying to help the people of Afghanistan. In the United States, our own National Guard is protecting our airports, our infrastructure, and even our Nation's Capitol.

On behalf of the American people, I want to recognize and commend all of our men and women in uniform for their dedication to the principles of democracy. I would like to especially commend the members of the USS *Enterprise* Battle Group for their tireless efforts in this war on terrorism. Their commitment and their service to our Nation is truly priceless, and I am proud to support this resolution here in the House.

Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I wish to thank my colleague, the gentleman from Virginia (Mr. SCHROCK), for introducing this resolution.

Since September 11, the United States has seen many in uniform who have displayed the courage that would allow them to face life-threatening danger and the sacrifice which would risk their own personal safety and comfort in order to protect our personal freedoms, defend our civil liberties, and guard our constitutional rights.

Mr. Speaker, courage and personal sacrifice are the two attributes that keep the attacks of September 11 from having happened in vain. It is that personal courage and sacrifice that our brave men and women aboard the USS *Enterprise* Battle Group displayed. They were en route back to the United States following a scheduled peacetime deployment from the Persian Gulf in support of Operation Southern Watch over Iraq when they were suddenly and unexpectedly redeployed to the war effort in Afghanistan.

Mr. Speaker, it is also that same courage and personal sacrifice that the families, friends, loved ones of the entire USS *Enterprise* Battle Group, the members of the United States Armed Forces, and the victims of the September 11 attack had to display and continue to have to display while keeping the faith that our Nation will be protected.

And so, Mr. Speaker, we ask our colleagues to support the resolution which recognizes the service, sacrifice, and courage of the crew members of the USS *Enterprise* Battle Group, the United States Armed Forces, and the families, friends and loved ones of those who have died or risked their lives on and after September 11.

I particularly, Mr. Speaker, want to thank my colleague, the gentleman from Virginia (Mr. SCHROCK), for his leadership in introducing this resolution.

Mr. SCHROCK. Mr. Speaker, I yield myself such time as I may consume to thank the gentlewoman from California (Ms. SANCHEZ) for assisting with this, and my good friend, the gentleman from Virginia (Mr. SCOTT).

These young men and women deserve all the praise we can heap on them, and I think when we do that from the floor of the House, it adds a little more oomph to what we are doing.

Mr. FORBES. Mr. Speaker as an original cosponsor of this resolution and a Representative of the Tidewater region of Virginia, I rise in strong support of H. Con. Res. 279.

I recently was honored to participate in the homecoming celebration of the USS *Enterprise* when it returned to Norfolk from its extended deployment in Afghanistan. These brave men sailed out of Norfolk in April and only just returned to their families, friends, and homes last month. They were given a true hero's welcome by their loved ones, their extended Naval family in Norfolk, and even their Commander-in-Chief. We were and are extraordinarily proud of their service and dedication, particularly in this time of war.

When it was first christened at the Newport News Shipbuilding and Drydock Company in 1960, the *Enterprise* had an impressive history to live up to. Its namesake was a highly decorated, World War II veteran that had participated in the Battle of Midway and Doolittle's raid on Tokyo. As the world's first and finest nuclear-powered aircraft carrier, this *Enterprise* has done its namesake proud.

The *Enterprise* Battle Group was among the first of the American fleet to participate in the new war on terrorism. And, should they be called to duty again in this war, I am certain that they will serve again with distinction. In the coming days, we will vote on the Defense Appropriations Act for Fiscal Year 2002. This legislation includes a much-deserved pay raise for these sailors and other servicemembers. I am proud to support that pay raise, and to do all that I can to support their mission from my position in Congress.

And, Mr. Speaker, while I do encourage my colleagues to approve that appropriations bill later this week, today, I ask for their support for this much-deserved but simple recognition for the crew of the USS *Enterprise* Battle Group.

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

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

The SPEAKER pro tempore (Mr. ISAKSON). The question is on the motion offered by the gentleman from Virginia (Mr. SCHROCK) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 279, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Ms. SANCHEZ. 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. Pursuant to clause 8, rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed without amendment bills of the House of the following titles:

H.R. 643. An act to reauthorize the African Elephant Conservation Act.

H.R. 645. An act to reauthorize the Rhinoceros and Tiger Conservation Act of 1994.

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. 700. An act to reauthorize the Asian Elephant Conservation Act of 1997.

The message also announced that the Senate has passed joint resolutions and a concurrent resolution of the following titles in which the concurrence of the House is requested:

S.J. Res. 8. Joint resolution designating 2002 as the ''Year of the Rose''.

S.J. Res. 13. Joint resolution conferring honorary citizenship of the United States on Paul Yves Roch Gilbert du Motier, also known as the Marquis de Lafayette.

S. Con. Res. 80. Concurrent Resolution expressing the sense of Congress regarding the 30th anniversary of the enactment of the Federal Water Pollution Control Act.

COAST GUARD AUTHORIZATION ACT FOR FISCAL YEAR 2002

Mr. LoBIONDO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3507) to authorize appropriations for the Coast Guard for fiscal year 2002, and for other purposes.

The Clerk read as follows:

H.R. 3507

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Coast Guard Authorization Act for Fiscal Year 2002''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—AUTHORIZATION OF APPROPRIATIONS FOR THE COAST GUARD

Sec. 101. Short title.
Sec. 102. Authorization of appropriations.
Sec. 103. Authorized levels of military strength and training.

TITLE II—MARITIME POLICY IMPROVEMENT

Sec. 201. Short title.
Sec. 202. Vessel COASTAL VENTURE.
Sec. 203. Expansion of American Merchant Marine Memorial Wall of Honor.
Sec. 204. Discharge of agricultural cargo residue.
Sec. 205. Recording and discharging maritime liens.
Sec. 206. Tonnage of R/V DAVIDSON.
Sec. 207. Miscellaneous certificates of documentation.
Sec. 208. Exemption for Victory Ships.
Sec. 209. Certificate of documentation for 3 barges.
Sec. 210. Certificate of documentation for the EAGLE.
Sec. 211. Waiver for vessels in New World Challenge Race.
Sec. 212. Vessel ASPHALT COMMANDER.

TITLE III—COAST GUARD PERSONNEL AND MARINE SAFETY

Sec. 301. Short title.

SUBTITLE A—PERSONNEL MANAGEMENT

Sec. 311. Coast Guard band director rank.
Sec. 312. Compensatory absence for isolated duty.
Sec. 313. Accelerated promotion of certain Coast Guard officers.

SUBTITLE B—MARINE SAFETY

Sec. 321. Extension of Territorial Sea for Vessel Bridge-to-Bridge Radiotelephone Act.
Sec. 322. Preservation of certain reporting requirements.
Sec. 323. Oil Spill Liability Trust Fund; emergency fund advancement authority.
Sec. 324. Merchant mariner documentation requirements.
Sec. 325. Penalties for negligent operations and interfering with safe operation.

SUBTITLE C—RENEWAL OF ADVISORY GROUPS

Sec. 331. Commercial Fishing Industry Vessel Advisory Committee.
Sec. 332. Houston-Galveston Navigation Safety Advisory Committee.
Sec. 333. Lower Mississippi River Waterway Advisory Committee.
Sec. 334. Navigation Safety Advisory Council.
Sec. 335. National Boating Safety Advisory Council.
Sec. 336. Towing Safety Advisory Committee.

SUBTITLE D—MISCELLANEOUS

Sec. 341. Patrol craft.
Sec. 342. Clarification of Coast Guard authority to control vessels in territorial waters of the United States.
Sec. 343. Caribbean support tender.
Sec. 344. Prohibition of new maritime user fees.
Sec. 345. Great Lakes lighthouses.
Sec. 346. Modernization of National Distress and Response System.
Sec. 347. Conveyance of Coast Guard property in Portland, Maine.
Sec. 348. Harbor safety committees.
Sec. 349. Miscellaneous conveyances.
Sec. 350. Boating safety.

TITLE IV—OMNIBUS MARITIME IMPROVEMENTS

Sec. 401. Short title.
Sec. 402. Extension of Coast Guard housing authorities.
Sec. 403. Inventory of vessels for cable laying, maintenance, and repair.
Sec. 404. Vessel escort operations and towing assistance.
Sec. 405. Search and rescue center standards.
Sec. 406. VHF communications services.
Sec. 407. Lower Columbia River maritime fire and safety activities.
Sec. 408. Conforming references to the former Merchant Marine and Fisheries Committee.
Sec. 409. Restriction on vessel documentation.
Sec. 410. Hypothermia protective clothing requirement.
Sec. 411. Reserve officer promotions.
Sec. 412. Regular lieutenant commanders and commanders; continuation upon failure of selection for promotion.
Sec. 413. Reserve student pre-commissioning assistance program.
Sec. 414. Continuation on active duty beyond thirty years.
Sec. 415. Payment of death gratuities on behalf of Coast Guard auxiliarists.
Sec. 416. Align Coast Guard severance pay and revocation of commission authority with Department of Defense authority.
Sec. 417. Long-term lease authority for lighthouse property.
Sec. 418. Maritime Drug Law Enforcement Act amendments.
Sec. 419. Wing-in-ground craft.
Sec. 420. Electronic filing of commercial instruments for vessels.
Sec. 421. Deletion of thumbprint requirement for merchant mariners' documents.
Sec. 422. Temporary certificates of documentation for –recreational vessels.
Sec. 423. Marine casualty investigations involving –foreign vessels.
Sec. 424. Conveyance of Coast Guard property in Hampton Township, Michigan.
Sec. 425. Conveyance of property in Traverse City, Michigan.
Sec. 426. Annual report on Coast Guard capabilities and readiness to fulfill national defense responsibilities.
Sec. 427. Extension of authorization for oil spill recovery institute.
Sec. 428. Miscellaneous certificates of documentation.
Sec. 429. Icebreaking services.
Sec. 430. Fishing vessel safety training.
Sec. 431. Limitation on liability of pilots at Coast Guard Vessel Traffic Services.
Sec. 432. Assistance for marine safety station on Chicago lakefront.
Sec. 433. Tonnage measurement for purposes of eligibility of certain vessels for fishery endorsement.
Sec. 434. Extension of time for recreational vessel and associated equipment recalls.

TITLE I—AUTHORIZATION OF APPROPRIATIONS FOR THE COAST GUARD

SEC. 101. SHORT TITLE.

This title may be cited as the ''Coast Guard Authorization Act of 2001''.

SEC. 102. AUTHORIZATION OF APPROPRIATIONS.

Funds are authorized to be appropriated for fiscal year 2002 for necessary expenses of the Coast Guard, as follows:

(1) For the operation and maintenance of the Coast Guard, $4,205,838,000, of which—

(A) $25,000,000 is authorized to be derived from the Oil Spill Liability Trust Fund to carry out the purposes of section 1012(a)(5) of the Oil Pollution Act of 1990;

(B) $5,500,000 is authorized to be available for the commercial fishing vessel safety program; and

(C) $623,000,000 is authorized to be available for domestic maritime homeland security.

(2) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore and offshore facilities, vessels, and aircraft, including equipment related thereto, $717,823,000, of which—

(A) $20,000,000 is authorized to be derived from the Oil Spill Liability Trust Fund to

carry out the purposes of section 1012(a)(5) of the Oil Pollution Act of 1990;

(B) $58,500,000 is authorized to be available for domestic maritime homeland security vessels and detection equipment; and

(C) $338,000,000 is authorized to be available to implement the Coast Guard's Integrated Deepwater System.

(3) For research, development, test, and evaluation of technologies, materials, and human factors directly relating to improving the performance of the Coast Guard's mission in support of search and rescue, aids to navigation, marine safety, marine environmental protection, enforcement of laws and treaties, ice operations, oceanographic research, and defense readiness, $21,722,000, to remain available until expended, of which $3,500,000 is authorized to be derived each fiscal year from the Oil Spill Liability Trust Fund to carry out the purposes of section 1012(a)(5) of the Oil Pollution Act of 1990.

(4) For retired pay (including the payment of obligations otherwise chargeable to lapsed appropriations for this purpose), payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and payments for medical care of retired personnel and their dependents under chapter 55 of title 10, United States Code, $876,346,000.

(5) For alteration or removal of bridges over navigable waters of the United States constituting obstructions to navigation, and for personnel and administrative costs associated with the Bridge Alteration Program, $15,466,000, to remain available until expended, of which $1,750,000 may be available for a new Chelsea Street bridge in Boston, Massachusetts.

(6) For environmental compliance and restoration at Coast Guard facilities (other than parts and equipment associated with operations and maintenance), $16,927,000, to remain available until expended.

SEC. 103. AUTHORIZED LEVELS OF MILITARY STRENGTH AND TRAINING.

(a) ACTIVE DUTY STRENGTH.—The Coast Guard is authorized an end-of-year strength for active duty personnel of 44,000 as of September 30, 2002.

(b) MILITARY TRAINING STUDENT LOADS.—The Coast Guard is authorized average military training student loads as follows:

(1) For recruit and special training for fiscal year 2002, 1,500 student years.

(2) For flight training for fiscal year 2002, 125 student years.

(3) For professional training in military and civilian institutions for fiscal year 2002, 300 student years.

(4) For officer acquisition for fiscal year 2002, 1,000 student years.

TITLE II—MARITIME POLICY IMPROVEMENT

SEC. 201. SHORT TITLE.

This title may be cited as the ''Maritime Policy Improvement Act of 2001''.

SEC. 202. VESSEL COASTAL VENTURE.

Section 1120(g) of the Coast Guard Authorization Act of 1996 (Public Law 104–324; 110 Stat. 3978) is amended by inserting ''COASTAL VENTURE (United States official number 971086),'' after ''vessels''.

SEC. 203. EXPANSION OF AMERICAN MERCHANT MARINE MEMORIAL WALL OF HONOR.

(a) FINDINGS.—The Congress finds that—

(1) the United States Merchant Marine has served the people of the United States in all wars since 1775;

(2) the United States Merchant Marine served as the Nation's first navy and defeated the British Navy to help gain the Nation's independence;

(3) the United States Merchant Marine kept the lifeline of freedom open to the allies of the United States during the Second World War, making one of the most significant contributions made by any nation to the victory of the allies in that war;

(4) President Franklin D. Roosevelt and many military leaders praised the role of the United States Merchant Marine as the ''Fourth Arm of Defense'' during the Second World War;

(5) more than 250,000 men and women served in the United States Merchant Marine during the Second World War;

(6) during the Second World War, members of the United States Merchant Marine faced dangers from the elements and from submarines, mines, armed raiders, destroyers, aircraft, and ''kamikaze'' pilots;

(7) during the Second World War, at least 6,830 members of the United States Merchant Marine were killed at sea;

(8) during the Second World War, 11,000 members of the United States Merchant Marine were wounded, at least 1,100 of whom later died from their wounds;

(9) during the Second World War, 604 members of the United States Merchant Marine were taken prisoner;

(10) 1 in 32 members of the United States Merchant Marine serving in the Second World War died in the line of duty, suffering a higher percentage of war-related deaths than any of the other armed services of the United States; and

(11) the United States Merchant Marine continues to serve the United States, promoting freedom and meeting the high ideals of its former members.

(b) GRANTS TO CONSTRUCT ADDITION TO AMERICAN MERCHANT MARINE MEMORIAL WALL OF HONOR.—

(1) IN GENERAL.—The Secretary of Transportation may make grants to the American Merchant Marine Veterans Memorial Committee, Inc., to construct an addition to the American Merchant Marine Memorial Wall of Honor located at the Los Angeles Maritime Museum in San Pedro, California.

(2) FEDERAL SHARE.—The Federal share of the cost of activities carried out with a grant made under this section shall be 50 percent.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $500,000 for fiscal year 2002.

SEC. 204. DISCHARGE OF AGRICULTURAL CARGO RESIDUE.

Notwithstanding any other provision of law, the discharge from a vessel of any agricultural cargo residue material in the form of hold washings shall be governed exclusively by the provisions of the Act to Prevent Pollution from Ships (33 U.S.C. 1901 et seq.) that implement Annex V to the International Convention for the Prevention of Pollution from Ships.

SEC. 205. RECORDING AND DISCHARGING NOTICES OF CLAIM OF MARITIME LIEN.

(a) LIENS ON ANY DOCUMENTED VESSEL.—

(1) IN GENERAL.—Section 31343 of title 46, United States Code, is amended as follows:

(A) By amending the section heading to read as follows:

''§ 31343. Recording and discharging notices of claim of maritime lien''.

(B) In subsection (a) by striking ''covered by a preferred mortgage filed or recorded under this chapter'' and inserting ''documented, or for which an application for documentation has been filed, under chapter 121''.

(C) By amending subsection (b) to read as follows:

''(b)(1) The Secretary shall record a notice complying with subsection (a) of this section if, when the notice is presented to the Secretary for recording, the person having the claim files with the notice a declaration stating the following:

''(A) The information in the notice is true and correct to the best of the knowledge, information, and belief of the individual who signed it.

''(B) A copy of the notice, as presented for recordation, has been sent to each of the following:

''(i) The owner of the vessel.

''(ii) Each person that recorded under section 31343(a) of this title an unexpired notice of a claim of an undischarged lien on the vessel.

''(iii) The mortgagee of each mortgage filed or recorded under section 31321 of this title that is an undischarged mortgage on the vessel.

''(2) A declaration under this subsection filed by a person that is not an individual must be signed by the president, member, partner, trustee, or other individual authorized to execute the declaration on behalf of the person.''.

(D) By amending subsection (c) to read as follows:

''(c)(1) On full and final discharge of the indebtedness that is the basis for a notice of claim of lien recorded under subsection (b) of this section, the person having the claim shall provide the Secretary with an acknowledged certificate of discharge of the indebtedness. The Secretary shall record the certificate.

''(2) The district courts of the United States shall have jurisdiction over a civil action to declare that a vessel is not subject to a lien claimed under subsection (b) of this section, or that the vessel is not subject to the notice of claim of lien, or both, regardless of the amount in controversy or the citizenship of the parties. Venue in such an action shall be in the district where the vessel is found, or where the claimant resides, or where the notice of claim of lien is recorded. The court may award costs and attorneys fees to the prevailing party, unless the court finds that the position of the other party was substantially justified or other circumstances make an award of costs and attorneys fees unjust. The Secretary shall record any such declaratory order.''.

(E) By adding at the end the following:

''(e) A notice of claim of lien recorded under subsection (b) of this section shall expire 3 years after the date the lien was established, as such date is stated in the notice under subsection (a) of this section.

''(f) This section does not alter in any respect the law pertaining to the establishment of a maritime lien, the remedy provided by such a lien, or the defenses thereto, including any defense under the doctrine of laches.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 313 of title 46, United States Code, is amended by striking the item relating to section 31343 and inserting the following:

''31343. Recording and discharging notices of claim of maritime lien.''.

(b) NOTICE REQUIREMENTS.—Section 31325 of title 46, United States Code, is amended as follows:

(1) In subsection (d)(1)(B) by striking ''a notice of a claim'' and inserting ''an unexpired notice of a claim''.

(2) In subsection (f)(1) by striking ''a notice of a claim'' and inserting ''an unexpired notice of a claim''.

(c) APPROVAL OF SURRENDER OF DOCUMENTATION.—Section 12111 of title 46, United States Code, is amended by adding at the end the following:

''(d)(1) The Secretary shall not refuse to approve the surrender of the certificate of documentation for a vessel solely on the basis that a notice of a claim of a lien on the vessel has been recorded under section 31343(a) of this title.

''(2) The Secretary may condition approval of the surrender of the certificate of documentation for a vessel over 1,000 gross tons.''.

(d) TECHNICAL CORRECTION.—Section 9(c) of the Shipping Act, 1916 (46 App. U.S.C. 808(c)) is amended in the matter preceding paragraph (1) by striking ''Except'' and all that follows ''12106(e) of title 46,'' and inserting ''Except as provided in section 611 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1181) and in section 12106(e) of title 46,''.

(e) EFFECTIVE DATE.—This section shall take effect July 1, 2002.

SEC. 206. TONNAGE OF R/V DAVIDSON.

(a) IN GENERAL.—The Secretary of Transportation shall prescribe a tonnage measurement as a small passenger vessel as defined in section 2101 of title 46, United States Code, for the vessel R/V DAVIDSON (United States official number D1066485) for purposes of applying the optional regulatory measurement under section 14305 of that title.

(b) APPLICATION.—Subsection (a) shall apply only when the vessel is operating in compliance with the requirements of section 3301(8) of title 46, United States Code.

SEC. 207. MISCELLANEOUS CERTIFICATES OF DOCUMENTATION.

Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), section 8 of the Act of June 19, 1886 (24 Stat. 81, chapter 421; 46 App. U.S.C. 289), and sections 12106 and 12108 of title 46, United States Code, the Secretary of Transportation may issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the following vessels:

(1) LOOKING GLASS (United States official number 925735).

(2) YANKEE (United States official number 1076210).

(3) LUCKY DOG of St. Petersburg, Florida (State of Florida registration number FLZP7569E373).

(4) ENTERPRIZE (United States official number 1077571).

(5) M/V SANDPIPER (United States official number 1079439).

(6) FRITHA (United States official number 1085943).

(7) PUFFIN (United States official number 697029).

(8) VICTORY OF BURNHAM (United States official number 663780).

(9) R'ADVENTURE II (United States official number 905373).

(10) ANTJA (State of Florida registration number FL3475MA).

(11) SKIMMER, manufactured by Contour Yachts, Inc. (hull identification number QHG34031D001).

(12) TOKEENA (State of South Carolina registration number SC 1602 BJ).

(13) DOUBLE EAGLE2 (United States official number 1042549).

(14) ENCOUNTER (United States official number 998174).

(15) AJ (United States official number 599164).

(16) BARGE 10 (United States official number 1101368).

(17) NOT A SHOT (United States official number 911064).

(18) PRIDE OF MANY (Canadian official number 811529).

(19) AMAZING GRACE (United States official number 92769).

(20) SHEWHO (United States official number 1104094).

SEC. 208. EXEMPTION FOR VICTORY SHIPS.

Section 3302(1)(1) of title 46, United States Code, is amended by adding at the end the following:

''(D) The steamship SS Red Oak Victory (United States official number 249410), owned by the Richmond Museum Association, located in Richmond, California.

''(E) The SS American Victory (United States official number 248005), owned by Victory Ship, Inc., of Tampa, Florida.''.

SEC. 209. CERTIFICATE OF DOCUMENTATION FOR 3 BARGES.

(a) DOCUMENTATION CERTIFICATE.—Notwithstanding section 12106 of title 46, United States Code, and section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), and subject to subsection (c) of this section, the Secretary of Transportation may issue a certificate of documentation with an appropriate endorsement for employment in the coastwise trade for each of the vessels listed in subsection (b).

(b) VESSELS DESCRIBED.—The vessels referred to in subsection (a) are the following:

(1) The former Navy deck barge JIM, having a length of 110 feet and a width of 34 feet.

(2) The former railroad car barge HUGH, having a length of 185 feet and a width of 34 feet.

(3) The former railroad car barge TOMMY, having a length of 185 feet and a width of 34 feet.

(c) LIMITATION ON OPERATION.—A vessel issued a certificate of documentation under this section may be used only as a floating platform for launching fireworks, including transportation of materials associated with that use.

SEC. 210. CERTIFICATE OF DOCUMENTATION FOR THE EAGLE.

Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), chapter 121 of title 46, United States Code, and section 1 of the Act of May 28, 1906 (46 App. U.S.C. 292), the Secretary of Transportation shall issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel EAGLE (hull number BK–1754, United States official number 1091389) if the vessel is—

(1) owned by a State, a political subdivision of a State, or a public authority chartered by a State;

(2) if chartered, chartered to a State, a political subdivision of a State, or a public authority chartered by a State;

(3) operated only in conjunction with—

(A) scour jet operations; or

(B) dredging services adjacent to facilities owned by the State, political subdivision, or public authority; and

(4) externally identified clearly as a vessel of that State, subdivision or authority.

SEC. 211. WAIVER FOR VESSELS IN NEW WORLD CHALLENGE RACE.

Notwithstanding section 8 of the Act of June 19, 1886 (46 App. U.S.C. 289), beginning on April 1, 2002, the 10 sailboats participating in the New World Challenge Race may transport guests, who have not contributed consideration for their passage, from and around the ports of San Francisco and San Diego, California, before and during stops of that race. This section shall have no force or effect beginning on the earlier of—

(1) 60 days after the last competing sailboat reaches the end of that race in San Francisco, California; or

(2) December 31, 2003.

SEC. 212. VESSEL ASPHALT COMMANDER.

Notwithstanding any other law or agreement with the United States Government, the vessel ASPHALT COMMANDER (United States official number 663105) may be transferred to or placed under a foreign registry or sold to a person that is not a citizen of the United States and transferred to or placed under a foreign registry.

TITLE III—COAST GUARD PERSONNEL AND MARITIME SAFETY

SEC. 301. SHORT TITLE.

This title may be cited as the ''Coast Guard Personnel and Maritime Safety Act of 2001''.

Subtitle A—Personnel Management

SEC. 311. COAST GUARD BAND DIRECTOR RANK.

Section 336(d) of title 14, United States Code, is amended by striking ''commander'' and inserting ''captain''.

SEC. 312. COMPENSATORY ABSENCE FOR ISOLATED DUTY.

(a) IN GENERAL.—Section 511 of title 14, United States Code, is amended to read as follows:

''§ 511. Compensatory absence from duty for military personnel at isolated duty stations

''The Secretary may grant compensatory absence from duty to military personnel of the Coast Guard serving at isolated duty stations of the Coast Guard when conditions of duty result in confinement because of isolation or in long periods of continuous duty.''.

(b) CLERICAL AMENDMENT.—The chapter analysis for chapter 13 of title 14, United States Code, is amended by striking the item relating to section 511 and inserting the following:

''511. Compensatory absence from duty for military personnel at isolated duty stations.''.

SEC. 313. ACCELERATED PROMOTION OF CERTAIN COAST GUARD OFFICERS.

Title 14, United States Code, is amended—

(1) in section 259, by adding at the end a new subsection (c) to read as follows:

''(c)(1) After selecting the officers to be recommended for promotion, a selection board may recommend officers of particular merit, from among those officers chosen for promotion, to be placed at the top of the list of selectees promulgated by the Secretary under section 271(a) of this title. The number of officers that a board may recommend to be placed at the top of the list of selectees may not exceed the percentages set forth in subsection (b) unless such a percentage is a number less than one, in which case the board may recommend one officer for such placement. No officer may be recommended to be placed at the top of the list of selectees unless he or she receives the recommendation of at least a majority of the members of a board composed of five members, or at least two-thirds of the members of a board composed of more than five members.

''(2) The Secretary shall conduct a survey of the Coast Guard officer corps to determine if implementation of this subsection will improve Coast Guard officer retention. A selection board may not make any recommendation under this subsection before the date on which the Secretary publishes a finding, based upon the results of the survey, that implementation of this subsection will improve Coast Guard officer retention.

''(3) The Secretary shall submit any finding made by the Secretary pursuant to paragraph (2) to the Committee on Transportation and Infrastructure of the House of

Representatives and the Committee on Commerce, Science, and Transportation of the Senate.'';

(2) in section 260(a), by inserting ''and the names of those officers recommended to be advanced to the top of the list of selectees established by the Secretary under section 271(a) of this title'' after ''promotion''; and

(3) in section 271(a), by inserting at the end thereof the following: ''The names of all officers approved by the President and recommended by the board to be placed at the top of the list of selectees shall be placed at the top of the list of selectees in the order of seniority on the active duty promotion list.''.

Subtitle B—Marine Safety

SEC. 321. EXTENSION OF TERRITORIAL SEA FOR VESSEL BRIDGE-TO-BRIDGE RADIOTELEPHONE ACT.

Section 4(b) of the Vessel Bridge-to-Bridge Radiotelephone Act (33 U.S.C. 1203(b)), is amended by striking ''United States inside the lines established pursuant to section 2 of the Act of February 19, 1895 (28 Stat. 672), as amended.'' and inserting ''United States, which includes all waters of the territorial sea of the United States as described in Presidential Proclamation 5928 of December 27, 1988.''.

SEC. 322. PRESERVATION OF CERTAIN REPORTING REQUIREMENTS.

Section 3003(a)(1) of the Federal Reports Elimination and Sunset Act of 1995 (31 U.S.C. 1113 note) does not apply to any report required to be submitted under any of the following provisions of law:

(1) COAST GUARD OPERATIONS AND EXPENDITURES.—Section 651 of title 14, United States Code.

(2) SUMMARY OF MARINE CASUALTIES REPORTED DURING PRIOR FISCAL YEAR.—Section 6307(c) of title 46, United States Code.

(3) USER FEE ACTIVITIES AND AMOUNTS.—Section 664 of title 46, United States Code.

(4) CONDITIONS OF PUBLIC PORTS OF THE UNITED STATES.—Section 308(c) of title 49, United States Code.

(5) ACTIVITIES OF FEDERAL MARITIME COMMISSION.—Section 208 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1118).

(6) ACTIVITIES OF INTERAGENCY COORDINATING COMMITTEE ON OIL POLLUTION RESEARCH.—Section 7001(e) of the Oil Pollution Act of 1990 (33 U.S.C. 2761(e)).

SEC. 323. OIL SPILL LIABILITY TRUST FUND; EMERGENCY FUND ADVANCEMENT AUTHORITY.

Section 6002(b) of the Oil Pollution Act of 1990 (33 U.S.C. 2752(b)) is amended after the first sentence by inserting ''To the extent that such amount is not adequate for removal of a discharge or the mitigation or prevention of a substantial threat of a discharge, the Coast Guard may obtain an advance from the Fund such sums as may be necessary, up to a maximum of $100,000,000, and within 30 days shall notify Congress of the amount advanced and the facts and circumstances necessitating the advance. Amounts advanced shall be repaid to the Fund when, and to the extent that removal costs are recovered by the Coast Guard from responsible parties for the discharge or substantial threat of discharge.''.

SEC. 324. MERCHANT MARINER DOCUMENTATION REQUIREMENTS.

(a) INTERIM MERCHANT MARINERS' DOCUMENTS.—Section 7302 of title 46, United States Code, is amended—

(1) by striking ''A'' in subsection (f) and inserting ''Except as provided in subsection (g), a''; and

(2) by adding at the end the following:

''(g)(1) The Secretary may, pending receipt and review of information required under subsections (c) and (d), immediately issue an interim merchant mariner's document valid for a period not to exceed 120 days, to—

''(A) an individual to be employed as gaming personnel, entertainment personnel, wait staff, or other service personnel on board a passenger vessel not engaged in foreign service, with no duties, including emergency duties, related to the navigation of the vessel or the safety of the vessel, its crew, cargo or passengers; or

''(B) an individual seeking renewal of, or qualifying for a supplemental endorsement to, a valid merchant mariner's document issued under this section.

''(2) No more than one interim document may be issued to an individual under paragraph (1)(A) of this subsection.''.

(b) EXCEPTION.—Section 8701(a) of title 46, United States Code, is amended—

(1) by striking ''and'' after the semicolon in paragraph (8);

(2) by redesignating paragraph (9) as paragraph (10); and

(3) by inserting after paragraph (8) the following:

''(9) a passenger vessel not engaged in a foreign voyage with respect to individuals on board employed for a period of not more than 30 service days within a 12 month period as entertainment personnel, with no duties, including emergency duties, related to the navigation of the vessel or the safety of the vessel, its crew, cargo or passengers; and''.

SEC. 325. PENALTIES FOR NEGLIGENT OPERATIONS AND INTERFERING WITH SAFE OPERATION.

Section 2302(a) of title 46, United States Code, is amended by striking ''$1,000.'' and inserting ''$5,000 in the case of a recreational vessel, or $25,000 in the case of any other vessel.''.

Subtitle C—Renewal of Advisory Groups

SEC. 331. COMMERCIAL FISHING INDUSTRY VESSEL ADVISORY COMMITTEE.

(a) COMMERCIAL FISHING INDUSTRY VESSEL ADVISORY COMMITTEE.—Section 4508 of title 46, United States Code, is amended—

(1) by inserting ''**Safety**'' in the heading after ''**Vessel**'';

(2) by inserting ''Safety'' in subsection (a) after ''Vessel'';

(3) by striking ''(5 App. U.S.C. 1 et seq.)'' in subsection (e)(1)(I) and inserting ''(5 App. U.S.C.)''; and

(4) by striking ''of September 30, 2000'' and inserting ''on September 30, 2005''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 45 of title 46, United States Code, is amended by striking the item relating to section 4508 and inserting the following:

''4508. Commercial Fishing Industry Vessel Safety Advisory Committee.''.

SEC. 332. HOUSTON-GALVESTON NAVIGATION SAFETY ADVISORY COMMITTEE.

Section 18(h) of the Coast Guard Authorization Act of 1991 (Public Law 102–241) is amended by striking ''September 30, 2000.'' and inserting ''September 30, 2005.''.

SEC. 333. LOWER MISSISSIPPI RIVER WATERWAY ADVISORY COMMITTEE.

Section 19 of the Coast Guard Authorization Act of 1991 (Public Law 102–241) is amended by striking ''September 30, 2000'' in subsection (g) and inserting ''September 30, 2005''.

SEC. 334. NAVIGATION SAFETY ADVISORY COUNCIL.

Section 5 of the Inland Navigational Rules Act of 1980 (33 U.S.C. 2073) is amended by striking ''September 30, 2000'' in subsection (d) and inserting ''September 30, 2005''.

SEC. 335. NATIONAL BOATING SAFETY ADVISORY COUNCIL.

Section 13110 of title 46, United States Code, is amended by striking ''September 30, 2000'' in subsection (e) and inserting ''September 30, 2005''.

SEC. 336. TOWING SAFETY ADVISORY COMMITTEE.

The Act entitled ''An Act to Establish a Towing Safety Advisory Committee in the Department of Transportation'' (33 U.S.C. 1231a) is amended by striking ''September 30, 2000.'' in subsection (e) and inserting ''September 30, 2005.''.

Subtitle D—Miscellaneous

SEC. 341. PATROL CRAFT.

Notwithstanding any other provision of law, the Secretary of Transportation may accept, by direct transfer without cost, for use by the Coast Guard primarily for expanded drug interdiction activities required to meet national supply reduction performance goals, up to 7 PC–170 patrol craft from the Department of Defense if it offers to transfer such craft.

SEC. 342. CLARIFICATION OF COAST GUARD AUTHORITY TO CONTROL VESSELS IN TERRITORIAL WATERS OF THE UNITED STATES.

The Ports and Waterways Safety Act (33 U.S.C. 1221 et seq.) is amended by adding at the end the following:

''SEC. 15. ENTRY OF VESSELS INTO TERRITORIAL SEA; DIRECTION OF VESSELS BY COAST GUARD.

''(a) NOTIFICATION OF COAST GUARD.—Under regulations prescribed by the Secretary, a commercial vessel entering the territorial sea of the United States shall notify the Secretary not later than 96 hours before that entry and provide the following information regarding the vessel:

''(1) The name of the vessel.

''(2) The route and port or place of destination in the United States.

''(3) The time of entry into the territorial sea.

''(4) Any information requested by the Secretary to demonstrate compliance with applicable international agreements to which the United States is a party.

''(5) If the vessel is carrying dangerous cargo, a description of that cargo.

''(6) A description of any hazardous conditions on the vessel.

''(7) Any other information requested by the Secretary.

''(b) DENIAL OF ENTRY.—The Secretary may deny entry of a vessel into the territorial sea of the United States if—

''(1) the Secretary has not received notification for the vessel in accordance with subsection (a); or

''(2) the vessel is not in compliance with any other applicable law relating to marine safety, security, or environmental protection.

''(c) DIRECTION OF VESSEL.—The Secretary may direct the operation of any vessel in the navigable waters of the United States as necessary during hazardous circumstances, including the absence of a pilot required by State or Federal law, weather, casualty, vessel traffic, or the poor condition of the vessel.

''(d) IMPLEMENTATION.—The Secretary shall implement this section consistent with section 4(d).''.

SEC. 343. CARIBBEAN SUPPORT TENDER.

(a) IN GENERAL.—The Coast Guard may operate and maintain a Caribbean Support

Tender (or similar type vessel) to provide technical assistance, including law enforcement training, for foreign coast guards, navies, and other maritime services.

(b) MEDICAL AND DENTAL CARE FOR CARIBBEAN SUPPORT TENDER PERSONNEL AND DEPENDENTS.—

(1) PROVISION.—The Commandant may provide medical and dental care to foreign military Caribbean Support Tender personnel and their dependents accompanying them in the United States—

(A) on an outpatient basis without cost; and

(B) on an inpatient basis if the United States is reimbursed for the costs of providing such care.

(2) CREDITING OF PAYMENTS.—Payments received as reimbursement for the provision of such care shall be credited to the appropriations against which the charges were made for the provision of such care.

(3) INPATIENT CARE WITHOUT COST.—Notwithstanding paragraph (1)(B), the Commandant may provide inpatient medical and dental care in the United States without cost to foreign military Caribbean Support Tender personnel and their dependents accompanying them in the United States if comparable care is made available to a comparable number of United States military personnel in that foreign country.

SEC. 344. PROHIBITION OF NEW MARITIME USER FEES.

Section 2110(k) of title 46, United States Code, is amended by striking ''2001'' and inserting ''2006''.

SEC. 345. GREAT LAKES LIGHTHOUSES.

(a) FINDINGS.—The Congress finds the following:

(1) The Great Lakes are home to more than 400 lighthouses. 120 of these maritime landmarks are in the State of Michigan.

(2) Lighthouses are an important part of Great Lakes culture and stand as a testament to the importance of shipping in the region's political, economic, and social history.

(3) Advances in navigation technology have made many Great Lakes lighthouses obsolete. In Michigan alone, approximately 70 lighthouses will be designated as excess property of the Federal Government and will be transferred to the General Services Administration for disposal.

(4) Unfortunately, the Federal property disposal process is confusing, complicated, and not well-suited to disposal of historic lighthouses or to facilitate transfers to nonprofit organizations. This is especially troubling because, in many cases, local nonprofit historical organizations have dedicated tremendous resources to preserving and maintaining Great Lakes lighthouses.

(5) If Great Lakes lighthouses disappear, the public will be unaware of an important chapter in Great Lakes history.

(6) The National Trust for Historic Preservation has placed Michigan lighthouses on their list of Most Endangered Historic Places.

(b) ASSISTANCE FOR GREAT LAKES LIGHTHOUSE PRESERVATION EFFORTS.—The Secretary of Transportation, acting through the Coast Guard, shall—

(1) continue to offer advice and technical assistance to organizations in the Great Lakes region that are dedicated to lighthouse stewardship; and

(2) promptly release information regarding the timing of designations of Coast Guard lighthouses on the Great Lakes as excess to the needs of the Coast Guard, to enable those organizations to mobilize and be prepared to take appropriate action with respect to the disposal of those properties.

SEC. 346. MODERNIZATION OF NATIONAL DISTRESS AND RESPONSE SYSTEM.

(a) REPORT.—The Secretary of Transportation shall prepare a status report on the modernization of the National Distress and Response System and transmit the report, not later than 60 days after the date of enactment of this Act, and annually thereafter until completion of the project, to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

(b) CONTENTS.—The report required by subsection (a) shall—

(1) set forth the scope of the modernization, the schedule for completion of the System, and information on progress in meeting the schedule and on any anticipated delays;

(2) specify the funding expended to-date on the System, the funding required to complete the System, and the purposes for which the funds were or will be expended;

(3) describe and map the existing public and private communications coverage throughout the waters of the coastal and internal regions of the continental United States, Alaska, Hawaii, Guam, and the Caribbean, and identify locations that possess direction-finding, asset-tracking communications, and digital selective calling service;

(4) identify areas of high risk to boaters and Coast Guard personnel due to communications gaps;

(5) specify steps taken by the Secretary to fill existing gaps in coverage, including obtaining direction-finding equipment, digital recording systems, asset-tracking communications, use of commercial VHF services, and digital selective calling services that meet or exceed Global Maritime Distress and Safety System requirements adopted under the International Convention for the Safety of Life at Sea;

(6) identify the number of VHF–FM radios equipped with digital selective calling sold to United States boaters;

(7) list all reported marine accidents, casualties, and fatalities occurring in areas with existing communications gaps or failures, including incidents associated with gaps in VHF–FM coverage or digital selected calling capabilities and failures associated with inadequate communications equipment aboard the involved vessels during calendar years 1997 forward;

(8) identify existing systems available to close identified marine safety gaps before January 1, 2003, including expeditious receipt and response by appropriate Coast Guard operations centers to VHF–FM digital selective calling distress signal; and

(9) identify actions taken to-date to implement the recommendations of the National Transportation Safety Board in its Report No. MAR–99–01.

SEC. 347. CONVEYANCE OF COAST GUARD PROPERTY IN PORTLAND, MAINE.

(a) AUTHORITY TO CONVEY.—

(1) IN GENERAL.—The Secretary of Transportation, or a designee of the Secretary, may convey to the Gulf of Maine Aquarium Development Corporation, its successors and assigns, without payment for consideration, all right, title, and interest of the United States in and to approximately 4.13 acres of land, including a pier and bulkhead, known as the Naval Reserve Pier property, together with any improvements thereon in their then current condition, located in Portland, Maine. All conditions placed with the deed of title shall be construed as covenants running with the land.

(2) IDENTIFICATION OF PROPERTY.—The Secretary, in consultation with the Commandant of the Coast Guard, may identify, describe, and determine the property to be conveyed under this section. The floating docks associated with or attached to the Naval Reserve Pier property shall remain the personal property of the United States.

(b) LEASE TO THE UNITED STATES.—

(1) CONDITION OF CONVEYANCE.—The Naval Reserve Pier property shall not be conveyed until the Corporation enters into a lease agreement with the United States, the terms of which are mutually satisfactory to the Commandant and the Corporation, in which the Corporation shall lease a portion of the Naval Reserve Pier property to the United States for a term of 30 years without payment of consideration. The lease agreement shall be executed within 12 months after the date of enactment of this Act.

(2) IDENTIFICATION OF LEASED PREMISES.—The Secretary, in consultation with the Commandant, may identify and describe the leased premises and rights of access, including the following, in order to allow the Coast Guard to operate and perform missions from and upon the leased premises:

(A) The right of ingress and egress over the Naval Reserve Pier property, including the pier and bulkhead, at any time, without notice, for purposes of access to Coast Guard vessels and performance of Coast Guard missions and other mission-related activities.

(B) The right to berth Coast Guard cutters or other vessels as required, in the moorings along the east side of the Naval Reserve Pier property, and the right to attach floating docks which shall be owned and maintained at the United States' sole cost and expense.

(C) The right to operate, maintain, remove, relocate, or replace an aid to navigation located upon, or to install any aid to navigation upon, the Naval Reserve Pier property as the Coast Guard, in its sole discretion, may determine is needed for navigational purposes.

(D) The right to occupy up to 3,000 gross square feet at the Naval Reserve Pier property for storage and office space, which will be provided and constructed by the Corporation, at the Corporation's sole cost and expense, and which will be maintained, and utilities and other operating expenses paid for, by the United States at its sole cost and expense.

(E) The right to occupy up to 1,200 gross square feet of offsite storage in a location other than the Naval Reserve Pier property, which will be provided by the Corporation at the Corporation's sole cost and expense, and which will be maintained, and utilities and other operating expenses paid for, by the United States at its sole cost and expense.

(F) The right for Coast Guard personnel to park up to 60 vehicles, at no expense to the government, in the Corporation's parking spaces on the Naval Reserve Pier property or in parking spaces that the Corporation may secure within 1,000 feet of the Naval Reserve Pier property or within 1,000 feet of the Coast Guard Marine Safety Office Portland. Spaces for no less than 30 vehicles shall be located on the Naval Reserve Pier property.

(3) RENEWAL.—The lease described in paragraph (1) may be renewed, at the sole option of the United States, for additional lease terms.

(4) LIMITATION ON SUBLEASES.—The United States may not sublease the leased premises to a third party or use the leased premises

for purposes other than fulfilling the missions of the Coast Guard and for other mission related activities.

(5) TERMINATION.—In the event that the Coast Guard ceases to use the leased premises, the Secretary, in consultation with the Commandant, may terminate the lease with the Corporation.

(c) IMPROVEMENT OF LEASED PREMISES.—

(1) IN GENERAL.—The Naval Reserve Pier property shall not be conveyed until the Corporation enters into an agreement with the United States, subject to the Commandant's design specifications, project's schedule, and final project approval, to replace the bulkhead and pier which connects to, and provides access from, the bulkhead to the floating docks, at the Corporation's sole cost and expense, on the east side of the Naval Reserve Pier property within 30 months from the date of conveyance. The agreement to improve the leased premises shall be executed within 12 months after the date of enactment of this Act.

(2) FURTHER IMPROVEMENTS.—In addition to the improvements described in paragraph (1), the Commandant may to further improve the leased premises during the lease term, at the United States sole cost and expense.

(d) UTILITY INSTALLATION AND MAINTENANCE OBLIGATIONS.—

(1) UTILITIES.—The Naval Reserve Pier property shall not be conveyed until the Corporation enters into an agreement with the United States to allow the United States to operate and maintain existing utility lines and related equipment, at the United States sole cost and expense. At such time as the Corporation constructs its proposed public aquarium, the Corporation shall replace existing utility lines and related equipment and provide additional utility lines and equipment capable of supporting a third 110-foot Coast Guard cutter, with comparable, new, code compliant utility lines and equipment at the Corporation's sole cost and expense, maintain such utility lines and related equipment from an agreed upon demarcation point, and make such utility lines and equipment available for use by the United States, provided that the United States pays for its use of utilities at its sole cost and expense. The agreement concerning the operation and maintenance of utility lines and equipment shall be executed within 12 months after the date of enactment of this Act.

(2) MAINTENANCE.—The Naval Reserve Pier property shall not be conveyed until the Corporation enters into an agreement with the United States to maintain, at the Corporation's sole cost and expense, the bulkhead and pier on the east side of the Naval Reserve Pier property. The agreement concerning the maintenance of the bulkhead and pier shall be executed within 12 months after the date of enactment of this Act.

(3) AIDS TO NAVIGATION.—The United States shall be required to maintain, at its sole cost and expense, any Coast Guard active aid to navigation located upon the Naval Reserve Pier property.

(e) ADDITIONAL RIGHTS.—The conveyance of the Naval Reserve Pier property shall be made subject to conditions the Secretary considers necessary to ensure that—

(1) the Corporation shall not interfere or allow interference, in any manner, with use of the leased premises by the United States; and

(2) the Corporation shall not interfere or allow interference, in any manner, with any aid to navigation nor hinder activities required for the operation and maintenance of any aid to navigation, without the express written permission of the head of the agency responsible for operating and maintaining the aid to navigation.

(f) REMEDIES AND REVERSIONARY INTEREST.—The Naval Reserve Pier property, at the option of the Secretary, shall revert to the United States and be placed under the administrative control of the Secretary, if, and only if, the Corporation fails to abide by any of the terms of this section or any agreement entered into under subsection (b), (c), or (d) of this section.

(g) LIABILITY OF THE PARTIES.—The liability of the United States and the Corporation for any injury, death, or damage to or loss of property occurring on the leased property shall be determined with reference to existing State or Federal law, as appropriate, and any such liability may not be modified or enlarged by this title or any agreement of the parties.

(h) EXPIRATION OF AUTHORITY TO CONVEY.—The authority to convey the Naval Reserve property under this section shall expire 3 years after the date of enactment of this Act.

(i) DEFINITIONS.—In this section:

(1) AID TO NAVIGATION.—The term ''aid to navigation'' means equipment used for navigational purposes, including but not limited to, a light, antenna, sound signal, electronic navigation equipment, cameras, sensors power source, or other related equipment which are operated or maintained by the United States.

(2) CORPORATION.—The term ''Corporation'' means the Gulf of Maine Aquarium Development Corporation, its successors and assigns.

SEC. 348. HARBOR SAFETY COMMITTEES.

(a) STUDY.—The Coast Guard shall study existing harbor safety committees in the United States to identify—

(1) strategies for gaining successful cooperation among the various groups having an interest in the local port or waterway;

(2) organizational models that can be applied to new or existing harbor safety committees or to prototype harbor safety committees established under subsection (b);

(3) technological assistance that will help harbor safety committees overcome local impediments to safety, mobility, environmental protection, and port security; and

(4) recurring resources necessary to ensure the success of harbor safety committees.

(b) PROTOTYPE COMMITTEES.—The Coast Guard shall test the feasibility of expanding the harbor safety committee concept to small and medium-sized ports that are not generally served by a harbor safety committee by establishing 1 or more prototype harbor safety committees. In selecting a location or locations for the establishment of a prototype harbor safety committee, the Coast Guard shall—

(1) consider the results of the study conducted under subsection (a);

(2) consider identified safety issues for a particular port;

(3) compare the potential benefits of establishing such a committee with the burdens the establishment of such a committee would impose on participating agencies and organizations;

(4) consider the anticipated level of support from interested parties; and

(5) take into account such other factors as may be appropriate.

(c) EFFECT ON EXISTING PROGRAMS AND STATE LAW.—Nothing in this section—

(1) limits the scope or activities of harbor safety committees in existence on the date of enactment of this Act;

(2) precludes the establishment of new harbor safety committees in locations not selected for the establishment of a prototype committee under subsection (b); or

(3) preempts State law.

(d) NONAPPLICATION OF FACA.—The Federal Advisory Committee Act (5 App. U.S.C.) does not apply to harbor safety committees established under this section or any other provision of law.

(e) HARBOR SAFETY COMMITTEE DEFINED.—In this section, the term ''harbor safety committee'' means a local coordinating body—

(1) whose responsibilities include recommending actions to improve the safety of a port or waterway; and

(2) the membership of which includes representatives of government agencies, maritime labor, maritime industry companies and organizations, environmental groups, and public interest groups.

SEC. 349. MISCELLANEOUS CONVEYANCES.

(a) AUTHORITY TO CONVEY.—

(1) IN GENERAL.—The Secretary of Transportation may convey, by an appropriate means of conveyance, all right, title, and interest of the United States in and to each of the following properties:

(A) Coast Guard Slip Point Light Station, located in Clallam County, Washington, to Clallam County, Washington.

(B) The parcel of land on which is situated the Point Piños Light, located in Monterey County, California, to the city of Pacific Grove, California.

(2) IDENTIFICATION OF PROPERTY.—The Secretary may identify, describe, and determine the property to be conveyed under this subsection.

(3) LIMITATION.—The Secretary may not under this section convey—

(A) any historical artifact, including any lens or lantern, located on the property at or before the time of the conveyance; or

(B) any interest in submerged land.

(b) GENERAL TERMS AND CONDITIONS.—

(1) IN GENERAL.—Each conveyance of property under this section shall be made—

(A) without payment of consideration; and

(B) subject to the terms and conditions required by this section and other terms and conditions the Secretary may consider appropriate, including the reservation of easements and other rights on behalf of the United States.

(2) REVERSIONARY INTEREST.—In addition to any term or condition established under this section, each conveyance of property under this section shall be subject to the condition that all right, title, and interest in the property shall immediately revert to the United States, if—

(A) the property, or any part of the property—

(i) ceases to be available and accessible to the public, on a reasonable basis, for educational, park, recreational, cultural, historic preservation, or other similar purposes specified for the property in the terms of conveyance;

(ii) ceases to be maintained in a manner that is consistent with its present or future use as a site for Coast Guard aids to navigation or compliance with this title; or

(iii) ceases to be maintained in a manner consistent with the conditions in paragraph (4) established by the Secretary pursuant to the National Historic Preservation Act (16 U.S.C. 470 et seq.); or

(B) at least 30 days before that reversion, the Secretary provides written notice to the owner that the property is needed for national security purposes.

(3) MAINTENANCE OF NAVIGATION FUNCTIONS.—Each conveyance of property under

this section shall be made subject to the conditions that the Secretary considers to be necessary to assure that—

(A) the lights, antennas, and associated equipment located on the property conveyed, which are active aids to navigation, shall continue to be operated and maintained by the United States for as long as they are needed for this purpose;

(B) the owner of the property may not interfere or allow interference in any manner with aids to navigation without express written permission from the Commandant;

(C) there is reserved to the United States the right to relocate, replace, or add any aid to navigation or make any changes to the property conveyed as may be necessary for navigational purposes;

(D) the United States shall have the right, at any time, to enter the property without notice for the purpose of operating, maintaining and inspecting aids to navigation, and for the purpose of enforcing compliance with this subsection; and

(E) the United States shall have an easement of access to and across the property for the purpose of maintaining the aids to navigation in use on the property.

(4) MAINTENANCE OF PROPERTY.—(A) Subject to subparagraph (B), the owner of a property conveyed under this section shall maintain the property in a proper, substantial, and workmanlike manner, and in accordance with any conditions established by the conveying authority pursuant to the National Historic Preservation Act (16 U.S.C. 470 et seq.), and other applicable laws.

(B) The owner of a property conveyed under this section is not required to maintain any active aid to navigation equipment on the property, except private aids to navigation permitted under section 83 of title 14, United States Code.

(c) SPECIAL TERMS AND CONDITIONS.—The Secretary may retain all right, title, and interest of the United States in and to any portion of any parcel referred to in subsection (a)(1)(B) that the Secretary considers appropriate.

(d) DEFINITIONS.—In this section:

(1) AIDS TO NAVIGATION.—The term ''aids to navigation'' means equipment used for navigation purposes, including a light, antenna, radio, sound signal, electronic navigation equipment, or other associated equipment which are operated or maintained by the United States.

(2) COMMANDANT.—The term ''Commandant'' means the Commandant of the Coast Guard.

(3) OWNER.—The term ''owner'' means, for a property conveyed under this section, the person identified in subsection (a)(1) of the property, and includes any successor or assign of that person.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Transportation.

SEC. 350. BOATING SAFETY.

(a) FEDERAL FUNDING.—Section 4(b)(3) of the Act of August 9, 1950 (16 U.S.C. 777c(b)(3)) is amended by striking ''$82,000,000'' and inserting ''$83,000,000''.

(b) STATE FUNDING.—Section 13102(a)(3) of title 46, United States Code, is amended by striking ''general State revenue'' and inserting ''State funds, including amounts expended for the State's recreational boating safety program by a State agency, a public corporation established under State law, or any other State instrumentality, as determined by the Secretary''.

TITLE IV—OMNIBUS MARITIME IMPROVEMENTS

SEC. 401. SHORT TITLE.

This title may be cited as the ''Omnibus Maritime and Coast Guard Improvements Act of 2001''.

SEC. 402. EXTENSION OF COAST GUARD HOUSING AUTHORITIES.

(a) HOUSING CONTRACTORS.—Section 681(a) of title 14, United States Code, is amended by inserting '', including a small business concern qualified under section 8(a) of the Small Business Act (15 U.S.C. 637(a)),'' after ''private persons''.

(b) BUDGET AUTHORITY LIMITATION.—Section 687(f) of title 14, United States Code, is amended by striking ''$20,000,000'' and inserting ''$40,000,000''.

(c) DEMONSTRATION PROJECT.—Section 687 of title 14, United States Code, is amended by adding at the end the following new subsection:

''(g) DEMONSTRATION PROJECT AUTHORIZED.—To promote efficiencies through the use of alternative procedures for expediting new housing projects, the Secretary—

''(1) may develop and implement a Demonstration Project for acquisition or construction of military family housing and military unaccompanied housing at the Coast Guard installation at Kodiak, Alaska;

''(2) in implementing the Demonstration Project shall utilize, to the maximum extent possible, the contracting authority of the Small Business Administration's section 8(a) program;

''(3) shall, to the maximum extent possible, acquire or construct such housing through contracts with small business concerns qualified under section 8(a) of the Small Business Act (15 U.S.C. 637(a)) that have their principal place of business in the State of Alaska; and

''(4) shall report to Congress by September 1 of each year on the progress of activities under the Demonstration Project.''.

(d) EXTENSION.—Section 689 of title 14, United States Code, is amended by striking ''2001'' and inserting ''2006''.

SEC. 403. INVENTORY OF VESSELS FOR CABLE LAYING, MAINTENANCE, AND REPAIR.

(a) INVENTORY.—The Secretary of Transportation shall develop, maintain, and periodically update an inventory of vessels that are documented under chapter 121 of title 46, United States Code, are 200 feet or more in length, and have the capability to lay, maintain, or repair a submarine cable, without regard to whether a particular vessel is classified as a cable ship or cable vessel.

(b) VESSEL INFORMATION.—For each vessel listed in the inventory, the Secretary shall include in the inventory—

(1) the name, length, beam, depth, and other distinguishing characteristics of the vessel;

(2) the abilities and limitations of the vessel with respect to the laying, maintaining, and repairing of a submarine cable; and

(3) the name and address of the person to whom inquiries regarding the vessel may be made.

(c) PUBLICATION.—The Secretary shall—

(1) not later than 60 days after the date of enactment of this Act, publish in the Federal Register a current inventory developed under subsection (a); and

(2) every six months thereafter, publish an updated inventory.

SEC. 404. VESSEL ESCORT OPERATIONS AND TOWING ASSISTANCE.

(a) IN GENERAL.—Except in the case of a vessel in distress, only a vessel of the United States (as that term is defined in section 2101 of title 46, United States Code) may perform the following vessel escort operations and vessel towing assistance within the navigable waters of the United States:

(1) Operation or assistance that commences or terminates at a port or place in the United States.

(2) Operation or assistance required by United States law or regulation.

(3) Operation provided in whole or in part for the purpose of escorting or assisting a vessel within or through navigation facilities owned, maintained, or operated by the United States Government or the approaches to such facilities, other than facilities operated by the St. Lawrence Seaway Development Corporation on the St. Lawrence River portion of the Seaway.

(b) DEFINITIONS.—In this section—

(1) the term ''towing assistance'' means operation by an assisting vessel in direct contact with an assisted vessel (including hull-to-hull, by towline, including if only pretethered, or made fast to that vessel by one or more lines) for purposes of exerting force on the assisted vessel to control, or to assist in controlling, the movement of the assisted vessel; and

(2) the term ''escort operations'' means accompanying a vessel for the purpose of providing towing or towing assistance to the vessel.

(c) PENALTY.—A person violating this section is liable to the United States Government for a civil penalty of not more than $10,000 for each day during which the violation occurs.

SEC. 405. SEARCH AND RESCUE CENTER STANDARDS.

(a) IN GENERAL.—Title 14, United States Code, is amended by adding at the end of chapter 17 the following new section:

''§ 676. Search and rescue center standards

''(a) The Secretary shall establish, implement, and maintain the minimum standards necessary for the safe operation of all Coast Guard search and rescue center facilities, including with respect to the following:

''(1) The lighting, acoustics, and temperature in the facilities.

''(2) The number of individuals on a shift in the facility assigned search and rescue responsibilities (including communications), which may be adjusted based on seasonal workload.

''(3) The length of time an individual may serve on watch to minimize fatigue, based on the best scientific information available.

''(4) The scheduling of individuals having search and rescue responsibilities to minimize fatigue of the individual when on duty in the facility.

''(5) The workload of each individual engaged in search and rescue responsibilities in the facility.

''(6) Stress management for the individuals assigned search and rescue responsibilities in the facilities.

''(7) The design of equipment and facilities to minimize fatigue and enhance search and rescue operations.

''(8) Any other requirements that the Secretary believes will increase the safe operation of the search and rescue centers.

''(b) An individual on duty or watch in a Coast Guard search and rescue center facility, including a communications center, may not work more than 12 hours in a 24-hour period except in an emergency.''.

(b) APPLICATION.—Section 676(b) of title 14, United States Code (as enacted by subsection (a) of this section) shall apply beginning on July 1, 2002.

(c) PRESCRIPTION OF STANDARDS.—The Secretary shall prescribe the standards required under section 676(a) of title 14, United States Code, as enacted by subsection (a) of this section, before July 1, 2002.

(d) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 17 of title 14, United States Code, is amended by adding at the end the following:

''676. Search and rescue center standards.''.

SEC. 406. VHF COMMUNICATIONS SERVICES.

The Secretary of Transportation may authorize a person providing commercial VHF communications services to place commercial VHF communications equipment on real property under the administrative control of the Coast Guard (including towers) subject to any terms agreed to by the parties. The Secretary and that commercial VHF communications service provider also may enter into an agreement providing for VHF communications services to the Coast Guard (including digital selective calling and radio direction finding services) at a discounted rate or price based on providing such access to real property under the administrative control of the Coast Guard. Nothing in the section shall affect the rights or obligations of the United States under section 704(c) of the Telecommunications Act of 1996 (47 U.S.C. 332 note) with respect to the availability of property, or under section 359(d) of the Communications Act of 1934 (47 U.S.C. 357(d)) with respect to charges for transmission of distress messages.

SEC. 407. LOWER COLUMBIA RIVER MARITIME FIRE AND SAFETY ACTIVITIES.

There is authorized to be appropriated to the Secretary of Transportation not more than $987,400 for lower Columbia River marine, fire, oil, and toxic spill response communications, training, equipment, and program administration activities conducted by the Maritime Fire and Safety Association, to remain available until expended.

SEC. 408. CONFORMING REFERENCES TO THE FORMER MERCHANT MARINE AND FISHERIES COMMITTEE.

(a) LAWS CODIFIED IN TITLE 14, UNITED STATES CODE.—(1) Section 194(b)(2) of title 14, United States Code, is amended by striking ''Merchant Marine and Fisheries'' and inserting ''Transportation and Infrastructure''.

(2) Section 663 of title 14, United States Code, is amended by striking ''Merchant Marine and Fisheries'' and inserting ''Transportation and Infrastructure''.

(3) Section 664 of title 14, United States Code, is amended by striking ''Merchant Marine and Fisheries'' and inserting ''Transportation and Infrastructure''.

(b) LAWS CODIFIED IN TITLE 33, UNITED STATES CODE.—(1) Section 3(d)(3) of the International Navigational Rules Act of 1977 (33 U.S.C. 1602(d)(3)) is amended by striking ''Merchant Marine and Fisheries'' and inserting ''Transportation and Infrastructure''.

(2) Section 5004(2) of the Oil Pollution Act of 1990 (33 U.S.C. 2734(2)) is amended by striking ''Merchant Marine and Fisheries'' and inserting ''Transportation and Infrastructure''.

(c) LAWS CODIFIED IN TITLE 46, UNITED STATES CODE.—(1) Section 6307 of title 46, United States Code, is amended by striking ''Merchant Marine and Fisheries'' and inserting ''Transportation and Infrastructure''.

(2) Section 901g(b)(3) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1241k(b)(3)) is amended by striking ''Merchant Marine and Fisheries'' and inserting ''Transportation and Infrastructure''.

(3) Section 913(b) of the International Maritime and Port Security Act (46 App. U.S.C. 1809(b)) is amended by striking ''Merchant Marine and Fisheries'' and inserting ''Transportation and Infrastructure''.

SEC. 409. RESTRICTION ON VESSEL DOCUMENTATION.

Section 12108(a) of title 46, United States Code, is amended by—

(1) amending paragraph (2) to read as follows:

''(2) was built in the United States;'';

(2) striking ''and'' at the end of paragraph (3);

(3) inserting after paragraph (3) the following:

''(4) was not forfeited to the United States Government after July 1, 2001, for a breach of the laws of the United States; and''; and

(4) redesignating paragraph (4) as paragraph (5).

SEC. 410. HYPOTHERMIA PROTECTIVE CLOTHING REQUIREMENT.

The Commandant of the Coast Guard shall ensure that all Coast Guard personnel are equipped with adequate safety equipment, including hypothermia protective clothing where appropriate, while performing search and rescue missions.

SEC. 411. RESERVE OFFICER PROMOTIONS.

(a) Section 729(i) of title 14, United States Code, is amended by inserting ''on the date a vacancy occurs, or as soon thereafter as practicable, in the grade to which the officer was selected for promotion, or if promotion was determined in accordance with a running mate system,'' after ''grade''.

(b) Section 731(b) of title 14, United States Coast Code, is amended by striking the period at the end of the sentence and inserting '', or in the event that promotion is not determined in accordance with a running mate system, then a Reserve officer becomes eligible for consideration for promotion to the next higher grade at the beginning of the promotion year in which he or she completes the following amount of service computed from the date of rank in the grade in which he or she is serving:

''(1) two years in the grade of lieutenant (junior grade);

''(2) three years in the grade of lieutenant;

''(3) four years in the grade of lieutenant commander;

''(4) four years in the grade of commander; and

''(5) three years in the grade of captain.''.

(c) Section 736(a) of title 14, United States Code, is amended by inserting ''the date of rank shall be the date of appointment in that grade, unless the promotion was determined in accordance with a running mate system, in which event'' after ''subchapter,''.

SEC. 412. REGULAR LIEUTENANT COMMANDERS AND COMMANDERS; CONTINUATION UPON FAILURE OF SELECTION FOR PROMOTION.

Section 285 of title 14, United States Code, is amended—

(1) by striking ''Each officer'' and inserting ''(a) Each officer''; and

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

''(b) A lieutenant commander or commander of the Regular Coast Guard subject to discharge or retirement under subsection (a) may be continued on active duty when the Secretary directs a selection board convened under section 251 of this title to continue up to a specified number of lieutenant commanders or commanders on active duty. When so directed, the selection board shall recommend those officers who in the opinion of the board are best qualified to advance the needs and efficiency of the Coast Guard. When the recommendations of the board are approved by the Secretary, the officers recommended for continuation shall be notified that they have been recommended for continuation and offered an additional term of service that fulfills the needs of the Coast Guard.

''(c)(1) An officer who holds the grade of lieutenant commander of the Regular Coast Guard may not be continued on active duty under subsection (b) for a period that extends beyond 24 years of active commissioned service unless promoted to the grade of commander of the Regular Coast Guard. An officer who holds the grade of commander of the Regular Coast Guard may not be continued on active duty under subsection (b) for a period that extends beyond 26 years of active commissioned service unless promoted to the grade of captain of the Regular Coast Guard.

''(2) Unless retired or discharged under another provision of law, each officer who is continued on active duty under subsection (b) but is not subsequently promoted or continued on active duty, and is not on a list of officers recommended for continuation or for promotion to the next higher grade, shall, if eligible for retirement under any provision of law, be retired under that law on the first day of the first month following the month in which the period of continued service is completed.''.

SEC. 413. RESERVE STUDENT PRE-COMMISSIONING ASSISTANCE PROGRAM.

(a) IN GENERAL.—Chapter 21 of title 14, United States Code, is amended by inserting after section 709 the following new section:

''§ 709a. Reserve student pre-commissioning assistance program

''(a) The Secretary may provide financial assistance to an eligible enlisted member of the Coast Guard Reserve, not on active duty, for expenses of the member while the member is pursuing on a full-time basis at an institution of higher education a program of education approved by the Secretary that leads to—

''(1) a baccalaureate degree in not more than five academic years; or

''(2) a post-baccalaureate degree.

''(b)(1) To be eligible for financial assistance under this section, an enlisted member of the Coast Guard Reserve must—

''(A) be enrolled on a full-time basis in a program of education referred to in subsection (a) at any institution of higher education; and

''(B) enter into a written agreement with the Coast Guard described in paragraph (2).

''(2) A written agreement referred to in paragraph (1)(B) is an agreement between the member and the Secretary in which the member agrees—

''(A) to accept an appointment as a commissioned officer in the Coast Guard Reserve, if tendered;

''(B) to serve on active duty for up to five years; and

''(C) under such terms and conditions as shall be prescribed by the Secretary, to serve in the Coast Guard Reserve until the eighth anniversary of the date of the appointment.

''(c) Expenses for which financial assistance may be provided under this section are—

''(1) tuition and fees charged by the institution of higher education involved;

''(2) the cost of books;

''(3) in the case of a program of education leading to a baccalaureate degree, laboratory expenses; and

''(4) such other expenses as deemed appropriate by the Secretary.

''(d) The amount of financial assistance provided to a member under this section

shall be prescribed by the Secretary, but may not exceed $25,000 for any academic year.

''(e) Financial assistance may be provided to a member under this section for up to five consecutive academic years.

''(f) A member who receives financial assistance under this section may be ordered to active duty in the Coast Guard Reserve by the Secretary to serve in a designated enlisted grade for such period as the Secretary prescribes, but not more than four years, if the member—

''(1) completes the academic requirements of the program and refuses to accept an appointment as a commissioned officer in the Coast Guard Reserve when offered;

''(2) fails to complete the academic requirements of the institution of higher education involved; or

''(3) fails to maintain eligibility for an original appointment as a commissioned officer.

''(g)(1) If a member requests to be released from the program and the request is accepted by the Secretary, or if the member fails because of misconduct to complete the period of active duty specified, or if the member fails to fulfill any term or condition of the written agreement required to be eligible for financial assistance under this section, the financial assistance shall be terminated. The member shall reimburse the United States in an amount that bears the same ratio to the total cost of the education provided to such person as the unserved portion of active duty bears to the total period of active duty such person agreed to serve. The Secretary shall have the option to order such reimbursement without first ordering the member to active duty. An obligation to reimburse the United States imposed under this paragraph is for all purposes a debt owed to the United States.

''(2) The Secretary may waive the service obligated under subsection (f) of a member who is not physically qualified for appointment and who is determined to be unqualified for service as an enlisted member of the Coast Guard Reserve due to a physical or medical condition that was not the result of the member's own misconduct or grossly negligent conduct.

''(3) A discharge in bankruptcy under title 11 that is entered less than 5 years after the termination of a written agreement entered into under subsection (b) does not discharge the individual signing the agreement from a debt arising under such agreement or under paragraph (1).

''(h) As used in this section, '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).''.

(b) CLERICAL AMENDMENT.—The analysis at the beginning of chapter 21 of title 14, United States Code, is amended by adding the following new item after the item relating to section 709:

''709a. Reserve student pre-commissioning assistance program.''.

SEC. 414. CONTINUATION ON ACTIVE DUTY BEYOND THIRTY YEARS.

Section 289 of title 14, United States Code, is amended by adding at the end the following new subsection:

''(h) Notwithstanding subsection (g) and section 288 of this title, the Commandant may by annual action retain on active duty from promotion year to promotion year any officer who would otherwise be retired under subsection (g) or section 288 of this title. An officer so retained, unless retired under some other provision of law, shall be retired on June 30 of that promotion year in which no action is taken to further retain the officer under this subsection.''.

SEC. 415. PAYMENT OF DEATH GRATUITIES ON BEHALF OF COAST GUARD AUXILIARISTS.

Section 823a(b) of title 14, United States Code, is amended by inserting the following new paragraph following paragraph (8):

''(9) On or after January 1, 2001, Public Law 104–208, section 651.''.

SEC. 416. ALIGN COAST GUARD SEVERANCE PAY AND REVOCATION OF COMMISSION AUTHORITY WITH DEPARTMENT OF DEFENSE AUTHORITY.

(a) IN GENERAL.—Chapter 11 of title 14, United States Code, is amended—

(1) in section 281—

(A) by striking ''**three**'' in the section heading and inserting ''**five**''; and

(B) by striking ''three'' in the text and inserting ''five'';

(2) in section 283(b)(2)(A), by striking ''severance'' and inserting ''separation'';

(3) in section 286—

(A) by striking ''**SEVERANCE**'' in the section heading and inserting ''**SEPARATION**''; and

(B) by striking subsection (b) and inserting the following:

''(b) An officer of the Regular Coast Guard who is discharged under this section or section 282, 283, or 284 of this title who has completed 6 or more, but less than 20, continuous years of active service immediately before that discharge or release is entitled to separation pay computed under subsection (d)(1) of section 1174 of title 10.

''(c) An officer of the Regular Coast Guard who is discharged under section 327 of this title, who has completed 6 or more, but less than 20, continuous years of active service immediately before that discharge or release is entitled to separation pay computed under subsection (d)(1) or (d)(2) of section 1174 of title 10 as determined under regulations promulgated by the Secretary.

''(d) Notwithstanding subsections (a) or (b), an officer discharged under chapter 11 of this title for twice failing of selection for promotion to the next higher grade is not entitled to separation pay under this section if the officer requested in writing or otherwise sought not to be selected for promotion, or requested removal from the list of selectees.'';

(4) in section 286a—

(A) by striking ''**SEVERANCE**'' in the section heading and inserting ''**SEPARATION**'' in its place; and

(B) by striking subsections (a), (b), and (c) and inserting the following:

''(a) A regular warrant officer of the Coast Guard who is discharged under section 580 of title 10, and has completed 6 or more, but less than 20, continuous years of active service immediately before that discharge is entitled to separation pay computed under subsection (d)(1) of section 1174 of title 10.

''(b) A regular warrant officer of the Coast Guard who is discharged under section 1165 or 1166 of title 10, and has completed 6 or more, but less than 20, continuous years of active service immediately before that discharge is entitled to separation pay computed under subsection (d)(1) or (d)(2) of section 1174 of title 10, as determined under regulations promulgated by the Secretary.

''(c) In determining a member's years of active service for the purpose of computing separation pay under this section, each full month of service that is in addition to the number of full years of service creditable to the member is counted as one-twelfth of a year and any remaining fractional part of a month is disregarded.''; and

(5) in section 327—

(A) by striking ''**severance**'' in the section heading and inserting ''**separation**'';

(B) by striking subsection (a)(2) and inserting in its place the following:

''(2) for discharge with separation benefits under section 286(c) of this title.'';

(C) by striking subsection (a)(3);

(D) by striking subsection (b)(2) and inserting in its place the following:

''(2) if on that date the officer is ineligible for voluntary retirement under any law, be honorably discharged with separation benefits under section 286(c) of this title, unless under regulations promulgated by the Secretary the condition under which the officer is discharged does not warrant an honorable discharge.''; and

(E) by striking subsection (b)(3).

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 11 of title 14, United States Code, is amended—

(1) in the item relating to section 281, by striking ''three'' and inserting ''five'' in its place; and

(2) in the item relating to section 286, by striking ''severance'' and inserting ''separation'' in its place;

(3) in the item relating to section 286a, by striking ''severance'' and inserting ''separation'' in its place; and

(4) in the item relating to section 327, by striking ''severance'' and inserting ''separation'' in its place.

(c) EFFECTIVE DATE.—The amendments made by paragraphs (2), (3), (4), and (5) of subsection (a) shall take effect four years after the date of enactment of this Act, except that subsection (d) of section 286 of title 14, United States Code, as amended by paragraph (3) of subsection (a) of this section shall take effect on enactment of this Act and shall apply with respect to conduct on or after that date. The amendments made to the table of sections of chapter 11 of title 14, United States Code, by paragraphs (2), (3), and (4) of subsection (b) of this section shall take effect four years after the date of enactment of this Act.

SEC. 417. LONG-TERM LEASE AUTHORITY FOR LIGHTHOUSE PROPERTY.

(a) IN GENERAL.—Chapter 17 of title 14, United States Code, is amended by adding at the end a new section 672b to read as follows:

''§ 672b. Long-term lease authority for lighthouse property

''(a) The Commandant of the Coast Guard may lease to non-Federal entities, including private individuals, lighthouse property under the administrative control of the Coast Guard for terms not to exceed 30 years. Consideration for the use and occupancy of lighthouse property leased under this section, and for the value of any utilities and services furnished to a lessee of such property by the Commandant, may consist, in whole or in part, of non-pecuniary remuneration including, but not limited to, the improvement, alteration, restoration, rehabilitation, repair, and maintenance of the leased premises by the lessee. Section 321 of chapter 314 of the Act of June 30, 1932 (40 U.S.C. 303b) shall not apply to leases issued by the Commandant under this section.

''(b) Amounts received from leases made under this section, less expenses incurred, shall be deposited in the Treasury.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 17 of title 14, United States Code, is amended by adding after the item relating to section 672 the following:

''672b. Long-term lease authority for lighthouse property.''.

SEC. 418. MARITIME DRUG LAW ENFORCEMENT ACT AMENDMENTS.

(a) Section 3 of the Maritime Drug Law Enforcement Act (46 App. U.S.C. 1903) is amended—

(1) in subsection (c)(1)(D) by striking ''and'';

(2) in subsection (c)(1)(E) by striking ''United States.'' and inserting ''United States; and''; and

(3) by inserting after subsection (c)(1)(E) the following:

''(F) a vessel located in the contiguous zone of the United States, as defined in Presidential Proclamation 7219 of September 2, 1999, and (i) is entering the United States, (ii) has departed the United States, or (iii) is a hovering vessel as defined in 19 U.S.C. 1401(k).''.

(b) The second section 3 of the Maritime Drug Law Enforcement Act (46 App. U.S.C. 1904) is amended—

(1) by inserting ''(a)'' before ''Any property''; and

(2) by adding at the end the following:

''(b) Practices commonly recognized as smuggling tactics may provide prima facie evidence of intent to use a vessel to commit, or to facilitate the commission of, an offense under this chapter, and may support seizure and forfeiture of the vessel, even in the absence of controlled substances aboard the vessel. The following indicia, inter alia, may be considered, in the totality of the circumstances, to be prima facie evidence that a vessel is intended to be used to commit, or to facilitate the commission of an offense under this chapter:

''(1) The construction or adaptation of the vessel in a manner that facilitates smuggling, including—

''(A) the configuration of the vessel to ride low in the water or present a low hull profile to avoid being detected visually or by radar;

''(B) the presence of any compartment or equipment which is built or fitted out for smuggling, not including items such as a safe or lock-box reasonably used for the storage of personal valuables;

''(C) the presence of an auxiliary tank not installed in accordance with applicable law, or installed in such a manner as to enhance the vessel's smuggling capability;

''(D) the presence of engines that are excessively over-powered in relation to the design and size of the vessel;

''(E) the presence of materials used to reduce or alter the heat or radar signature of the vessel and avoid detection;

''(F) the presence of a camouflaging paint scheme, or of materials used to camouflage the vessel, to avoid detection; or

''(G) the display of false vessel registration numbers, false indicia of vessel nationality, false vessel name, or false vessel homeport.

''(2) The presence or absence of equipment, personnel, or cargo inconsistent with the type or declared purpose of the vessel.

''(3) The presence of excessive fuel, lube oil, food, water, or spare parts, inconsistent with legitimate vessel operation, inconsistent with the construction or equipment of the vessel, or inconsistent with the character of the vessel's stated purpose.

''(4) The operation of the vessel without lights during times lights are required to be displayed under applicable law or regulation, and in a manner of navigation consistent with smuggling tactics used to avoid detection by law enforcement authorities.

''(5) The failure of the vessel to stop or respond or heave to when hailed by government authority, especially where the vessel conducts evasive maneuvering when hailed.

''(6) The declaration to government authority of apparently false information about the vessel, crew, or voyage, or the failure to identify the vessel by name or country of registration when requested to do so by government authority.

''(7) The presence of controlled substance residue on the vessel, on an item aboard the vessel, or on a person aboard the vessel, of a quantity or other nature which reasonably indicates manufacturing or distribution activity.

''(8) The use of petroleum products or other substances on the vessel to foil the detection of controlled substance residue.

''(9) The presence of a controlled substance in the water in the vicinity of the vessel, where given the currents, weather conditions, and course and speed of the vessel, the quantity or other nature is such that it reasonably indicates manufacturing or distribution activity.''.

SEC. 419. WING-IN-GROUND CRAFT.

(a) Section 2101(35) of title 46, United States Code, is amended by inserting ''a wing-in-ground craft, regardless of tonnage, carrying at least one passenger for hire, and'' after the phrase '' 'small passenger vessel' means''.

(b) Section 2101 of title 46, United States Code, is amended by adding at the end the following:

''(48) wing-in-ground craft means a vessel that is capable of operating completely above the surface of the water on a dynamic air cushion created by aerodynamic lift due to the ground effect between the vessel and the water's surface.''.

SEC. 420. ELECTRONIC FILING OF COMMERCIAL INSTRUMENTS FOR VESSELS.

Section 31321(a)(4) of title 46, United States Code, is amended—

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

(2) by striking subparagraph (B).

SEC. 421. DELETION OF THUMBPRINT REQUIREMENT FOR MERCHANT MARINERS' DOCUMENTS.

Section 7303 of title 46, United States Code, is amended by striking ''the thumbprint,''.

SEC. 422. TEMPORARY CERTIFICATES OF DOCUMENTATION FOR RECREATIONAL VESSELS.

(a) Section 12103(a) of title 46, United States Code, is amended by inserting '', or a temporary certificate of documentation,'' after ''certificate of documentation''.

(b)(1) Chapter 121 of title 46, United States Code, is amended by adding after section 12103 the following:

''§ 12103a. Issuance of temporary certificate of documentation by third parties

''(a) The Secretary of Transportation may delegate, subject to the supervision and control of the Secretary and under terms set out by regulation, to private entities determined and certified by the Secretary to be qualified, the authority to issue a temporary certificate of documentation for a recreational vessel, if the applicant for the certificate of documentation meets the requirements set out in sections 12102 and 12103 of this chapter.

''(b) A temporary certificate of documentation issued under section 12103(a) and subsection (a) of this section is valid for up to 30 days from issuance.''.

(2) The table of sections at the beginning of chapter 121 of title 46, United States Code, is amended by inserting after the item relating to section 12103 the following:

''12103a. Issuance of temporary certificate of documentation by third parties.''.

SEC. 423. MARINE CASUALTY INVESTIGATIONS INVOLVING FOREIGN VESSELS.

Section 6101 of title 46, United States Code, is amended—

(1) by redesignating the second subsection (e) as subsection (f); and

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

''(g) To the extent consistent with generally recognized practices and procedures of international law, this part applies to a foreign vessel involved in a marine casualty or incident, as defined in the International Maritime Organization Code for the Investigation of Marine Casualties and Incidents, where the United States is a Substantially Interested State and is, or has the consent of, the Lead Investigating State under the Code.''.

SEC. 424. CONVEYANCE OF COAST GUARD PROPERTY IN HAMPTON TOWNSHIP, MICHIGAN.

(a) REQUIREMENT TO CONVEY.—

(1) IN GENERAL.—Notwithstanding any other law, the Secretary of Transportation (in this section referred to as the ''Secretary'') shall convey to BaySail, Inc. (a nonprofit corporation established under the laws of the State of Michigan; in this section referred to as ''BaySail''), without monetary consideration, all right, title, and interest of the United States in and to property adjacent to Coast Guard Station Saginaw River, located in Hampton Township, Michigan, as identified under paragraph (2). No submerged lands may be conveyed under this section.

(2) IDENTIFICATION OF PROPERTY.—The Secretary, in consultation with the Commandant of the Coast Guard, shall identify, describe, and determine the property to be conveyed under this section.

(3) SURVEY.—The exact acreage and legal description of the property conveyed under paragraph (1), as identified under paragraph (2), and any easements or rights-of-way reserved by the United States under subsection (b), shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by BaySail.

(b) TERMS AND CONDITIONS OF CONVEYANCE.—The conveyance of property under this section shall be made subject to any terms and conditions the Secretary considers necessary, including the reservation of easements and other rights on behalf of the United States.

(c) REVERSIONARY INTEREST.—

(1) IN GENERAL.—During the 5-year period beginning on the date the Secretary makes the conveyance authorized by subsection (a), the real property conveyed pursuant to this section, at the option of the Secretary, shall revert to the United States and be placed under the administrative control of the Secretary, if—

(A) BaySail sells, conveys, assigns, exchanges, or encumbers the property conveyed or any part thereof;

(B) BaySail fails to maintain the property conveyed in a manner consistent with the terms and conditions under subsection (b);

(C) BaySail conducts any commercial activity at the property conveyed, or any part thereof, without approval of the Secretary; or

(D) at least 30 days before the reversion, the Secretary provides written notice to the owner that the property or any part thereof is needed for national security purposes.

(2) ADDITIONAL PERIOD.—The Secretary may, before the completion of the 5-year period described in paragraph (1), authorize an additional 5-year period during which paragraph (1) shall apply.

SEC. 425. CONVEYANCE OF PROPERTY IN TRAVERSE CITY, MICHIGAN.

Section 1005(c) of the Coast Guard Authorization Act of 1996 (110 Stat. 3957) is amended by striking ''the Traverse City Area Public School District'' and inserting ''a public or private nonprofit entity for an educational or recreational purpose''.

SEC. 426. ANNUAL REPORT ON COAST GUARD CAPABILITIES AND READINESS TO FULFILL NATIONAL DEFENSE RESPONSIBILITIES.

Not later than February 15 each year, the Secretary of Transportation shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report, prepared in conjunction with the Commandant of the Coast Guard, setting forth the capabilities and readiness of the Coast Guard to fulfill its national defense responsibilities.

SEC. 427. EXTENSION OF AUTHORIZATION FOR OIL SPILL RECOVERY INSTITUTE.

Section 5001(i) of the Oil Pollution Act of 1990 (33 U.S.C. 2731(i)) is amended by striking ''10 years'' and all that follows through the end of the sentence and inserting ''September 30, 2012.''.

SEC. 428. MISCELLANEOUS CERTIFICATES OF DOCUMENTATION.

Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), section 8 of the Act of June 19, 1886 (46 App. U.S.C. 289), and section 12106 of title 46, United States Code, the Secretary of Transportation may issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for each of the following vessels:

(1) LAUDERDALE LADY (United States official number 1103520).

(2) SOVEREIGN (United States official number 1028144).

(3) CALEDONIA (United States official number 679530).

SEC. 429. ICEBREAKING SERVICES.

The Commandant of the Coast Guard shall not plan, implement, or finalize any regulation or take any other action which would result in the decommissioning of any WYTL-class harbor tugs unless and until the Commandant certifies in writing to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives, that sufficient replacement capability has been procured by the Coast Guard to remediate any degradation in current icebreaking services that would be caused by such decommissioning.

SEC. 430. FISHING VESSEL SAFETY TRAINING.

(a) IN GENERAL.—The Commandant of the Coast Guard may provide support, with or without reimbursement, to an entity engaged in fishing vessel safety training including—

(1) assistance in developing training curricula;

(2) use of Coast Guard personnel, including active duty members, members of the Coast Guard Reserve, and members of the Coast Guard Auxiliary, as temporary or adjunct instructors;

(3) sharing of appropriate Coast Guard informational and safety publications; and

(4) participation on applicable fishing vessel safety training advisory panels.

(b) NO INTERFERENCE WITH OTHER FUNCTIONS.—In providing support under subsection (a), the Commandant shall ensure that the support does not interfere with any Coast Guard function or operation.

SEC. 431. LIMITATION ON LIABILITY OF PILOTS AT COAST GUARD VESSEL TRAFFIC SERVICES.

(a) IN GENERAL.—Chapter 23 of title 46, United States Code, is amended by adding at the end the following:

''§ 2307. Limitation of liability for Coast Guard Vessel Traffic Service pilots

''Any pilot, acting in the course and scope of his or her duties while at a United States Coast Guard Vessel Traffic Service, who provides information, advice, or communication assistance while under the supervision of a Coast Guard officer, member, or employee shall not be liable for damages caused by or related to such assistance unless the acts or omissions of such pilot constitute gross negligence or willful misconduct.''.

(b) CLERICAL AMENDMENT.—The chapter analysis for chapter 23 of title 46, United States Code, is amended by adding at the end the following:

''2307. Limitation of liability for Coast Guard Vessel Traffic Service pilots.''.

SEC. 432. ASSISTANCE FOR MARINE SAFETY STATION ON CHICAGO LAKEFRONT.

(a) ASSISTANCE AUTHORIZED.—The Secretary of Transportation may use amounts authorized under this section to provide financial assistance to the City of Chicago, Illinois, to pay the Federal share of the cost of a project to demolish the Old Coast Guard Station, located at the north end of the inner Chicago Harbor breakwater at the foot of Randolph Street, and to plan, engineer, design, and construct a new facility at that site for use as a marine safety station on the Chicago lakefront.

(b) COST SHARING.—

(1) FEDERAL SHARE.—The Federal share of the cost of a project carried out with assistance under this section may not exceed one third of the total cost of the project or $2,000,000, whichever is less.

(2) NON-FEDERAL SHARE.—There shall not be applied to the non-Federal share of a project carried out with assistance under this section—

(A) the value of land and existing facilities used for the project; and

(B) any costs incurred for site work performed before the date of the enactment of this Act, including costs for reconstruction of the east breakwater wall and associated utilities.

(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to the other amounts authorized by this Act, for providing financial assistance under this section there is authorized to be appropriated to the Secretary of Transportation $2,000,000 for fiscal year 2002, to remain available until expended.

SEC. 433. TONNAGE MEASUREMENT FOR PURPOSES OF ELIGIBILITY OF CERTAIN VESSELS FOR FISHERY ENDORSEMENT.

Section 12102(c)(5) of title 46. United States Code, is amended by striking ''of more than 750 gross registered tons'' and inserting ''of more than 750 gross tons as measured under chapter 145 or 1900 gross tons as measured under chapter 143''.

SEC. 434. EXTENSION OF TIME FOR RECREATIONAL VESSEL AND ASSOCIATED EQUIPMENT RECALLS.

Section 4310(c) of title 46, United States Code, is amended—

(1) in paragraph (2)(A) and (B) by striking ''5'' each place it appears and inserting ''10''; and

(2) in paragraph (1)(A), (B), and (C) by inserting ''by first class mail or'' before ''by certified mail''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. LOBIONDO) and the gentlewoman from Florida (Ms. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. LOBIONDO).

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

Mr. Speaker, I rise in strong support of the Coast Guard Authorization Act of Fiscal Year 2002. Before I discuss this bill, however, I would like to thank the distinguished chairman of the full Committee on Transportation and Infrastructure, the gentleman from Alaska (Mr. YOUNG); our ranking member, the gentleman from Minnesota (Mr. OBERSTAR); and the ranking Democratic member of the Subcommittee on Coast Guard and Maritime Transportation, the gentlewoman from Florida (Ms. BROWN), and their staff for their help and cooperation on this legislation.

H.R. 3507 was developed in a very strong bipartisan manner and deserves the support of all of the Members of this body. The primary purpose of H.R. 3507 is to authorize expenditures for the United States Coast Guard for fiscal year 2002. Title I of the bill authorizes approximately $5.9 billion for Coast Guard programs and operations for fiscal year 2002. The bill funds the Coast Guard at the levels requested by the President, with an additional $823 million in Coast Guard operating expenses. Of this amount, $623 million will provide additional Coast Guard homeland maritime security operating resources. These additional operating resources will also allow the Coast Guard to address chronic budget shortfalls. Many of the Coast Guard's most urgent needs are similar to those experienced by the Department of Defense, including spare parts shortages and personnel training deficits.

Title I also provides for $717.8 million for Coast Guard acquisition, construction, and improvement funding. This funding level provides $58 million for 90 Coast Guard maritime safety and security boats as well as additional detection equipment to help the Coast Guard stop terrorist activities on our waterways and in our ports.

Immediately following the events of September 11, the Coast Guard launched the largest homeland port security operation since World War II. As part of Operation Noble Eagle and Operation Enduring Freedom, the Coast Guard established port and coastline patrols with 55 cutters, 42 aircraft, and hundreds of small boats. Over 2,800 Coast Guard reservists were called to active duty to support maritime homeland security operations in 350 of our Nation's ports.

Port security units patrol the ports of New York, New Jersey, Boston, Seattle, and Long Beach. The Coast Guard enforced over 118 maritime security zones around Navy vessels, cruise ships, nuclear power plants and other

facilities. The Coast Guard now requires a 96-hour advance notice for all ships entering U.S. ports. The new Sea Marshall program is current under way in the ports of San Francisco, Los Angeles, and San Diego.

I want to commend the Coast Guard for their rapid response to the September 11 attacks on our Nation. Fortunately, we have already provided the Coast Guard with a broad legal authorities to implement the necessary security measures in U.S. ports. However, without substantial additional Coast Guard resources, and I want to repeat that, without substantial additional Coast Guard resources, we are not going to be able to significantly enhance maritime security as we should.

Finally, section 404 of this bill requires that a vessel engaged in towing assistance or towing escort must be a vessel of the United States and establishes a civil penalty for violation of the provision. The United States Navy has expressed concern that section 404 could hamper the ability of the Navy to render timely towing and salvage assistance to Navy vessels on a worldwide basis. I want to clarify that the restrictions in section 404 do not apply to U.S. Naval operations.

Mr. Speaker, I want to take this opportunity to commend the men and women of the Coast Guard for the exceptional services that they provide to our Nation on an ongoing basis. America benefits from a strong Coast Guard that is equipped to stop terrorists, drug smugglers, support the country's defense, and respond to national emergencies. We must now act to put the Coast Guard on sound financial footing to be ready to respond to our increased homeland security demands and other critical duties that the Coast Guard carries out on a daily basis.

The House has already overwhelmingly passed one authorization bill this year, while the other body has yet to act. We would like to urge our friends across the Capitol to pass this authorization bill and support the Coast Guard in the manner which they deserve. I urge all Members to support that bill.

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

□ 1145

Ms. BROWN of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from Alaska (Mr. YOUNG), the gentleman from Minnesota (Mr. OBERSTAR), the ranking member, and the gentleman from New Jersey (Mr. LOBIONDO) for their help in bringing this important legislation to the floor. The U.S. Coast Guard is a key player in protecting this country from harm, and we need to make sure that they have the tools they need to do their job.

This bill gives them the authority, but we absolutely must work harder when it comes to funding this premier law enforcement agency. The motto of the Coast Guard is Semper Paratus, always ready, and they proved this on September 11. As the tragedy was occurring, the Coast Guard had a plan in place, and within minutes began securing our ports and waterways and protecting our bridges from harm. Whenever we talk about homeland security, we are talking about the U.S. Coast Guard. They are out there every day protecting the world's citizens from harm.

The Coast Guard is responsible for protecting our ports and waterways, search and rescue missions, stopping drugs, stopping illegal immigration, and protecting our ships and carriers. But even with all of this, the toughest job they have is competing for money in the transportation budget. Let me repeat that. With all that they do, their toughest job is competing for money in the transportation budget. They have a difficult job, and they deserve adequate funding.

This legislation expands compensation and benefits for personnel, improves safety and safety training, upgrades Coast Guard communication systems, renews important advisory groups, and removes barriers to Coast Guard authority. This is a good bill and an important bill, and I am glad we are passing it before the new year begins. I thank the men and women in the U.S. Coast Guard for their hard work, and their dedication to this Nation. Have a wonderful holiday, and keep up the good work.

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

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

Ms. BROWN of Florida. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, I would like to use my time in a colloquy with the chairman.

Mr. Speaker, the bill does a lot of good things, and some of the more heinous provisions of the bill that troubled me earlier, such as the licensing requirement on charter boat operators have been removed. Some very bad calls on Jones Act waivers have been removed, and I commend the gentleman for that. Obviously, this bill is important so the folks in the Coast Guard can get paid, and those things that need to be bought can be bought.

This bill still contains about 20 Jones Act waivers that I consider questionable. I understand that they passed the committee earlier in the year under some circumstances that I did not quite agree to. The gentleman from New Jersey and I both come from boatbuilding country. People in New Jersey are great boat builders; people in Mississippi are great boat builders.

Mr. Speaker, what I really object to when we grant Jones Act waivers is that law that says that every boat that is operated commercially in America must be American owned, American built and American crewed. When we allow somebody to buy a cheaper foreign vessel, it puts those guys who have lived by the rules and bought a boat in Mississippi or New Jersey, which is obviously going to cost more money because they are paying Americans to build it, it puts them at competitive disadvantage, pure and simple, and I do not think it is fair.

Mr. Speaker, because the bill does so many good things, I want to vote for it. The reason I am asking the gentleman for this colloquy is because in my heart I know that we failed our boat builders when we allowed those 20 waivers. I am asking for the chairman, and since the gentleman sets the schedule, if I can get the gentleman's assurance that we are going to take a tougher look in the future, that on every one of these waivers, we have the folks come before the committee, make a case on why that vessel deserves a waiver, which is the way we used to do it, and I would like to see that again.

If a person deserves a waiver, they get it. But as far as issuing blanket waivers, I think it is bad because it is simply not fair to those folks that build boats in this country. That is my first request.

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

Mr. TAYLOR of Mississippi. I yield to the gentleman from New Jersey.

Mr. LOBIONDO. Mr. Speaker, I thank the gentleman from Mississippi (Mr. TAYLOR). I know the gentleman has been a strong supporter of the Coast Guard, and very involved in these issues. I can tell the gentleman that I understand the gentleman's concerns. We thought that which had gone through the process, a process that has integrity, along with the gentleman from Minnesota (Mr. OBERSTAR) and the gentlewoman from Florida (Ms. Brown), and there might have been some miscommunication. I thought the gentleman's office had signed off on some of this as well. I will try to work as closely in the future as is humanly possible.

Mr. TAYLOR of Mississippi. Mr. Speaker, I know we are human beings. I am just asking for consideration in the future to try and do better.

Mr. Speaker, my second request, as pointed out in the excellent hearing we had last week with the commandant of the Coast Guard, there is still a discrepancy as far as who has responsibility for our U.S. Naval vessels for their waterside security. The Navy thinks big ships, quite frankly. Given their limited budget, they want to buy ships with that money as opposed to small boats. The Coast Guard has a number of areas of responsibility that they are already overstretched on.

My request to the gentleman is if he can schedule a hearing where we have

the chief of Naval operations and the commandant of the Coast Guard appear before the committee, and some time between now and next spring, an agreement be reached as to the responsibility for waterside security of our vessels so that what happened to the USS *Cole* never happens again.

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

Mr. TAYLOR of Mississippi. I yield to the gentleman from New Jersey.

Mr. LoBIONDO. Mr. Speaker, I think that is an excellent idea. The gentleman has my commitment that we will try to do that expeditiously when we return next year.

Mr. TAYLOR of Mississippi. Mr. Speaker, I thank the chairman.

Mr. LoBIONDO. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. SIMMONS) for the purpose of a colloquy.

Mr. SIMMONS. Mr. Speaker, I rise in strong support of H.R. 3507, and thank the gentleman from New Jersey (Mr. LoBIONDO) for his hard work on this legislation and for allowing this colloquy.

The United States Coast Guard Academy is in my district in New London, Connecticut, and it is the only service academy in America that does not have a proper national museum for the service. For over 210 years, the Coast Guard has served as our Nation's guardian of the seas, and over the years, the Coast Guard has established a rich history, but this history cannot be properly told.

That is why earlier this year I introduced legislation to create a national Coast Guard museum in New London as part of the academic program of the Academy. A lot of things have happened, and I am mindful of the many challenges that we face; but I am hopeful that the gentleman from New Jersey (Mr. LoBIONDO) will work with me on this legislation next year to further explore the issue of a national Coast Guard museum.

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

Mr. SIMMONS. I yield to the gentleman from New Jersey.

Mr. LoBIONDO. Mr. Speaker, I thank the gentleman from Connecticut and say that the gentleman has done an exceptional job on raising the level of awareness on this particular issue. The gentleman has been to me certainly if not a dozen times, two dozen times. Unfortunately, the events of September 11 have reorganized our priorities with the Coast Guard to a degree. It is a worthwhile effort, and I would like to work with the gentleman to explore what possibilities that we can enter into to see that this moves along.

Mr. SIMPSON. Mr. Speaker, I thank the gentleman for his response.

Ms. BROWN of Florida. Mr. Speaker, I yield 4 minutes to the gentleman from Washington (Mr. McDERMOTT).

Mr. McDERMOTT. Mr. Speaker, I rise in support of this bill. I got on a plane to come out here from Seattle on Tuesday morning, and sat down next to a man and asked him where he was going, what he was doing. He said my name is Viggo Bertelsen. I am the national commodore of the United States Coast Guard Auxiliary.

Mr. Speaker, I know that they are in town meeting with the commandant from all around the country and talking about the needs of the Coast Guard.

Being from Seattle, I am well aware of what the Coast Guard does. They control shipping in Puget Sound, and have a very big responsibility to prevent collisions in narrow spaces. They are dealing with all of the Customs problems and smuggling in the islands, bringing in drugs and everything else. The Coast Guard has been given many, many very difficult missions, and has not been recognized by the Congress for what they have done.

When I was a psychiatrist in the Navy in the Vietnam era, I had a sailor from the Coast Guard, or Coast Guardsman brought to me one day who had been hung over the side on a chair to paint the insignia on the side of Coast Guard ships. As mentioned before, the motto of the Coast Guard is semper paratus. This man was a little unhappy with the Coast Guard, and had written ''simply forgot us.''

Unfortunately, in many instances in this House, we have simply forgotten the Coast Guard's needs, and I think this is, while not a perfect bill, a step in the right direction, and I hope that all Members will vote for it, and not forget the Coast Guard and what they do.

Mr. LoBIONDO. Mr. Speaker, I yield 2 minutes to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. Mr. Speaker, I rise today in support of H.R. 3507, the Coast Guard Authorization Act for Fiscal Year 2002, and I also rise to thank the gentleman from New Jersey (Mr. LoBIONDO) and his subcommittee staff for their hard work on this bill.

Last year they agreed to work with the Coast Guard, the State of Illinois, the city of Chicago and me on a project to improve safety and security along Chicago's lakefront. Needless to say, this project became significantly more important after the events of September 11. Thanks to the committee's cooperation and assistance, this bill authorizes construction of a Marine Safety Station on Chicago's lakefront.

This new Chicago Marine Safety Station will house resources and personnel of the U.S. Coast Guard, the Chicago Marine Police and the Illinois Department of Natural Resources Conservation Police. With Coast Guard, State and city resources stretched thin by the need for heightened security in Chicago and U.S. ports, this project will significantly improve public safety and law enforcement efforts in one of the busiest recreational areas in the country.

On behalf of the city of Chicago, the State of Illinois, and all of us who enjoy Chicago's lakefront, I thank the chairman for bringing this project to fruition.

Ms. BROWN of Florida. Mr. Speaker, I reserve the balance of my time.

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

Mr. Speaker, I want to thank the gentleman from Washington (Mr. McDERMOTT) for his words of support for the Coast Guard. I would like to ask that all Members, the gentleman from Washington (Mr. McDERMOTT) and all Members who have risen today to speak on the bill, and I believe the overwhelming number of Members who will support this bill, to join with us in our effort when we get to the hard part, and this part today is easy for Members to stand up and say they are supporting the Coast Guard authorization. Well in excess of 400 Members voted in support of this measure when we brought it up the first time, but we have some difficult work to do.

There was recently an article in the Washington Post, I believe last week, that talked about our drug interdiction efforts suffering because of the Coast Guard's lack of resources. This is not what we want to see from this body. This is not what this Nation wants to see, and the only way we will remedy the situation is if we collectively join together, put our shoulders to the same wheel and make sure through the appropriations process that the Coast Guard receives the resources necessary to carry out the mission they have been mandated to do.

Mr. Speaker, I have visited the Coast Guard facilities in my district a number of times. We have the Coast Guard Recruit Training Center, the only one in the Nation in Cape May in the Second Congressional District. I also visited Group Air Station Atlanta City just a couple of weeks ago, and with Captain Durfee, I looked into the eyes of the men and women there, eager to serve their country, well trained, ready to go, boarding ships and checking foreign crews and manifests, making sure our ports are save, responding to anything in a moment's notice, willing to give up everything for our Nation.

We owe these men and women who have given us so much in their mission of drug interdiction, homeland security, interdiction of illegal immigrants, fishery law enforcement, all the different things, search and rescue operations, all of the things that are in jeopardy if we cannot get them the resources they need.

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

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Ms. BROWN of Florida. Mr. Speaker, I yield back the balance of my time.

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

I would in closing like to thank the gentlewoman from Florida (Ms. BROWN) and the minority staff for their strong cooperation and help with Coast Guard issues since I have been Chair of this committee. I have appreciated it a great deal. The gentleman from Minnesota (Mr. OBERSTAR) has been there every inch of the way, as has been the gentlewoman from Florida (Ms. BROWN) and their staff. Again, I would like to encourage all the Members to take a close look at the mission that the Coast Guard has been given to do, especially since September 11, and recognize that this is one step in a process that we are fighting through to make sure that these men and women have the resources necessary.

Mrs. CHRISTENSEN. Mr. Speaker, I rise to join Chairman LOBIONDO, and Ranking Member BROWN and my other colleagues in strong support of H.R. 3507, the Coast Guard Authorization Act.

Early in November I had the opportunity to visit with Commander Gene Brooks, of the Greater Antilles Section in San Juan Puerto Rico, which is responsible for my district the U.S. Virgin Islands. What was very clear from that meeting, Mr. Speaker, is that the Coast Guard is in dire need of assets and personnel to carry out their mission.

Since September 11, 2001 this has become more urgent, as much of what they had has been deployed elsewhere, and the primary assignment port security and escorting and protecting defense vessels, and hazardous materials, has taken them almost completely away from their role in drugs interdiction, border patrol and marine safety, as well as search and rescue.

Mr. Speaker, my district has several assets of national significance and importance. Additionally, because the Virgin Islands is a border of the United States we need a well-staffed and equipped Coast Guard. Mr. Speaker, the $5.9 billion authorized by this bill is a good start. I look forward to working with you and the subcommittee to give this and all the agencies, which secure our homeland, and support our armed forces, all the resources they need to do the job.

I urge my colleagues to support H.R. 3507.

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

The SPEAKER pro tempore (Mr. ISAKSON). The question is on the motion offered by the gentleman from New Jersey (Mr. LOBIONDO) that the House suspend the rules and pass the bill, H.R. 3507.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Ms. BROWN of Florida. 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. Pursuant to clause 8, rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

REGARDING MONITORING OF WEAPONS DEVELOPMENT IN IRAQ

Mr. HYDE. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 75) regarding the monitoring of weapons development in Iraq, as required by United Nations Security Council Resolution 687 (April 3, 1991), as amended.

The Clerk read as follows:

H.J. RES. 75

Whereas the Iraqi regime of Saddam Hussein engaged the Islamic Republic of Iran, a nation of more than 55,000,000 Muslims, in a 10-year war, during which Saddam Hussein used chemical weapons against Iran and his own people;

Whereas Saddam Hussein has pursued a policy of ethnic cleansing against the Kurdish people, killing 5,000 Kurdish civilians with a chemical attack on March 16, 1988, and an estimated 50,000 to 182,000 in the forced relocation of Kurdish civilians in 1988;

Whereas on August 2, 1990, Iraq without provocation invaded the State of Kuwait, a nation of more than 1,500,000 Muslims;

Whereas on November 29, 1990, the United Nations Security Council adopted United Nations Security Council Resolution 678, which authorized nations cooperating with the State of Kuwait to use all necessary means to force Iraq to withdraw from Kuwait and to restore international peace and security to the area;

Whereas on January 17, 1991, the regime of Saddam Hussein without provocation fired 7 Scud missiles into the State of Israel, a nation of approximately 1,000,000 Muslims and 5,000,000 Jews;

Whereas on January 17, 1991, Iraq fired Scud missiles into the Kingdom of Saudi Arabia, a nation of more than 20,000,000 Muslims;

Whereas on January 29, 1991, Iraq attacked the city of Khafji in the Kingdom of Saudi Arabia;

Whereas the regime of Saddam Hussein is a threat to its neighbors and has demonstrated its willingness to use weapons of mass destruction;

Whereas on February 24, 1991, a broad international coalition of 38 Muslim and non-Muslim nations, including the United States, the United Kingdom of Great Britain and Northern Ireland, the State of Kuwait, the Arab Republic of Egypt, the Kingdom of Saudi Arabia, and the Syrian Arab Republic, began a coalition ground operation to liberate Kuwait;

Whereas on April 6, 1991, Iraq accepted the provisions of United Nations Security Council Resolution 687 (April 3, 1991) bringing a formal cease-fire into effect;

Whereas, in accordance with Security Council Resolution 687, Iraq unconditionally accepted the destruction, removal, or rendering harmless of ''all chemical and biological weapons and all stocks of agents and all related subsystems and components and all research, development, support and manufacturing facilities related thereto'', and ''all ballistic missiles with a range greater than one hundred and fifty kilometers, and related major parts and repair and production facilities'';

Whereas, in accordance with Security Council Resolution 687, Iraq unconditionally agreed not to acquire or develop any nuclear weapons, nuclear-weapons-usable material, nuclear-related subsystems or components, or nuclear-related research, development, support, or manufacturing facilities;

Whereas Security Council Resolution 687 calls for the creation of a United Nations special commission to ''carry out immediate on-site inspection of Iraq's biological, chemical, and missile capabilities'' and to assist and cooperate with the International Atomic Energy Agency in carrying out the ''destruction, removal or rendering harmless'' of all nuclear-related items and in developing a plan for the ongoing monitoring and verification of Iraq's compliance;

Whereas, in accordance with Security Council Resolution 687, the process of destruction, removal, or rendering harmless of Iraq's weapons of mass destruction was to have been completed within 45 days of approval by the United Nations Security Council of the weapons inspectors' plan for doing so;

Whereas Iraq has now been in breach of this requirement for more than a decade;

Whereas the regime of Saddam Hussein consistently impeded the work of United Nations weapons inspectors in Iraq between 1991 and 1998 by denying them access to crucial sites and documents and by obstructing their work in numerous other ways;

Whereas on October 31, 1998, Iraq banned the United Nations weapons inspectors despite its agreement and obligation to comply with Security Council Resolution 687;

Whereas on December 15, 1998, the chief United Nations weapons inspector reported that Iraq was withholding cooperation;

Whereas Congress declared in Public Law 105–235 (112 Stat. 1538) that ''the Government of Iraq is in material and unacceptable breach of its international obligations, and therefore the President is urged to take appropriate action, in accordance with the Constitution and relevant laws of the United States, to bring Iraq into compliance with its international obligations'';

Whereas Security Council Resolution 687 was adopted under chapter VII of the United Nations Charter and violations of such resolution that threaten international peace and security may be dealt with through military action pursuant to Security Council Resolution 678;

Whereas the United States has reported that a high risk exists that Iraq has continued to develop weapons of mass destruction since the expulsion of United Nations weapons inspectors, in violation of Security Council Resolution 687 and subsequent resolutions;

Whereas such development is a threat to the United States and its friends and allies in the Middle East;

Whereas Congress declared in Public Law 105–338 (112 Stat. 3178) that it should be ''the policy of the United States to support efforts to remove the regime headed by Saddam Hussein from power in Iraq and to promote the emergence of a democratic government to replace that regime'';

Whereas the attacks of September 11, 2001, illustrate the global reach of terrorists;

Whereas numerous terrorist groups are seeking to acquire weapons of mass destruction;

Whereas Iraq is a sponsor of terrorism and has trained members of several terrorist organizations;

Whereas the regime of Saddam Hussein plotted to assassinate former President

George Bush during his visit to the State of Kuwait in 1993;

Whereas the President has stated that ''any nation that continues to harbor or support terrorism will be regarded by the United States as a hostile regime'' and has committed to ''pursue nations that provide aid or safe haven to terrorism''; and

Whereas on November 26, 2001, President Bush warned that any nation that develops weapons of mass destruction in order to ''terrorize'' others ''will be held accountable'': Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) the United States and the United Nations Security Council should insist on a complete program of inspection and monitoring to prevent the development of weapons of mass destruction in Iraq;

(2) Iraq should allow United Nations weapons inspectors ''immediate, unconditional and unrestricted access to any and all areas, facilities, equipment, records and means of transportation which they wish to inspect'', as required by United Nations Security Council Resolutions 707 (August 15, 1991) and 1284 (December 17, 1999);

(3) the United States should ensure that the United Nations does not accept any inspection and monitoring regime that fails to guarantee weapons inspectors immediate, unconditional, and unrestricted access to any and all areas, facilities, equipment, records, and means of transportation which they wish to inspect;

(4) Iraq, as a result of its refusal to comply with the terms of United Nations Security Council Resolution 687 (April 3, 1991) and subsequent relevant resolutions, remains in material and unacceptable breach of its international obligations; and

(5) Iraq's refusal to allow United Nations weapons inspectors immediate, unconditional, and unrestricted access to facilities and documents covered by United Nations Security Council Resolution 687 and other relevant resolutions presents a mounting threat to the United States, its friends and allies, and international peace and security.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Pursuant to the rule, the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

Mr. PAUL. Mr. Speaker, I ask permission to have the time in opposition if neither gentleman is opposed to the bill.

The SPEAKER pro tempore. Is the gentleman from California opposed to the motion?

Mr. LANTOS. I am not opposed to the resolution, Mr. Speaker.

The SPEAKER pro tempore. Under the rule, the gentleman from Texas will control the time in opposition.

Mr. HYDE. Mr. Speaker, I ask unanimous consent to divide my 20 minutes with the gentleman from California (Mr. LANTOS).

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

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois (Mr. HYDE).

GENERAL LEAVE

Mr. HYDE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and to include extraneous material on the resolution under consideration.

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

There was no objection.

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

I am pleased to call up House Joint Resolution 75, expressing our strong concern about Saddam Hussein's failure to comply with the weapons inspection requirements established by the United Nations at the end of the Persian Gulf War.

This resolution was introduced December 4 by our former colleague on the Committee on International Relations, the gentleman from South Carolina (Mr. GRAHAM); and I was proud to join him as an original cosponsor of the measure. I also want to express my appreciation for the strong support given to this resolution by our distinguished ranking Democratic member, the gentleman from California (Mr. LANTOS), and also by the chairman and ranking Democratic member of our Subcommittee on the Middle East and South Asia, the gentleman from New York (Mr. GILMAN) and the gentleman from New York (Mr. ACKERMAN).

The resolution draws attention to the growing threat to international peace and security posed by Saddam Hussein's refusal to comply with the terms of the cease-fire agreement ending the Persian Gulf War. Those terms were incorporated by the U.N. Security Council into Resolution 687 of 1991, and into subsequent resolutions addressing the situation in Iraq. Those terms required him to afford U.N. weapons inspectors unfettered access to sites in Iraq where weapons of mass destruction might be under development, as well as to other relevant locations and information in Iraq.

From 1991 until 1998, Saddam Hussein went through the motions of complying with these inspection requirements, while doing everything he could to prevent the weapons inspectors from discovering the truth about the history of his weapons programs. Since 1998, Saddam has stopped complying altogether. In other words, since 1998, Saddam's ability to reconstitute his nuclear weapons program, his biological weapons program, his chemical weapons program, and his long-range missile program has not been constrained by international inspectors. There is every reason to believe he has taken advantage of the absence of inspectors to revive these weapons programs.

The events of September 11 demonstrate the severity of this threat, and indeed to all civilized countries as well as the United States. The terrorists who attacked our country September 11 wanted to kill as many Americans as possible. They sought to use aircraft as weapons of mass destruction. There can be no doubt if they had had access to real weapons of mass destruction, they would have used them to kill as many of our fellow citizens as possible.

Saddam Hussein has a track record of developing such weapons and of using them not only against his enemies but against his own people. So he certainly would have no qualms about using them against us.

Just 2 weeks ago, our committee received testimony from two of our Nation's leading experts on biological weapons. These experts, Dr. Richard Spertzel and Dr. Ken Alibek, agreed that there was most likely state involvement in the anthrax attacks that our Nation has experienced, and that the most likely state to have been involved was Iraq. So we are confronting a very serious threat, something that is literally a matter of life and death. This resolution expresses our very strong desire to see something done about it.

This resolution does not seek to give the President legal authority to use force against Iraq. There is a debate about whether he already has such authority, and I happen to believe he does; but this resolution does not speak to that question. All it says is that Iraq is violating its obligations under international law and that this violation presents a mounting threat to our Nation, to our allies, and to international peace and security. These statements are demonstrably true, and the truly dangerous course would be to remain silent in the face of these facts.

For these reasons, I urge my colleagues to support the resolution.

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

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

I first want to pay tribute to our colleague, the gentleman from South Carolina (Mr. GRAHAM), for introducing this resolution; and I want to thank the distinguished chairman of the Committee on International Relations, my friend, the gentleman from Illinois (Mr. HYDE), for his invaluable work in refining the resolution and in bringing it so promptly to the floor.

Mr. Speaker, I strongly support H.J. Res. 75, and I urge all of my colleagues to do so. Our Nation faces a critical terrorist threat that goes well beyond that posed by the Taliban and al Qaeda. The threat is from Saddam Hussein's Iraq, a nation that is both a supporter and a generator of international terrorism and a proliferator of weapons of mass destruction.

Increasingly, Mr. Speaker, the media is full of speculation as to whether Iraq is the next U.S. target in the war

against terrorism. The resolution before us today speaks to that issue. Iraq has had more than a decade to comply with United Nations resolutions requiring it to end its weapons of mass destruction programs. Rather than comply, it has made a fool of the international community.

A vote for this resolution, Mr. Speaker, tells Saddam Hussein this: you must comply with the terms of your surrender, once and for all, and soon, or you will face the consequences.

In the past half century, no government has so consistently and flagrantly flouted the will of the international community as has Saddam Hussein's Iraq. No national leader has so regularly demonstrated that he is a threat to the lives of his citizens and his neighbors.

Without provocation, Saddam Hussein attacked Iran in 1980, swallowed up all of Kuwait in 1990, the first time, Mr. Speaker, since Hitler that one nation tried to wipe another off the map. He rained missiles on Saudi Arabia and Israel in 1991. He is the only current national leader to have employed weapons of mass destruction, using chemical weapons to attack Iran during the Iran-Iraq war and to murder some 5,000 Kurdish citizens of Iraq itself.

United Nations Security Council Resolution 687, the cease-fire resolution that ended the Gulf War in 1991, required Saddam Hussein to transfer his weapons of mass destruction and all related capabilities to the United Nations Special Commission on Iraq, widely known as UNSCOM, and to the International Atomic Energy Agency for purposes of destruction. This was to have been done by the middle of 1991, Mr. Speaker. Now, more than a decade later, Saddam Hussein continues to defy contemptuously the requirements of the international community. During the past 10 years, Saddam first obstructed and lied to the inspectors, then he effectively expelled them, and now he will not let them return.

Of course, Saddam Hussein has ignored virtually every United Nations Security Council demand, including those dealing with missing Kuwaitis taken prisoner by Iraq and property looted from Kuwait during Iraq's brutal 1990–1991 occupation. Meanwhile, the state-controlled Iraqi media continued to threaten Kuwait with another invasion.

Saddam Hussein's resort to terror is legendary, including an attempted assassination of our former President, George Bush. Most recently, we have been reminded of his terrorist activities by the capture of a 15-man Iraqi-trained terrorist cell in the West Bank. In view of Saddam Hussein's total disregard of the value of human life and of his demonstrated willingness to use weapons of mass destruction and terrorism to achieve his aims, nobody in Iraq, the Middle East, or the West, including the United States, is safe from his evil designs.

□ 1215

The world, Mr. Speaker, can no longer live with a Saddam Hussein who is developing weapons of mass destruction, including nuclear weapons. An Iraqi defector who spent 20 years working on Saddam's nuclear program put it well. Khidhir Hamza wrote in the December 10 Wall Street Journal, ''Saddam's express goal is to continue building up his chemical and biological stockpiles and to ultimately wield a nuclear weapon. Each day we wait we allow him to go further toward that goal.''

Mr. Speaker, September 11 has demonstrated that we must take resolute action to prevent disasters before they occur. If our preferred recourse for now is to assure that UN's weapons inspectors return to Iraq, let this much be clear: The only acceptable inspection regime is one that assures, in the words of the UN Security Council resolution 707, ''immediate, unconditional and unrestricted access'' to all weapons of mass destruction facilities and documents.

I repeat, Mr. Speaker. Saddam Hussein must provide immediate, unconditional and unrestricted access to all facilities where weapons of mass destruction may be hidden or produced and to all documents relating to these programs. An inspection regime that enhances Saddam's legitimacy, while allowing him secretively to continue his weapons of mass destruction programs, is totally unacceptable.

The resolution before us today says, in effect, that Saddam Hussein has one last chance to do what he was obligated to do over a decade ago. I believe, Mr. Speaker, Saddam Hussein poses an imminent danger to our Nation, to our friends and to our allies, and there is little time to lose before we will have no choice but to take much stronger measures. I urge all of my colleagues to join me in supporting H.J. Res. 75.

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

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

Mr. Speaker, first I would like to start off by thanking the chairman for having made some changes in this bill. The bill is not nearly as bad as it was at the beginning. However, I obviously cannot support it. But changing the tone was helpful in talking about Saddam Hussein versus Iraq, ''Iraq'' suggesting the people of Iraq, who are hardly enemies of the American people. Saddam Hussein is a different subject. Also changing the word ''aggression'' to ''a mounting threat.'' Aggression means that we have to immediately retaliate, I would suppose. Even ''a mounting threat'' is a bit threatening to me, but at least it is better and moving in the direction of less confrontation with a nation 6,000 miles from our shore that I hardly see as a threat to our national security.

One of the reasons why I take an approach on foreign policy where we are less involved overseas is mainly because I feel that the number one obligation for us in Congress and for the people of this country is to preserve liberty and defend it from outside threats. The authors of this resolution, I am sure, have the same goals, but, over the years, I think those goals have been undermined. We as a Nation are now probably weaker rather than stronger and we are more threatened because of what we do overseas.

For instance, just this week, we had Stinger Missiles fired at our airplanes. Fortunately, they did not hit our airplanes. But we paid for those Stinger Missiles. And this week there was an attack in India by allies, supposedly, in Pakistan, who are receiving billions of dollars from us at the current time. This vacillation, shifting, on and off, friends one time, enemies the next time, this perpetual war seems to me not to be in the best interests of the United States.

Take, for instance, one of the whereas's in this resolution. ''Whereas the Iraq attacked the Islamic Republic of Iran.'' We keep hearing this all the time. It was horrible. But they were our allies at the time. We were financing them, giving them money, helping them with technology.

So I see this as a perfect example of us always flip-flopping. Not only do we frequently have those weapons that we sell and give to support a so-called friend turn against us, we so often have the opponents in the wars around the world fighting each other with our weapons.

My idea of national defense is minding our own business, being strong, and making sure our borders are secure. After 9/11, we had to go to Germany and ask them for help for AWACS airplanes to patrol our shores. I understand our ports are not necessarily secure, and yet we have Coast Guard cutters down in Colombia and in the Mediterranean Sea. I think if we learn anything it is that we ought to work harder to protect our country and not make us so vulnerable, yet we continue along this way.

We criticize the possibility or suggest the possibility of what might be happening in Iraq, and, out of frustration, this amendment came up because there has been no evidence that Iraq is connected. Not that Saddam Hussein can be construed as any type of a good guy, but there has been no connection, so there had to be some new reason given to go into Iraq.

I tend to agree with the gentleman from Illinois (Chairman HYDE) that if there was evidence, we probably have, under the authority we have given the

President, to go in to Iraq. But that is not what we are talking about. We are talking about the perpetuation, the continuation of the Persian Gulf War, which at the time was designed as a fight for our oil. I think that is what this is all about.

Its been suggested that the anthrax came from Iraq. The mounting evidence today, sadly, suggests that it may well be coming from our CIA. Here we are almost ready to go to war against Iraq at the suggestion that our carelessness and our development of anthrax here in this country may have been a contributing factor to this anthrax being spread in this country.

It is suggested that it will be easy to overtake Iraq because we have had this tremendous success in Afghanistan, and we will have this uprising and the Kurds will be a reliable ally in this uprising. The plain truth is, the Kurds will not be the salvation of our securing Iraq. As a matter of fact, most of our allies, the Turks, although they may be bought and allow us to use their bases, they are very nervous about this plan to invade Iraq.

The whole idea that Iraq is the one that we have to be addressing, when you look at the problems throughout the world, when you look at what is happening in Saudi Arabia, Saudi Arabia has not cooperated, and yet we have troops on their soil antagonizing the people over there, and at the same time, people are saying that all we have to do is invade Iraq, get rid of Saddam Hussein, and everything is going to be okay.

Another ''whereas,'' mentioning UN Resolution 678 it was declared that under Resolution 687, we have authority to go back in today. That is not true. As a matter of fact, 687 gave us the authority to get Saddam Hussein to withdraw from Kuwait. That does not mean that we can perpetuate war forever under that resolution.

As a matter of fact, if you want to go into Iraq and follow the rules and you are pretending you are following the rules, you ought to do a couple of things. If you believe in the United Nations, you have to go back to the United Nations, if you believe in the rule of law. Also you have to answer the question, why does this resolution need to be enforced versus other resolutions that have never been enforced? Why is it assumed that the United States has to enforce UN resolutions? When did it come to the point where the UN dictates foreign policy to us?

So, there are a lot of questions to answer about this desire to immediately go into Iraq. I think it actually poses a threat to our security, more than it helps us. So I am suggesting that we go more cautiously.

I am glad this resolution has been toned down a little bit, but it does represent those individuals who think that we should be at war with Iraq today, and I disagree with that.

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

Mr. LANTOS. Mr. Speaker, I ask unanimous consent that the gentleman from Texas (Mr. PAUL), the gentleman from Illinois (Mr. HYDE) and I each be given an additional 5 minutes, as we have other colleagues who wish to speak on this.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HYDE. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York (Mr. GILMAN).

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

Mr. Speaker, I rise in whole-hearted support this joint resolution highlighting Saddam Hussein's refusal to allow weapons inspections and the threat that this refusal poses to international peace and security.

I want to thank the gentleman from Illinois (Chairman HYDE) and the ranking minority member, the gentleman from California (Mr. LANTOS), for bringing this measure to the floor at this time. I particularly want to thank the gentleman from South Carolina (Mr. GRAHAM) for his sponsorship of this very important measure.

There have been no substantive UN inspections in Iraq for more than 3 years, and there are numerous reports of Iraqi attempts to reconstitute its weapons of mass destruction. Having openly admitted to having produced anthrax and other biological agents, Iraq could transfer that capability to terrorist organizations it harbors, including the notorious Abu Nidal Organization and the Abu Abbas group. We must not risk Iraqi biological agents falling into the hands of such barbarians.

Iraq's weapons and biological programs must be stopped once and for all. Some in our Nation and in the Arab world contend, why go after Saddam now? He has been relatively quiet recently. That faulty rationale reminds us that following the bin Laden bombings of our two embassies in Africa, we heard similar arguments, that these threats are far away and that bin Laden cannot succeed if he were to attack the United States. That threat was minimized by the prior administration, regrettably resulting in the September 11 barbaric attacks on our Nation.

We must not repeat those risks when it comes to Saddam Hussein. He already invaded Kuwait, used chemical weapons against the Kurds and Iranians, fired ballistic missiles at our troops, at the Saudis and the Israelis. It is questionable if Saddam would be deterred by any U.S. military power. It is a risk we must not take.

Hopefully, this resolution is an important first step in our renewed campaign against Saddam Hussein. Not only does he need to be stripped of his weapons of mass destruction, but he should be ousted from power. He has shown no regard for international law nor for the Iraqi people, who, along with his neighbors, would welcome and be gratified to be rid of him. He has turned what should have been a rich, progressive nation into a bellicose, bully and pariah, working with an indigenous opposition.

We gave the Afghan people a brighter future. Working with the Iraqi opposition, we should give the Iraqi people no less. Accordingly, I urge my colleagues to fully support this important resolution.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 2 minutes to my friend, the gentleman from New York (Mr. CROWLEY), a distinguished member of Committee on International Relations.

Mr. CROWLEY. Mr. Speaker, I rise today in strong support of this resolution. More than 10 years have passed since the United States and coalition forces defeated Iraq, but the potential threat posed by Saddam Hussein remains today.

This is a man who has used chemical weapons against his own people. This is a man who invaded Kuwait and lobbed SKUD missiles into Israel and Saudi Arabia. This is a man who must be dealt with once and for all.

□ 1230

Between 1991 and 1998, Saddam Hussein played a game of hide and seek with his weapons of mass destruction. He would impede the progress of U.N. inspectors as it suited his needs, never fully adhering to U.N. Resolution 687 before expelling UNSCOM in 1998.

As the famous proverb goes, ''When the cat is away, the mice will certainly play.''

The Iraqi regime has spent the last 3 years developing and perfecting its chemical, biological, and nuclear program, while the international community has stood idly by. Inaction and indifference may have been the prevailing sentiments; but on the morning of September 12, we woke up to an entirely new and different world with a new and different attitude. We awoke to a world that values dialogue over destruction and peace over terror.

Mr. Hussein: no more delays. No more deliberations. No more deceptions. Your time is up. If you insist that you have nothing to hide, then allow the inspectors back into Iraq to do their job immediately. Failure to do so will answer all of the questions that we have.

The security of this region depends on it. The security of the world depends on it. Therefore, I urge my colleagues to support the resolution.

Mr. PAUL. Mr. Speaker, I yield myself 30 seconds.

It has been said that there have been no inspections in Iraq; and yet the

International Atomic Energy Agency was in Iraq this very year and this was the report: I am pleased to confirm that between 20 and 23 January 2001, a 4-person IAEA team carried out a physical inventory verification of the declared nuclear material remaining in Iraq under IAEA seal. For its part, Iraq provided the necessary cooperation for the inspection team to perform its activities effectively and efficiently.

Mr. Speaker, I yield 5 minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, neither the gentleman from Texas (Mr. PAUL) nor I think Saddam Hussein is a nice man or good for the world. However, we rise in opposition to this resolution because of the way it is being done, the time in which it is being done, and what is implied by this resolution, but not clearly stated.

No one disputes Iraq's behavior. We encouraged the Kurds to rise against them, and then we abandoned them. We encouraged the Shia down in Bosnia to rise against them, and then we abandoned them. But we have not in this place forgotten what Saddam Hussein is about.

The question is, Why is there sudden rush to do this 48 hours before the Congress adjourns for a month, giving the President apparent unlimited ability to act?

Now, after September 11, with the exception of one person on this floor, we authorized the President to do what needed to be done with respect to the acts of 9–11. Things have gone reasonably well. They are not through yet. We do not know where Osama bin Laden is. We do not know whether we are precipitating further problems by al Qaeda going into Pakistan. We now have India on the borders, armed. We have all kinds of questions being raised about that area that have been precipitated by our actions. I think, certainly, we knew that some of that would happen, but we were willing to take that risk.

Now we come out here to pass a resolution. This resolution says: the President of the United States should insist on monitoring weapons development in Iraq. Nobody out here disagrees with that.

Iraq should allow U.N. weapons inspectors into Iraq as required by Security Council Resolution 687. No once disagrees with that.

Iraq remains a material and unacceptable breach of international obligations. No one disagrees with that.

And now we come to it. The refusal of Iraq to admit U.N. weapons inspectors into any facility covered by the provisions of Security Council Resolution 687 should be considered an act of aggression, an act of aggression against the United States and its allies.

This is the resolution that is laying on the table out here as the one that is being passed on this floor. I know someone is going to stand up and say, we have changed it. When we are doing it at 100 miles an hour, it is no wonder that Members who care cannot figure out what is going on.

So I would say to everybody here who is going to come down here and vote on this, just ask ourselves, are we back in 1964 in the House of Representatives when they brought the Gulf of Tonkin out here? They brought the Gulf of Tonkin into the Senate; and they were about to vote on it, and only two Members of that body voted against it, Earnest Gruening of Alaska and Mr. Morris from Oregon. A third member raised a question. His name was Nelson, Gaylord Nelson from Wisconsin, and he said, I want to put in an amendment here that says that this does not authorize the putting of troops on the ground in Vietnam.

Now, Bill Fulbright went down to the White House and said to Lyndon Johnson, Lyndon, old Gaylord is going to put an amendment on here that we cannot put troops on the ground. And Lyndon Johnson said, well, you just go up there and tell old Gaylord I have no intention of putting any troops on the ground. Mr. Speaker, 500-and-some-odd thousand later, 55,000 deaths, and Lyndon Johnson did not have any intention of putting anybody on the ground. We can understand why Gaylord voted no.

I do not know what the gentleman from South Carolina (Mr. GRAHAM) and his colleagues mean by this: a refusal by Iraq to admit the United States weapons inspectors be considered an act of aggression against the United States. Is that a declaration of war? Well, if it is a declaration of war, then maybe the Geneva Convention should now be called in.

The President of the United States, when we gave him this carte blanche in Afghanistan to do whatever he thought necessary, now we have military tribunals, secret tribunals. We have people all over this country being held without charge, in secrecy, with no access to attorneys, because the President deems that is what we are going to do.

Now, I do not want to go home having given the President carte blanche to do whatever he wants for the month of December and January in Iraq.

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

The SPEAKER pro tempore. (Mr. HASTINGS of Washington.) The gentleman's time has expired.

Mr. PAUL. Mr. Speaker, I yield the gentleman from Washington (Mr. MCDERMOTT) an additional 2 minutes.

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

Mr. MCDERMOTT. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, I was just going to suggest that my dear friend from Washington is in vain against a resolution that does not exist. We have taken the word ''aggression'' out. We took it out a long time ago. I do not know how it crept into the gentleman's copy, but I hope his other notes are more accurate.

Mr. MCDERMOTT. Mr. Speaker, reclaiming my time, the gentleman from Illinois should know that this was picked up in the Speaker's lobby on the table where it is his responsibility to put the bills that are being considered on the floor. If this is not what it is, then he is going too fast, and that is the whole point of what the gentleman from Texas (Mr. PAUL) and I are saying.

We may not disagree. We may agree ultimately we need to go to Iraq, but not at 100 miles an hour without anybody understanding. Because this is what the gentleman put out there for me to read, and I learned to read in about the first grade, and I am reading what was here. If that is not what was supposed to be out there, I certainly would like to see people explain why this was put in on December 12, passed out of committee on the December 12, and is here, and we cannot get the right version printed to be in the House.

My colleagues do not care about the process, and the United States Congress is losing its power by this kind of action. When my colleagues walk away and allow people to put stuff out here without anybody reading it, they do not know. We may soon have a package of stimulus out here that repeals some parts of the campaign finance law. We are all watching carefully to see if we can catch it; but when we do it at 100 miles an hour, I have to vote against it.

Mr. HYDE. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, I rise in support, strong support of this resolution.

Ten years ago, the United States of America and our allies blew it. We had the opportunity to eliminate a major threat to world peace and world stability and a major dictator and tyrant to the people of Iraq, and we did not do the job. We did not finish the job.

Now is the time for us to finish that job. By not finishing the job before, we permitted, for example, the Kuwaitis to suffer with hundreds of their people still being held prisoners of war, MIAs, prisoners of war, the equivalent of 50,000 Americans would be held today without us knowing what Saddam Hussein has done to the Kuwaitis and still does to them. Saddam Hussein still has a vicious dictatorship; and Saddam Hussein is at war with the United States, most importantly.

I am very happy that the gentleman from Texas does not want us to be at war with Iraq. But the fact is, Saddam

Hussein is at war with us, no matter where we would like to be. And if we permit Saddam Hussein to have nuclear and chemical and biological weapons, weapons of mass destruction, he will kill millions of Americans. Make no mistake about it. He has a blood feud with us.

We are not talking about a war with Iraq; we are talking about a war with Saddam Hussein. We should liberate Iraq in the same way that we have liberated Afghanistan, now that we have the chance and the opportunity to do so.

How did we liberate Afghanistan? We simply supported the people; we helped the people liberate themselves from the Taliban tyranny. The people in Iraq hate Saddam Hussein much more than the people of Afghanistan hated the Taliban. By helping them liberate themselves, we are protecting our own population from a holocaust, we are protecting the world for peace, and we are doing what is right.

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

The SPEAKER pro tempore. The gentleman's time has expired.

Mr. PAUL. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. Rohrabacher).

Mr. ROHRABACHER. Mr. Speaker, I yield to the gentleman from Texas.

Mr. PAUL. Mr. Speaker, if the gentleman was to find out that China was much more involved in the Taliban and the terrorist attacks on 9–11 than anything Saddam Hussein has done, would the gentleman be willing to do to China what the gentleman is willing to do to Iraq?

Mr. ROHRABACHER. Mr. Speaker, reclaiming my time, let me put it this way. The answer is yes, but I would not right away. Like the President says, we must do things sequentially, and we must be absolutely committed to the job. If we do things sequentially, the next order of business is taking care of the threat in Iraq. And if China is, yes, helping terrorists murder thousands of Americans, yes, we should help the Chinese people overthrow their dictatorship as well.

Mr. PAUL. Mr. Speaker, if the gentleman will continue to yield, would the gentleman do the same thing to Pakistan and Syria and Saudi Arabia and Egypt?

Mr. ROHRABACHER. Mr. Speaker, reclaiming my time, I agree with the President of the United States that this is a sequential battle against terrorism. If those countries are engaged in supporting terrorists who kill thousands of Americans or continue a belligerency that threatens millions of our lives, yes, one at a time, we have to take care of them. If we do not, millions of our people will pay the price. Who could have ever guessed that by not taking care of Afghanistan, thousands of our people would be dead?

Mr. LANTOS. Mr. Speaker, I am delighted to yield such time as he may consume to the gentleman from Michigan (Mr. CONYERS), the distinguished ranking member of the Committee on the Judiciary.

Mr. CONYERS. Mr. Speaker, I thank the gentleman from California (Mr. LANTOS), my old friend, for his generosity. I can assure him I will not abuse it. I am also happy to join the former chairman of the House Committee on the Judiciary, the gentleman from Illinois (Mr. HYDE), in this discussion.

I want to just throw this out because I may not be correct; but is this measure, H.J. Resolution 75, a way of us expanding the war to Iraq? I assume the answer is yes.

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

Mr. CONYERS. I yield to the gentleman from California.

Mr. LANTOS. Mr. Speaker, this measure is the exact opposite of what the gentleman has just suggested. It demands of Saddam Hussein what he agreed to 10 years ago: full and complete access to places where weapons of mass destruction are produced. It gives him one chance, one final chance to do what he agreed to do when he surrendered 10 years ago.

□ 1245

Mr. CONYERS. Mr. Speaker, I thank the ranking member for his comment.

Mr. Speaker, my colleague, the gentleman from California (Mr. ROHRABACHER), who is more an expert on foreign affairs matters than I, said ''Now is the time to finish the job.'' I guess that is not very ambiguous, is it? And then he went on to explain something that could be troublesome: we are not at war with Iraq, but we are at war with Saddam Hussein.

Well, that introduces a new concept. I am only on the Committee on the Judiciary. Our impressions have always been that nations declare war on another, we do not declare war on terrorists or a head of a country, or anything else.

I see the gentleman from California in the aisle there.

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

Mr. CONYERS. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Speaker, the gentleman's quote was a little bit mistaken. I said that we are not at war with Iraq, but Saddam Hussein is at war with us.

Mr. CONYERS. Okay. That is much better, because that means, then, that we do not have to declare war on China's leaders, either. They are at war with us, not the people? Did I get that right? I continue to yield to the gentleman.

Mr. ROHRABACHER. That was only based on if the assessment of the gentleman from Texas (Mr. PAUL) was correct and they are supporting terrorists and planning to kill thousands of Americans. Then, yes, they are at war with us.

Mr. CONYERS. Mr. Speaker, could we not tailor this document a little more narrowly than bringing China into this? The gentleman did not do it. All right.

Let me go to the next part. I asked my good friend, the gentleman from California (Mr. LANTOS), about the hearings. I was told that there were no hearings, no witnesses; but there was a markup last Wednesday.

Is that right? I have to get something right down here in the well before I return my time. Okay. That much is right.

Mr. Speaker, is there some reason that we did not have witnesses? Silence. All right. Then the only other thing that I could add, Mr. Speaker, is that there has been a change. There was original language that considered that Iraq's refusal to admit U.N. weapons inspectors pursuant to Security Resolution 687 should be considered an act of aggression against the United States and its allies, and that language has been struck.

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

Mr. CONYERS. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, we did have hearings, I would say to the gentleman from Michigan, on December 4. We had two of the inspectors who were over and were shut out by Saddam Hussein, and a lady expert on arms control from the Clinton administration. So we had hearings.

Mr. CONYERS. Mr. Speaker, I thank the gentleman.

Okay, so none of my premises have been right so far. It is like the Detroit Lions who broke their record last week. Maybe I can do something here.

Okay. Now, am I right that we have substituted new language for this statement? I have them now. The original language was that Iraq's refusal to admit U.N. weapons inspectors pursuant to Security Resolution 687 ''. . . should be considered an act of aggression against the United States and its allies,'' and that language has been removed; and we have inserted new language. Does anyone challenge that in the body? Okay. All right. I got that in.

And the new language says that 687 and 707 and other relevant resolutions ''present a mounting threat to the United States, its allies, and international peace and security.'' Does anyone have anything to help me understand that better?

So, essentially, instead of an act of aggression, we have put in ''a mounting threat,'' and I notice there seems to be general agreement on that. So we have had hearings and we have had a markup. We modified the language for

people who may be nervous about where this might be going.

But I must confess, as I return to my seat, I am not sure if we should be expanding the war to Iraq.

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

Mr. Speaker, the emphasis in this H.J. resolution is that resolutions have been passed, and one in particular, a U.N. resolution against Iraq, must be enforced. I made the point earlier that there are many resolutions that are not enforced, so this one is special and has to be enforced; and the assumption is that it is the responsibility of the United States to do the enforcing.

Everybody knows that I am not too keen on the United Nations, but I am not too keen on the idea that we can use the United Nations as we please. Sometimes we follow the rules, and sometimes we do not. I think if we are participating, the argument should be that we should follow the rules.

There is no U.N. authority for us to use force against Saddam Hussein without a new U.N. resolution. It would be very difficult to legally mount another invasion of Iraq right now without a U.N. resolution. It would not go along with UN rules.

The other question I have about the rule of law and trying to follow the rules of the United Nations would be: Where have we gotten the authority to enforce the no-fly zones? The no-fly zones are really a contention in the Middle East, and have been a contention for a long time, because that, in combination with the embargoes and the sanctions against the Iraqi people is what the Arabs believe to be so detrimental to the children who have died in Iraq.

Whether Members agree with that or not, or they want to put all the blame on Saddam Hussein, is beside the point. Millions if not billions of Muslims and Iraqis happen to wonder about that policy: Where did we get the authority to continue bombing for now going on 12 years?

This legislation says that we know exactly what is going on in Iraq. I pointed out that the International Atomic Energy Agency has been in Iraq this year and found out that there is no evidence of nuclear weapons being built.

But there is one gentleman who has been in Iraq many times under the U.N., as a U.N. inspector, Scott Ritter. He has been there 30 times. Probably even the best junketeer in Congress I will bet has not been over there 30 times, but he has been there 30 times inspecting.

He was on a television interview the other day, and had an opinion as to what is going on in Iraq. I do not think Members can jump up and say Scott Ritter is not a true American, that he is not a true internationalist, that he does not know what he is talking about. But this is what he said on television when they asked about whether or not he thought Saddam Hussein and Iraq was a threat to our national security.

He said, ''In terms of military threat, absolutely nothing. His military was devastated in 1991 in Operation Desert Storm, and Iraq has not had the ability to reconstitute itself in terms of weapons of mass destruction. We know that we achieved a 90 to 95 percent level of disarmament. Diplomatically, politically, Saddam is a little bit of a threat. In terms of a real national security threat to the United States, no, none.''

Because he is a little bit of a political and a diplomatic threat, we are making these plans to pursue war or in reality continue the war because the Persian Gulf war has not really ended.

So once again, I ask my colleagues who are going to be voting on this shortly to think about it. If it is unnecessary and does not have any effect, why bring it to the floor? There would be no purpose. If Hussein is aligned with the terrorists, the President already has authority to do something about it. So what really is the reason for this, especially when it was first announced that this would be an act of aggression, which is really what they feel in their hearts, in their minds, what they want this to be? It has been toned down a little bit. But this resolution is a support for expanding the war and continuing what has been going on for 12 years.

Quite frankly, I think there is a better diplomatic way to handle things. I think it is a shame that our Secretary of State has not been given more authority to have his way on this issue, rather than being overruled by those and encouraged by many Members here in the Congress who want to prepare for war against Iraq, because of this fantastic success in Afghanistan, a country, probably the poorest country in the world that did not even have an airplane; and now, because of this tremendous success, we are ready to take on the next country.

But one thing that we have to realize is that there is a great chance, and there is some evidence, and I may get a chance to quote this later, that China may well have been involved. Now, the gentleman from California said, OK, so let us go after China. Everyone knows we are not going to go after China in the same manner we are planning to go after Iraq.

We are going into Iraq for other reasons, other than reasons of national security. That is my firm belief. It has a lot to do with the announcement when our government propagandized to go to war in the Persian Gulf War and it was to go to defend our oil. I still believe that is a major motivation that directs our foreign policy in the Middle East.

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

Mr. HYDE. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I have heard the same arguments made, or I have read about them in the twenties and the thirties, that our borders are all we need to worry about, and do not worry what happens in Europe.

During the twenties and thirties, that is what we did, we pulled a blanket over our heads, and a man named Hitler rearmed, and over across the Pacific Tojo rearmed, and the result of our indifference to what was going on was that millions of people died, millions of people died.

The gentleman from Texas says that the only business we have is to secure our borders. I suggest our borders do not end with California or New Jersey or New York, but what happens in Europe, what happens in Asia. In today's world, never mind when we walked away from the League of Nations, in today's world our borders are everywhere.

Why do we have to do it? Because we are the strongest country in the world, and if it does not get done by the United States, it will not be done.

Now, the gentleman disparages our concern for oil. Imagine, and it does not take a leap of imagination, if Saddam Hussein controlled the Persian Gulf, what that would do to the economies of the world. Talk about lines at gas stations; it is very important. No.

Now, about these inspections. The International Atomic Energy Commission conducts these inspections, and they are a joke. They are an embarrassing joke, because they only look at the premises that are declared by Saddam Hussein. The U.N. was kicked out because they conducted real inspections. They were intrusive, and they found things over there that embarrassed the International Atomic Energy Commission.

I just suggest to the Members that this is very important; that it is a challenge and a threat to civilization to have a monster like Saddam Hussein who used chemical warfare on his own people to have access to the facilities to create nuclear weapons and weapons of mass destruction.

□ 1300

We are not calling for war, we are calling for enforcement of the U.N. resolutions that were agreed to by Saddam.

Mr. HYDE. Mr. Speaker, I have one more speaker. Who gets to close?

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from Illinois (Mr. HYDE) has the right to close. The gentleman from Texas (Mr. PAUL) has 30 seconds remaining on his time.

Mr. LANTOS. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois (Mr. HYDE) be granted an additional 5 minutes.

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

Mr. PAUL. I object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

The gentleman from Texas (Mr. PAUL) has 30 seconds remaining on his time. The gentleman from Illinois (Mr. HYDE) has the right to close.

Mr. PAUL. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, very quickly, borders are important because that is what our Constitution gives us the authority to defend. Our Constitution does not give us the authority to defend Europe or anybody else. Also we have a moral authority to defend ourselves and not to pretend that we are the policemen of the world. What would Americans say if China were in the Gulf of Mexico and said it was their oil and had troops stationed in Texas. That is the equivalent of us having our Navy in the Persian Gulf and saying it is our oil and placing troops in Saudi Arabia.

Using gas on our own people? I understand a few people died at Waco, and it happened that illegal war gasses were used during that operation.

Mr. Speaker, I strongly oppose House Joint Resolution 75 because it solves none of our problems and only creates new ones. Though the legislation before us today does wisely excise the most objectionable part of the original text of H.J. Res. 75—the resolution clause stating that by not obeying a U.N. resolution Iraqi dictator Saddam Hussein has been committing an ''act of aggression'' against the United States—what remains in the legislation only serves to divert our attention from what should be our number one priority at this time: finding bringing to justice those who attacked the United Stats on September 11, 2001.

Saddam Hussein is a ruthless dictator. The Iraqi people would no doubt be better off without him and his despotic rule. But the call in some quarters for the United States to intervene to change Iraq's government is a voice that offers little in the way of a real solution to our problems in the Middle East—many of which were caused by our interventionism in the first place. Secretary of State Colin Powell underscored recently this lack of planning on Iraq, saying, ''I never saw a plan that was going to take [Saddam] out. It was just some ideas coming from various quarters about, 'let's go bomb.' ''

Mr. Speaker, House Joint Resolution 64, passed on September 14 just after the terrorist attack, states that, ''The president is authorized to use all necessary and appropriate force against those nations, organizations or persons he determines planned, authorized, committed or aided the terrorist attacks that occurred on Sept. 11, 2001, or harbored such organizations or persons.'' From all that we know at present, Iraq appears to have had no such role. Indeed, we have seen ''evidence'' of Iraqi involvement in the attacks on the United States proven false over the past couple of weeks. Just this week, for example, the ''smoking gun'' of Iraqi involvement in the attack seems to have been debunked: The New York Times reported that ''the Prague meeting (allegedly between al-Qaeda terrorist Mohamad Atta and an Iraqi intelligence agent) has emerged as an object lesson in the limits of intelligence reports rather than the cornerstone of the case against Iraq.'' The Times goes on to suggest that the ''Mohamad Atta'' who was in the Czech Republic this summer seems to have been Pakistani national who happened to have the same name. It appears that this meeting never took place, or at least not in the way it has been reported. This conclusion has also been drawn by the Czech media and is reviewed in a report on Radio Free Europe's Newsline. Even those asserting Iraqi involvement in the anthrax scare in the United Stats—a theory forwarded most aggressively by Iraqi defector Khidir Hamza and former CIA director James Woolsey—have, with the revelation that the anthrax is domestic, had their arguments silenced by the facts.

Absent Iraqi involvement in the attack on the United States, I can only wonder why so many in Congress seek to divert resources away from our efforts to bring those who did attack us to justice. That hardly seems a prudent move. Many will argue that it doesn't matter whether Iraq had a role in the attack on us, Iraq is a threat to the United States and therefore must be dealt with. Some on this committee have made this very argument. Mr. Speaker, most of us here have never been to Iraq, however those who have, like former UN chief Arms Inspector Scott Ritter—who lead some 30 inspection missions to Iraq—come to different conclusions on the country. Asked in November on Fox News Channel by John Kasich sitting in for Bill O'Reilly about how much of a threat Saddam Hussein poses to the United States, former Chief Inspector Ritter said, ''In terms of military threat, absolutely nothing . . . Diplomatically, politically, Saddam's a little bit of a threat. In terms of real national security threat to the United States, no, none.'' Mr. Speaker, shouldn't we even stop for a moment to consider what some of these experts are saying before we move further down the road toward military confrontation?

The rationale for this legislation is suspect, not the least because it employs a revisionist view of recent Middle East history. This legislation brings up, as part of its indictment against Iraq, that Iraq attacked Iran some 20 years ago. What the legislation fails to mention is that at that time Iraq was an ally of the United States, and counted on technical and military support from the United States in its war on Iran. Similarly, the legislation mentions Iraq's invasion of Kuwait more than 10 years ago. But at that time U.S. foreign policy was sending Saddam Hussein mixed messages, as Iraq's dispute with Kuwait simmered. At the time, U.S. Ambassador April Glaspie was reported in the New York times as giving very ambiguous signals to Saddam Hussein regarding Kuwait, allegedly telling Hussein that the United States had no interest in Arab-Arab disputes.

We must also consider the damage a military invasion of Iraq will do to our alliance in this fight against terrorism. An attack on Iraq could destroy that international coalition against terrorism. Most of our European allies—critical in maintaining this coalition—have explicitly stated their opposition to any attack on Iraq. German Foreign Minister Joschka Fischer warned recently that Europe was ''completely united'' in opposition to any attack on Iraq. Russian President Valdimir Putin cautioned recently against American military action in Iraq. Mr. Putin urged the next step to be centered around cutting off the financial resources of terrorists worldwide. As for Iraq, the Russian president said. ''. . . so far I have no confirmation, no evidence that Iraq is financing the terrorists that we are fighting against.'' Relations with our European allies would suffer should we continue down this path toward military conflict with Iraq.

Likewise, U.S. relations with the Gulf states like Saudi Arabia could collapse should the United States initiate an attack on Iraq. Not only would our Saudi allies deny us the use of their territory to launch the attack, but a certain backlash from all gulf and Arab states could well produce even an oil embargo against the United States. Egypt, a key ally in our fight against terrorism, has also warned against any attack on Iraq. Egyptian Foreign Minister Ahmed Maher said recently of the coalition that, ''If we want to keep consensus . . . we should not resort, after Afghanistan, to military means.''

Mr. Speaker, I do not understand this push to seek out another country to bomb next. Media and various politicians and pundits seem to delight in predicting from week to week which country should be next on our bombing list. Is military action now the foreign policy of first resort for the United States? When it comes to other countries and warring disputes, the United States counsels dialogue without exception. We urge the Catholics and Protestants to talk to each other, we urge the Israelis and Palestinians to talk to each other. Even at the height of the Cold War, when the Soviet Union had missiles pointed at us from 90 miles away in Cuba, we solved the dispute through dialogue and diplomacy. Why is it, in this post Cold War era, that the United States seems to turn first to the military to solve its foreign policy problems? Is diplomacy dead?

In conclusion, Mr. Speaker, this legislation, even in its watered-down form, moves us closer to conflict with Iraq. This is not in our interest at this time. It also, ironically enough, could serve to further Osama bin Laden's twisted plans for a clash of civilizations between Islam and the West. Invading Iraq, with the massive loss of life on both sides, would only forward bin Laden's hateful plan. I think we need to look at our priorities here. We are still seeking those most responsible for the attacks on the United States. Now hardly seems the time to go out in search of new battles.

Mr. HYDE. Mr. Speaker, I yield the remainder of my time to the gentleman from South Carolina (Mr. GRAHAM), to the author of this very contentious resolution,

Mr. GRAHAM. Mr. Speaker, a couple of statements.

Saddam Hussein kicked out the U.N. inspection team in 1998 in breach of the cease-fire agreement. If you think we are moving too fast, vote no. Last time I checked, it is December 2001. So if we are going too fast to make you feel comfortable, vote no.

The gentleman from Texas (Mr. PAUL) says that Saddam Hussein is a minor threat to this country. If you believe that, vote no. But you ought to go visit the CIA, and you ought to talk to our intelligence communities. He is building missiles beyond the agreement, cease-fire agreement, for a purpose, to kill people.

I admire the gentleman from California (Mr. LANTOS) so much because he suffered from the politics of appeasement. This is not 1964. This is the late 30's. This is Neville Chamberlain coming back. Peace in our time. What a joke. There will be no peace in our time as long as we have the politics of appeasement and let a guy like Saddam Hussein get away with building mobile biological weapons systems, larger missiles, procuring materials that could only be used in nuclear weapons. For us to sit back would be a national travesty, a world travesty. Never again shall we do this.

The hour is at hand. Immediate action must be taken by this Congress to support our President. We should have U.N. weapons inspectors on the ground now. And if he says no, that is a mounting threat to this country because he is procuring, as I speak, weapons of mass destruction.

No more head-in-the-sand politics. Act now or pay later, America. Let us act now to get rid of the tyrant who has abused and killed his own people, who is procuring weapons of mass destruction, substantial evidence to that fact. A failure to do so, we will pay dearly later.

Have we learned anything from September 11? I think we have, and I have every confidence in this body that they will reject the notion that we are moving too fast and that Saddam Hussein is a minor threat.

This resolution makes common sense. It makes legal sense. It is the morally right thing to do. America is a great country, and as the gentleman from Illinois (Mr. HYDE) said, we have to act greatly when we are threatened.

This is not about any other nation. It is about us. We are the target of Saddam Hussein. Us and Israel and his Arab neighbors. Anybody who does not want to do business they way he does. We are a threat. Let us stand up to this dictator. No more of the politics of appeasement. Let us vote as a united body.

The gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) have shown us we can work together for the common good. They are an example for all of us to follow. Please vote. Act now or we will pay later.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. HYDE) that the House suspend the rules and pass the joint resolution, H.J. Res. 75, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will now put the question on motions to suspend the rules on which further proceedings were postponed earlier today.

Votes will be taken in the following order:

H.R. 3275, by the yeas and nays;

Senate amendment to H.R. 2657, de novo;

Senate amendment to H.R. 2199, de novo.

Further proceedings on the remaining postponed questions will resume later today.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

TERRORIST BOMBINGS CONVENTION IMPLEMENTATION ACT OF 2001

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3275, 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 Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 3275, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 381, nays 36, not voting 16, as follows:

[Roll No. 501]

YEAS—381

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Barton
Bass
Becerra
Bentsen
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Borski
Boswell
Boucher
Boyd
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
Clement
Clyburn
Coble
Collins
Combest
Condit
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
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)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
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
Ortiz
Osborne
Ose
Otter
Oxley
Pallone
Pascrell
Pastor
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
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Ryan (WI)
Ryun (KS)
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
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
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry

Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Walden
Walsh
Wamp
Watkins (OK)
Watson (CA)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wolf
Wu
Wynn
Young (FL)

NAYS—36

Bartlett
Brown (OH)
Clay
Clayton
Conyers
Davis (IL)
DeGette
Delahunt
Ehlers
Fattah
Frank
Hilliard
Hinchey
Holt
Honda
Jones (OH)
Kilpatrick
Kucinich
Lee
Lewis (GA)
McCarthy (MO)
McDermott
McGovern
McKinney
Meeks (NY)
Olver
Owens
Paul
Payne
Rivers
Sabo
Scott
Tierney
Waters
Watt (NC)
Woolsey

NOT VOTING—16

Baker
Bereuter
Bonior
Burton
Cooksey
Cubin
Gephardt
Hall (OH)
Hastings (FL)
Luther
Meek (FL)
Rush
Stark
Vitter
Wexler
Young (AK)

□ 1328

Mrs. JONES of Ohio, Mr. BARTLETT of Maryland, Ms. WATERS, Ms. KILPATRICK, Ms. BROWN of Florida, Messrs. TIERNEY, MEEKS of New York, EHLERS, BROWN of Ohio, and HOLT changed their vote from ''yea'' to ''nay.''

Mr. OTTER and Ms. SLAUGHTER changed their 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.

A motion to reconsider was laid on the table.

Stated for:

Mr. BEREUTER. Mr. Speaker, on rollcall No. 501 I was inadvertently detained. Had I been present, I would have voted "yes."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GOODLATTE). Pursuant to clause 8 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting on each additional motion to suspend the rules on which the Chair has postponed further proceedings.

DISTRICT OF COLUMBIA FAMILY COURT ACT OF 2001

The SPEAKER pro tempore. The pending business is the question of suspending the rules and concurring in the Senate amendment to the bill, H.R. 2657.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland (Mrs. MORELLA) that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 2657.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

RECORDED VOTE

Mr. SCOTT. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 418, noes 1, not voting 14, as follows:

[Roll No. 502]

AYES—418

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
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
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
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
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (TX)
Hansen
Harman
Hart
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
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
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
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
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wolf
Woolsey
Wu
Wynn
Young (FL)

NOES—1

Coble

NOT VOTING—14

Baker
Cooksey
Cubin
Etheridge
Gephardt
Hall (OH)
Hastings (FL)
Luther
Meek (FL)
Meeks (NY)
Stark
Vitter
Wexler
Young (AK)

□ 1340

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. ETHERIDGE. Mr. Speaker, I was unavoidably detained on H.R. 2657—Rollcall

502. Had I been present I would have voted "aye."

DISTRICT OF COLUMBIA POLICE COORDINATION AMENDMENT ACT OF 2001

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The pending business is the question of suspending the rules and concurring in the Senate amendment to the bill, H.R. 2199.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland (Mrs. MORELLA) that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 2199.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

RECORDED VOTE

Mr. SCOTT. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 420, noes 0, not voting 13, as follows:

[Roll No. 503]

AYES—420

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baldacci
Baldwin
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
Coble
Collins
Combest
Condit
Conyers
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
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
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (TX)
Hansen
Harman
Hart
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
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
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
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
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wolf
Woolsey
Wu
Wynn
Young (FL)

NOT VOTING—13

Baker
Ballenger
Cooksey
Cubin
Gephardt
Hall (OH)
Hastings (FL)
Luther
Meek (FL)
Stark
Vitter
Wexler
Young (AK)

□ 1348

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, December 19, 2001.

Hon. J. DENNIS HASTERT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I have the honor to transmit herewith a facsimile copy of a letter received from the Honorable Jim Miles, Secretary of State, State of South Carolina, indicating that, according to the unofficial returns of the Special Election held December 18, 2001, the Honorable Addison G. ''Joe'' Wilson was elected Representative in Congress for the Second Congressional District, State of South Carolina.

With best wishes, I am
Sincerely,

JEFF TRANDAHL,
Clerk.

Attachment.

STATE OF SOUTH CAROLINA,
OFFICE OF THE SECRETARY OF STATE,
Columbia, SC, December 19, 2001.

Hon. JEFF TRANDAHL,
Clerk, House of Representatives, the Capitol, Washington, DC.

DEAR MR. TRANDAHL: This is to advise you that the unofficial results of the Special Election held on Tuesday December 18, 2001, for Representative in Congress from the Second Congressional District of South Carolina, show that Addison G. ''Joe'' Wilson received 73.01% of the total number of votes cast for that office.

It would appear from these unofficial results that Addison G. ''Joe'' Wilson was elected as Representative in Congress from the Second Congressional District of South Carolina.

As soon as the official results are certified to this office by the State Election Commission, an official Certificate of Election will be prepared for transmittal as required by law.

If you have any questions regarding this matter or if I can be of further assistance to you, please do not hesitate to contact Patricia Hamby at (803) 734–2512 or me at (803) 734–2156.

With warm regards, I am
Sincerely,

JIM MILES,
Secretary of State.

PROVIDING FOR SWEARING IN OF THE HONORABLE JOE WILSON, OF SOUTH CAROLINA, AS A MEMBER OF THE HOUSE

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the gentleman from South Carolina (Mr. WILSON) be permitted to take the oath of office today. His certificate of election has not arrived; but there is no contest, and no question has been raised with regard to his election.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SWEARING IN OF THE HONORABLE JOE WILSON, OF SOUTH CAROLINA, AS A MEMBER OF THE HOUSE

The SPEAKER. Will the Representative-elect and the Members of the South Carolina delegation present themselves in the well. Will the Representative-elect from South Carolina (Mr. WILSON) come forward and raise his right hand.

Mr. WILSON of South Carolina appeared at the bar of the House and took the oath of office, as follows:

Do you solemnly swear that you will support and defend the Constitution of the United States against all enemies, foreign and domestic; that you will bear true faith and allegiance to the same; that you take this obligation freely, without any mental reservation or purpose of evasion; and that you will well and faithfully discharge the duties of the office on which you are about to enter. So help you God.

The SPEAKER. Congratulations. You are now a Member of the 107th Congress.

WELCOMING THE HONORABLE JOE WILSON TO THE HOUSE OF REPRESENTATIVES

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

Mr. SPRATT. Mr. Speaker, I have the pleasure of presenting our newest Member to the House of Representatives: ADDISON GRAVES WILSON, better known to us in South Carolina as just ''JOE.''

JOE WILSON will fill the seat held for 30 years by Floyd Spence and represent the Second District of South Carolina. In many ways he will also fill Floyd's shoes, because the people of that district have chosen a man closely akin to Floyd Spence in personality, in politics, and in dedication to public service. In fact, Floyd Spence was in many ways Joe Wilson's mentor. His first political experience, after college at Washington and Lee, was in working on Floyd's first campaign for Congress. He has worked on all of Floyd's campaigns since and served as manager or chairman of six.

JOE WILSON was first elected to office in his own right in 1984 when he won a seat in the South Carolina Senate to serve Lexington County. His legislative experience is extensive. This past year he served as chairman of the Senate Transportation Committee. He has also served on the Senate Judiciary Committee, the Education Committee, the Joint Committee on Aging, and the State House Committee.

Before being elected to the South Carolina Senate, JOE WILSON served in the Army Reserves. He is now a colonel in the Army National Guard, staff judge advocate for the 218th Mechanized Infantry Brigade. He is a graduate of the Command and General Staff College, and two sons have followed his footsteps into the military. One is a first lieutenant in the Army National Guard, another is an ensign in the Navy, attending the Armed Forces medical school in Bethesda right now.

JOE WILSON was born in Charleston, South Carolina, in 1947, to Hugh de Veaux Wilson and Wray Graves Wilson, both now deceased and unable to see their son attain, unfortunately, this high office. He is a lawyer, founder and senior partner in the law firm of Wilson, Moore, Taylor & Thomas in West Columbia.

JOE WILSON is happily married to Roxanne Dusenbury McCrory; and he and Roxanne are the proud parents of four children, Michael Alan McCrory-Wilson; Addison Graves, Jr.; Julian Dusenbury; and Hunter Taylor.

In addition to his legislative and military service, he has served as the deputy general counsel of the Department of Energy, and he has spent countless hours serving his community through a number of civic organizations.

Mr. Speaker, as dean of the South Carolina delegation, it is my privilege and my honor to welcome JOE WILSON of South Carolina to the United States House of Representatives.

Mr. Speaker, I yield to the gentleman from South Carolina (Mr. BROWN) who served in the General Assembly with JOE WILSON and would like to say a word of introduction himself.

Mr. BROWN of South Carolina. Mr. Speaker, it is a pleasure to have the honor to help receive my great friend today. JOE WILSON and I started our careers in the legislature about the same time. We served 16 years together, he in the Senate, I in the House. In fact, he was a good Senator to work with. I am proud to have him as my friend. JOE and his wife, Roxanne, became good friends of my family, and I have had the pleasure of watching his children grow up.

It is a pleasure to be here today, JOE, to welcome you to this great body. It is a pleasure to have the opportunity to serve with you again. I welcome you to the U.S. Congress.

EXPRESSING GRATITUDE FOR THE OPPORTUNITY TO SERVE AS A MEMBER OF CONGRESS

(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, very few experiences live vividly in one's heart for all the days of your life. For me, this is such a moment.

First, let me say how deeply and profoundly grateful and appreciative I am to every citizen of South Carolina. Because of the election that took place yesterday, a rite of passage borne out and preserved by time-honored tradition, my job is to represent every voter in my district, regardless of age, gender, creed, color or party affiliation to the best of my ability. Today, I pledge to do that, so help me God.

In taking this oath of office, I am not alone. The path which led me to this moment was well traveled by so many people to whom I owe debts of gratitude. These are debts that can never be repaid. First among those is my wife, Roxanne, and our family. Their love and strength are the greatest assets of my life. So many other people have given time, support, hard work, advice and prayers. I cannot possibly thank each by name; but without them, this moment would not have been possible.

Still, there is one name which should not be veiled in silence, one person who for 31 years was my mentor and friend. That name is former United States Congressman Floyd Spence. It was Congressman Spence who first inspired me to run for public office. It was Congressman Spence who taught me that the first duty of government is to defend freedom. And it was Congressman Spence who taught us all that true public service does not spring from ambition. Real public service cannot be bought and sold, but must come from the deep regions of the heart and soul, as an expression of love to our country and all who make it one united Nation under God.

Therefore, as I take this oath of office, I also make this pledge: I will do everything in my power to keep alive the legacy of service Congressman Spence exemplified. I pray that his spirit will always be with me.

At this moment in the history of our Nation, we face very serious challenges at home and around the world. I look forward to working with my colleagues and our President to face these challenges. I know we individually and collectively will respond to those challenges with courage, with virtue, and with an unfailing spirit.

Again to the people of South Carolina, thank you for the trust you have placed in me. I ask you to join me in that simple, majestic, one-sentence prayer that binds our Nation and hearts together: may God bless America.

PERSONAL EXPLANATION

Mr. BURTON of Indiana. Mr. Speaker, I inadvertently missed rollcall vote 500. Had I been in attendance, I would have voted ''aye.''

□ 1400

MAKING IN ORDER AT ANY TIME ON WEDNESDAY, DECEMBER 19, 2001, CONSIDERATION OF CONFERENCE REPORT ON H.R. 2506, FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2002

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that it shall be in order at any time on Wednesday, December 19, 2001, to consider the conference report to accompany the bill (H.R. 2506) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes; that all points of order against the conference report and against its consideration are waived; and that the conference report shall be considered as read.

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from Arizona?

There was no objection.

DIRECTING THE CLERK TO MAKE TECHNICAL CORRECTIONS IN ENROLLMENT OF H.R. 1, NO CHILD LEFT BEHIND ACT OF 2001

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (H. Con. Res. 289) directing the Clerk of the House of Representatives to make technical corrections in the enrollment of the bill H.R. 1, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendment, as follows:

Senate amendment:

Strike out all after the resolving clause and insert:

That in the enrollment of the bill (H.R. 1) to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind, the Clerk of the House of Representatives shall make the following corrections:

(1) On page 1, in section 2 of the bill, insert the following after the item for section 5:

Sec. 6. Table of contents of Elementary and Secondary Education Act of 1965.

(2) On page 1, in the item for section 401 of the bill, strike ''century'' and insert the following: ''Century''.

(3) On page 1, strike the item for section 701 of the bill and insert the following:

Sec. 701. Indians, Native Hawaiians, and Alaska Natives.

(4) On page 2, in the item for section 1044 of the bill, strike ''school'' and insert the following: ''School''.

(5) On page 4, in the item for section 1121, strike ''secretary'' and ''interior'' and insert the following: ''Secretary'' and ''Interior''.

(6) On page 5, in the item for section 1222, strike ''early reading first'' and insert the following: ''Early Reading First''.

(7) On page 6, in the item for section 1504, strike ''Close up'' and insert the following: ''Close Up''.

(8) On page 6, strike the item for section 1708.

(9) On page 12, in the item for section 5441, strike ''Learning Communities'' and insert the following: ''learning communities''.

(10) On page 14, in the item for section 5596, strike ''mination'' and insert the following: ''Termination''.

(11) On page 25, line 31, strike ''Any'' and insert the following: ''For any''.

(12) On page 25, line 32, after ''part'' insert the following: '', the State educational agency''.

(13) On page 25, line 33, after ''developed'' insert the following: ''by the State educational agency,''.

(14) On page 30, line 3, after ''students'' insert the following: ''(defined as the percentage of students who graduate from secondary school with a regular diploma in the standard number of years)''.

(15) On page 33, after line 35, insert the following:

''(K) ACCOUNTABILITY FOR CHARTER SCHOOLS.—The accountability provisions under this Act shall be overseen for charter schools in accordance with State charter school law.

(16) On page 34, lines 2, 15, and 31, strike ''State'' and insert the following: ''State educational agency''.

(17) On page 38, line 29, strike ''section 6204(c)''and insert the following: ''section 6113(a)(2)''.

(18) On page 39, line 11, strike ''(2)(i)(I)'' and insert the following: ''(2)(I)(i)''.

(19) On page 40, line 22, strike ''State'' and insert the following: ''State educational agency''.

(20) On page 41, lines 28, 33 (the 2d place it appears), and 35 strike ''State'' and insert the following: ''State educational agency''.

(21) On page 42, lines 8, 19, 23 (each place it appears), and 27, strike ''State'' and insert the following: ''State educational agency''.

(22) On page 44, lines 24 and 35, strike ''State'' and insert the following: ''State educational agency''.

(23) On page 46, lines 6 and 7, strike ''A State shall revise its State plan if' and insert the following: ''A State plan shall be revised by the State educational agency if it is''.

(24) On page 46, lines 12 and 13, strike ''by the State, as necessary,'' and insert the following: ''as necessary by the State educational agency''.

(25) On page 46, lines 15 and 16, strike ''If the State makes significant changes to its State plan'' and insert the following: ''If significant changes are made to a State's plan''.

(26) On page 46, lines 19 and 20, strike ''the State shall submit such information'' and insert the following: ''such information shall be submitted''.

(27) On page 48, line 23, strike ''(b)(2)(B)(vii)'' and insert the following: ''(b)(2)(C)(vi)''.

(28) On page 50, lines 2, 12, and 18, strike ''State'' and insert the following: ''State educational agency''.

(29) On page 52, line 9, strike ''State'' and insert the following: ''State educational agency''.

(30) On page 62, lines 3 and 4, strike ''baseline year described in section 1111(b)(2)(E)(ii)'' and insert the following: ''the end of the 2001–2002 school year''.

(31) On page 90, line 10, strike ''defined by the State'' and insert the following: ''set out in the State's plan''.

(32) On page 94, line 32, strike ''State'' the first place it appears and insert the following: ''State educational agency''.

(33) On page 104, line 25, insert the following: ''identify the local educational agency for improvement or'' before ''subject the local''.

(34) On page 120, line 28, after ''teachers'' insert the following: ''in those schools''.

(35) On page 130, line 34, strike ''subsection (b)'' and insert the following: ''subsection (c)''.

(36) On page 185, lines 24 and 25, strike ''fully qualified'' and insert the following: ''highly qualified''.

(37) On page 227, line 16, strike ''subsection (c)(1)(F)'' and insert the following: ''subsection (c)(1)''.

(38) On page 227, line 17, strike ''9302'' and insert the following: ''9305''.

(39) On page 274, line 23, strike ''States'' and insert the following: ''State''.

(40) On page 274, line 33, strike ''1111(b)'' and insert the following: ''1111(h)(2)''.

(41) On page 275, line 19, insert a period after ''school year''.

(42) On page 276, lines 20 and 25, strike ''supplemental services'' and insert the following: ''supplemental educational services''.

(43) On page 283, line 25, strike ''and'' after the semicolon.

(44) On page 283, line 31, strike ''(d)'' and insert the following: ''(e)''.

(45) On page 284, line 1, strike ''Congress''.

(46) On page 284, line 6, strike ''(e)'' and insert the following: ''(f)''.

(47) On page 290, lines 14 and 22, strike ''section'' and insert the following: ''part''.

(48) On page 293, line 4, strike ''section'' and insert the following: ''part''.

(49) On page 556, line 1, strike ''DEFINITIONS'' and insert the following: ''DEFINITION''.

(50) On page 599, line 23, strike ''the No Child Left Behind Act of 2001'' and insert the following: ''under any title of this Act''.

(51) On page 600, line 12, strike ''the No Child Left Behind Act of 2001'' and insert the following: ''under any title of this Act''.

(52) On page 601, line 4, strike ''the No Child Left Behind Act of 2001'' and insert the following: ''under any title of this Act''.

(53) On page 601, line 9, strike ''DEFINITIONS'' and insert the following: ''DEFINITION''.

(54) On page 601, line 10, strike ''terms 'firearm' and 'school' have'' and insert the following: ''term 'school' has''.

(55) On page 620, line 22, strike ''the No Child Left Behind Act of 2001'' and insert the following: ''under any title of this Act''.

(56) On page 635, line 14, strike ''(b)'' and insert the following: ''(c)''.

(57) On page 635, line 20, strike ''(c)'' and insert the following: ''(d)''.

(58) On page 781, line 32, insert closing quotation marks and a period after the period.

(59) On page 873, line 25, amend the heading for section 701 to read as follows:

SEC. 701. INDIANS, NATIVE HAWAIIANS, AND ALASKA NATIVES.

(60) On page 955, after line 6, insert the following:

TITLE IX—GENERAL PROVISIONS

SEC. 901. GENERAL PROVISIONS.

Title IX (20 U.S.C. 7801 et seq.) is amended to read as follows:

(61) On page 1004, at the end of line 2, insert closed quotation marks and a period.

The SPEAKER pro tempore (during the reading). Without objection, the Senate amendment is considered as read and printed in the RECORD.

There was no objection.

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

Mr. GEORGE MILLER of California. Mr. Speaker, reserving the right to object, although I do not intend to object, I yield to the gentleman from Ohio (Mr. BOEHNER) for an explanation of his request.

Mr. BOEHNER. Mr. Speaker, I thank the gentleman from California for yielding.

Mr. Speaker, the concurrent resolution before us allows the Enrolling Clerk to make technical corrections to the conference report on H.R. 1, the No Child Left Behind Act of 2001, which passed the House overwhelmingly last week. These changes are technical and arose because putting together such a huge bill at very late hours almost always results in some mistakes.

All of these changes, and they are technical, have been agreed to by the conferees on both the House and Senate side. As we all know, the Senate adopted this resolution yesterday.

I urge my colleagues to support the resolution that we have before us.

Mr. GEORGE MILLER of California. Mr. Speaker, reclaiming my time, I thank the gentleman for his explanation.

Mr. GEORGE MILLER of California. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

A motion to reconsider was laid on the table.

ANNOUNCEMENT OF MEASURES TO BE CONSIDERED UNDER SUSPENSION OF THE RULES ON WEDNESDAY, DECEMBER 19, 2001

Mr. BOEHNER. Mr. Speaker, pursuant to the notice requirements of House Resolution 314, I announce that the following measures will be considered under suspension of the rules on Wednesday, December 19, 2001: H.R. 2336; H.R. 3525; and H.R. 3423.

GENERAL LEAVE

Mr. REGULA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report accompanying H.R. 3061, and that I may include tabular and extraneous material.

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

There was no objection.

CONFERENCE REPORT ON H.R. 3061, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2002

Mr. REGULA. Mr. Speaker, pursuant to the previous order of the House, I call up the conference report on the bill (H.R. 3061) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2002, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the order of the House of Tuesday, December 18, 2001, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Tuesday, December 18, 2001.)

The SPEAKER pro tempore. The gentleman from Ohio (Mr. REGULA) and the gentleman from Wisconsin (Mr. OBEY) each will control 30 minutes.

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

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

Mr. Speaker, today we bring before the House the conference report providing appropriations for the Departments of Labor, Health and Human Services, Education, and related agencies for fiscal year 2002.

It is my pleasure to present this report today. It is the result of the dedication and hard work of the members of the subcommittee and staff, and I want to express my deep appreciation to each of them. I would especially like to thank the gentleman from Wisconsin (Mr. OBEY), the ranking member of both the full Committee on Appropriations and of this subcommittee. It has been a pleasure to work with him from the start as we crafted a bipartisan bill which passed this body earlier through our work together on the conference.

I would also like to thank the subcommittee staff on both sides of the aisle for their very hard work and the long hours they have put in to finalize the conference report before us. Thank you to Craig Higgins, the Clerk of the Committee, Carol Murphy, Susan Firth, Meg Snyder, Francine Mack-Salvador and Nicole Wheeler on the majority side, and to David Reich, Cheryl Smith and Linda Pagelsen on the minority side. They have been a great team. They have worked all night for the last two nights putting this together, and we owe them a vote of appreciation.

This conference report is a very good product. It contains the funding for many outstanding programs for people. First, is the funding for the President's education reform measures. Last week we passed landmark legislation setting the policy for elementary and secondary education reform, and today we are providing the funding that will make these reforms a reality.

We have funded State grants for improving teacher quality at $2.85 billion. This flexible grant will allow States to develop programs for teachers in areas most important to those States. In other words, we are recognizing States' rights to make the fundamental decisions on education.

I want to emphasize the commitment of the committee to teacher quality and support in the areas of math and science. We will later have a colloquy on that subject and the flexibility within this grant for such programs, in addition to a specific program for math and science partnerships.

I am also pleased that we have included funding for the Troops to Teachers/Transition to Teaching and the Teach for America programs for a total of $88 million. We hear a lot about the pending shortage of teachers, and I think this bill will do a lot to address that problem and to ensure that good people get into the classroom. The key to success in the classroom is a good teacher, and all of these programs show great promise in recruiting, training and keeping just those people.

In total, education programs receive a 16 percent increase in the bill, a majority of which is in three areas. These include elementary and secondary education, Special Education and Pell Grants. Grants to the States for Title I total $10.3 billion, grants to the States for Special Education total $7.5 billion, and Pell Grants are funded at a maximum grant level of $4,000 per student.

Although our current economic slowdown has sent more students back to school than has been anticipated, it was the belief of the members of the Conference Committee that we must uphold our commitment to the students and retain the maximum $4,000 level. Also the TRIO grant program receives $802.5 million.

In health programs, I am pleased to report that funding for the National Institutes of Health increases by 14.7 percent, at over $23 billion. This additional funding will allow a greater percentage of competitive research grant projects to receive funding in such important areas as Parkinson's disease, diabetes, heart disease, stroke, and even in many rare diseases. Again, we recognize particularly in these times after September 11 how important it is that we do research on health issues, and NIH is the flagship for this, not only for the United States, but for the entire world.

As the events of September 11 have impacted on each of us and changed our lives, we have come to recognize the important role of our public health system. Funding for the Centers for Disease Control and Prevention increases $600 million over last year, for a total of $4.3 billion. I might point out that the State health departments and local health departments, which are the shock troops, they are in the trenches on all of these threats that we hear about in anthrax and TB, basically start with the Centers for Disease Control. We have recognized that by increasing their budget.

Programs at the CDC are our first line of defense in threats of bioterrorism. They also put important research knowledge into practice

through outreach and education, leading to improvements in the health of our Nation today. By the way, at the urging of our committee, they have a hotline now, so if you have a problem in your community, you have a 1–800 number, and you can get help immediately.

The conference report includes funding for several of the President's faith-based programs, including $30 million for the Compassion Capital Fund, a program which will support grants to public-private partnerships for charitable organizations in expanding or emulating model social service agencies. $70 million is included for the Safe and Stable Families program, and $5 million for the new Volunteers for Homeland Security.

Finally, Mr. Speaker, I would like to discuss briefly the issue of mental health parity. As many Members are aware, the Senate bill included an amendment requiring private sector companies that provide mental health insurance companies in their health plans to provide that coverage equally with the physical coverage in those plans.

The House conferees, regrettably, rejected this amendment on procedural grounds. We had received letters from the three chairmen of the authorizing committees of jurisdiction in the House expressing their opposition to this provision in the Labor, Health and Human Services bill.

However, we understand from the President and from the House chairmen that they intend to address this issue next year. In the meantime, with the support of the committee chairmen, we have included the extension of the current law on mental health coverage, which expired on September 30 in this conference report, an extension for 1 year.

Through jurisdiction of the appropriations bill, which is our proper jurisdiction, we are able to do very much for mental illness, and I would like to highlight these programs. The conference report provides $832 million for the Center for Mental Health, $433 million of which is the mental health block grant which goes to States to support prevention, treatment and rehabilitation services. This is a $50 million increase over last year's bill.

Over $1.2 billion is allocated for research into improving the diagnosis, treatment and overall care of those suffering from mental illnesses, and this is through the National Institute of Mental Health, one of the NIH institutes. This funding is increased by $100 million over last year.

Finally, the conference report commits $1.34 billion for community health centers nationwide. Community health centers provide a variety of health services to disadvantaged and medically underserved, including mental health services.

Mr. Speaker, these are only the highlights of the many outstanding and worthwhile programs in this $123.9 billion bill. Its programs touch the lives of Americans in many ways, the most important ways with the greatest potential, by supporting education, job training and health research and practices. They lay the groundwork in ensuring the long-term health and prosperity of our Nation.

There are many more programs. If Members are interested, there is a press release in the Office of the Committee on Appropriations across the hall that details all of these. There are a lot of programs here that our people back home will be very much interested in.

One thing I do want to say further, and that is, the chairman and the ranking member of the full committee, the gentleman from Florida (Mr. YOUNG) and the gentleman from Wisconsin (Mr. OBEY), did something I think this year that really worked well, and that is they worked out an agreement with the other body whereby each subcommittee had the same allocation. That meant that we could work together. We had a different mix than the other body did, but at least we are working at the same total. When we went to conference, it made it a lot easier to get a conference report out of the negotiations. I commend them very much. Not only that, they have been very supportive of this process. I say to my colleagues, this is a good bill.

□ 1415

A lot of good things are in here that help people. Every American in some way or another is affected by education or health research or health care. We are pleased. I say this on behalf of my subcommittee members, both parties, they were terrific. It has been a joy to work with the gentleman from Wisconsin (Mr. OBEY) as the ranking member on the subcommittee.

I urge the Members of this body to support this conference report.

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

Mr. OBEY. Mr. Speaker, I yield myself 9 minutes.

Mr. Speaker, first of all, I too would like to thank all of the members of the staff involved. Some of the names have been mentioned, but I will mention them again. On the Democratic side, the associate staff: Dale Lewis, Scott Boule, Chris Kukla, Becky Salay, Sarah Walking, Charles Dujon, Sonia Virdi, Matthew Braunstein; as well as Harry Glenn, and all of the associates of the Republican subcommittee members. On the full committee: Jim Dyer, staff director, Dale Oak and Therese McCaullafe, Graig Higgins, the subcommittee staff director; Laurie Rowley, Carol Murphy, Susan Firth, Meg Snyder, Francine Salvador Mack, Nicole Wheeler; and on the Democratic side, David Reich, Cheryl Smith, Linda Pagelson, David Pomerantz, Norris Cochran, Lin Liu, Nick Ferraro; the Democratic staff director on the Committee on Appropriations Scott Lily, and also Christina Hamilton and Paul Carver. Each and every one of them know how hard they have worked and the Members certainly know how hard they have worked. They have gone nights without sleep; and they have, in the process, performed the kind of public service that the American public would be proud of, if they just knew about it.

Secondly, I would like to thank both the gentleman from Florida (Mr. YOUNG) and the gentleman from Ohio (Mr. REGULA). The gentleman from Florida has kept his commitments in terms of seeing to how this bill would be handled at the end of the year, as he has kept his commitments all year long. And the gentleman from Ohio (Mr. REGULA) has worked just not in his capacity on this subcommittee, but in his previous incarnation as the chair of the Subcommittee on the Interior. He has always performed his duties with grace and with fairness. It was indeed a pleasure to work with him and his staff.

I think that we have demonstrated on this bill that when it is approached in a bipartisan way, good things happen, not just for this institution, but the country.

I would like to say that I think this bill is an example of what a huge difference a few years make. Eight years ago when our Republican friends took over as the majority in this House, there was a cry to abolish the Department of Education, and we had some tumultuous battles on this bill. Over the last 5 years, in contrast to that, we have been able to negotiate, on average, a 13 percent increase in education funding over each of the last 5 years. This year, President Bush, in his budget submission, tried to cut that rate of increase to 5.8 percent. This bill, for education, will provide a 16 percent increase over last year. So it returns it to the bipartisan track that we were on in the previous 5 years, and it declines to accept the President's recommended reduction in the rate of increase in these bills.

As a result, for instance, for Title I, which is the centerpiece of the Federal effort to see to it that no child is left behind, if I can borrow a phrase, I would say that we are very pleased to see that Title I is funded at a level of $10.35 billion, a level of 14 percent over the President's budget request and 18 percent over last year. It contains $7.5 billion for special education State grants. That is 3 percent more than President Bush sought in his budget. It is $1.2 billion, or 19 percent, more than fiscal year 2001. I know there are people in this town who would like to see this program made an entitlement. I am

not one of them. I think this demonstrates that we can make great progress in funding programs without making them entitlements, and we have provided a huge increase of $2.5 billion for this program since fiscal year 2000.

For teacher quality State grants, this bill is 31 percent over last year. For bilingual education State grants, it is 45 percent over the President's budget request. For after-school centers, which are badly needed, given the changing nature of our society and the strains that that puts on families with two earners outside of the house, we have provided an 18 percent increase over the President's request. We have provided for smaller learning communities to help make our larger schools more personalized and more intimate for students. We have a funding level of 14 percent over last year, and we have a variety of other, I think, fine achievements on the education front, including providing a $4,000 maximum grant for Pell grants, an increase of $150 over the request and 7 percent over last year.

In the health area, the gentleman from Ohio (Mr. REGULA) has already mentioned the $23 billion for the National Institutes of Health, a 15 percent increase. The National Institutes of Health are a national treasure and this committee has recognized them as such.

For community health centers, we have provided $51 million more than the President requested.

For the Community Access Program, to assist groups who are providing health care under safety net provisions in the law, the President's budget proposed to abolish this program. This bill funds it at $105 million.

This bill contains an increase of 7 percent above last year for health professions training programs in comparison to the President's efforts to cut this program.

For the Centers for Disease Control, the bill provides $597 million more than the administration's budget for items such as immunizing children. I think that is fully justified.

On the mental health front, I am sad to say that it does not include the provision that was attached in the Senate to provide mental health insurance parity. I think it ought to. I think it is a tragedy that it does not. But nonetheless, on the funding levels, we provided $50 million above last year and $66 million above the President's request for mental health programs.

For human services, the Low-Income Heating Assistance Program is funded at a level $300 million higher than the President requested. There are numerous other increases for programs such as Head Start, the Social Service block grant, and the Child Care Development block grant.

In the Department of Labor, dislocated workers will receive help, which is 12 percent above the President's request. Also the International Labor Program, to protect the American workforce from unfair competition through the production of foreign products producing with child labor or under virtual slave conditions; the conferees rejected the administration's proposal to slash this program by $76 million. We provided $148 million.

That is just a short summary of what is contained in this bill. I think it is a bill worthy of support of the House. I again thank the gentleman from Ohio (Mr. REGULA) for his balance and graciousness throughout, and the gentleman from Florida (Mr. YOUNG), the chairman of the full committee, as well.

I hope that before the week is out we will be able to pass this bill, the defense and foreign operations appropriations bills, and provide decent health care and unemployment assistance to workers in this country who very badly need that help; and having done all of that, I hope that somebody can find the off button so that we may, in fact, celebrate Christmas with our families.

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

Mr. REGULA. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. YOUNG), the chairman of the full committee.

Mr. YOUNG of Florida. Mr. Speaker, I rise in support of this conference report. I want to add my compliments to the chairman of the subcommittee, the gentleman from Ohio (Mr. REGULA), and the ranking member, the gentleman from Wisconsin (Mr. OBEY). The gentleman from Wisconsin (Mr. OBEY) plays a dual role. He is the ranking member on this subcommittee as well as the ranking member on the full Committee on Appropriations. They have done a good job.

The health part of this bill maintains our commitment to double the money invested in medical research over a 5-year period, and this bill keeps us on track. In addition, we have made major investments in educational programs; and I want to compliment the gentleman from Ohio (Mr. BOEHNER), the chairman of the Committee on Education and the Workforce, and the gentleman from California (Mr. GEORGE MILLER), his ranking member, for having passed H.R. 1 through the whole process. This bill that we have today and H.R. 1 are very compatible in the educational area. So a good job has been done by the Congress, both bodies, the House and the Senate; and we have a good package before us today.

It was interesting that the final conference committee meeting was held last night. Everyone seemed to be in good spirits and very cooperative. We resolved a lot of outstanding differences; and, Mr. Speaker, we might expect that this is the second largest appropriations bill, second only to Defense. But the two of them go together, because as we have evolved our military from a trench and over-the-top type of charge to the high-tech weapons and systems that we use today, without a good education, we would not have men and women properly prepared to deal with the high technology that our defense system requires.

So these two bills work hand in hand. They constitute over half of our discretionary accounts too, by the way, Mr. Speaker. But they have done a good job working out all of the many differences between the bodies, and I again compliment the gentleman from Ohio (Mr. REGULA). He is an outstanding subcommittee chairman. The gentleman from Wisconsin (Mr. OBEY) has been a tremendous partner. With the cooperation we have enjoyed on all of our appropriations bills, this year has just been tremendous. I want to thank all of the Members.

I want to say again, Mr. Speaker, the chairman of the subcommittee and the ranking member both mentioned the staff. I do not know how many committees go through the same drill that Committee on Appropriations staff do. On our bills, once we start to get a bill ready to read it, to write it, to prepare it to bring to the floor, staff will work very late into the night, four or five nights a week; and I am talking about 1 or 2 o'clock in the morning and come back in and start again at 8 o'clock the next morning. They devote a lot of time; they are very dedicated. They are very devoted to the job that they do, and we are lucky to have such an outstanding staff on the Committee on Appropriations. So I thought we might just say some good words about them so they can these words home and show it to mom and the kids or dad and the kids, whatever the case might be.

Mr. Speaker, this is a good bill. It is time to move it on. We will then have two more appropriations bills to finish, foreign operations and defense. The committee is prepared to present those bills at any time we are given time on the floor, and I would hope that the gentleman from Wisconsin (Mr. OBEY) and I can push the off button tomorrow afternoon sometime, and wish everyone a merry Christmas and a happy Hanukkah.

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the ranking member for yielding, and I want to thank the gentleman from Ohio (Mr. REGULA), our chairman, who is new this year to this subcommittee, although certainly not new to the Committee on Appropriations, he is our senior member next to the gentleman from Florida (Mr. YOUNG), for their leadership. I want to talk not about the overall bill, as it is a good bill. I will enthusiastically vote for this.

□ 1430

It speaks to the health needs of America. It speaks to the educational needs of our children. It speaks to working people, as well.

But I want to refer to a couple of specific items. First of all, immunization. Immunization, I believe, is a critical concern, not only of this bill but of this country. There are areas of this country where immunizations are not nearly where they ought to be. In fact, generally speaking, we went back about 1 percent, from 78 to 77, overall immunizations of children in this country.

It is inconceivable that in the year 2001, despite all of the technological and scientific advances that we achieved during the last century, Mr. Speaker, that nearly 1 million American children do not enjoy the benefits of full immunization. Indeed, only 77 percent of our 2-year-olds are adequately immunized. We need to continue to work to increase funding for this important program.

In addition, I would like to say how pleased I am that this conference report contains language that will continue to fund state-assistive technology programs. I want to thank the gentleman from Florida (Mr. YOUNG), the gentleman from Ohio (Mr. REGULA), and the gentleman from Wisconsin (Mr. OBEY) for focusing on this issue. In the scheme of things, in terms of the billions of dollars we are spending on this bill, this is a small item, but a very, very large item in ensuring that those with disabilities will fully participate in the opportunities of our society.

This assistive technology is critical. Many may not have known, but the current law for the assistive technology program includes a provision requiring a sunset of State grant programs, which was to occur in cycles, to gradually decrease States' funding until eliminated.

In fiscal year 2002, nine States would have been eliminated for funding: Arkansas, Colorado, Illinois, Kentucky, Maine, Minnesota, and Nebraska. We have turned that around. We have provided funds. I appreciate their leadership, again, on that issue, and say that this is a good bill. It is a good bill for our country, and it is a good work product of our committee.

I thank the gentleman from Alaska (Mr. YOUNG) for his leadership and the gentleman from Ohio (Mr. REGULA) and the gentleman from Wisconsin (Mr. OBEY), as well.

Mr. REGULA. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi (Mr. WICKER), a very distinguished Member and a very good member of our committee.

Mr. WICKER. Mr. Speaker, I thank the chairman for yielding time to me, and I thank him for his kind words.

I, too, want to commend the staff. I am glad that the ranking member, as well as our two chairmen, have gone on at length about this. While most Americans were at Christmas parties and then in the wee hours nestled all snug in our beds with visions of Christmas, these staff members have been up two nights in a row without sleep at all.

I just hope that my colleagues, when they come to the floor and vote on final passage overwhelmingly for this bill, will go to both the minority and majority members of the staff and give them a hearty Christmas handshake and a word of thanks.

This is a good bill, Mr. Speaker. It is a bipartisan bill, as both sides have mentioned. It makes important strides in the areas of health and education. While we are providing the largest increase ever for Federal education programs, I am pleased that we are doing it in the right way. We are focusing on block grants. We are focusing on funding programs that reserve most education decisions for State and local officials.

I am also pleased, Mr. Speaker, that we have found a better way to fund Title I programs. The new formulas that we are adopting will make sure that Federal education funds are going to the poorest school districts and are reserved for the neediest children.

This bill also provides an increase of $1.2 billion over last year for State grants for special education. I am pleased that Congress has resisted the effort to make this important program an entitlement. That would have hindered our efforts to make needed reforms next year, and I look forward to working with the authorizing committee next year on the reauthorization of the IDEA program.

Finally, Mr. Speaker, with regard to health, this bill continues the bipartisan commitment to substantially increasing funding for the National Institutes of Health. We provide an additional $3 billion for NIH and have also dramatically increased funding for the Centers for Disease Control and Prevention, including important state-based chronic disease prevention and immunization programs, as my colleague, the gentleman from Maryland, has already mentioned.

Mr. Speaker, this is a good bill, it is an excellent bipartisan work product, and I believe it will receive bipartisan support. Mr. Speaker, I urge a ''yes'' vote.

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Connecticut (Ms. DELAURO), also a member of the subcommittee.

Ms. DELAURO. Mr. Speaker, I am proud to rise in support of this conference report and am grateful for the leadership of the ranking member, the gentleman from Wisconsin (Mr. OBEY), and the chairman, the gentleman from Ohio (Mr. REGULA).

The bill provides a 15 percent increase over last year for the National Institutes of Health to fund groundbreaking medical research that continues us on our path of doubling the NIH budget by the year 2003.

We have provided funding for the post-traumatic stress disorder program to serve the mental health needs of children who witness or are victims of acts of serious violence. Each year, more than 1 million children are abused or neglected in their homes; 3 million children witness domestic violence; 600,000 children are victims of violent crime; 20,000 are wounded by gunfire; and a growing number are injured or killed at school. The psychological trauma associated with this violence could affect these children for years to come.

The events of September 11 make this program even more important. Over and over, our children saw what took place on that terrible day. Many lost parents, and there is an urgent need to make mental health services available to children to cope with the aftermath of these attacks.

We have also made a substantial investment in education, including $6.5 billion for Head Start and $2.1 billion for the Child Care Development block grant. Yes, the strength of our country is based on the education of our people.

I am disappointed that the House conferees stripped mental health parity from the bill. We missed an opportunity to do the right thing for American families to require the insurance industry to provide the same coverage for neurobiological illnesses as for physical illnesses. When mental illness goes untreated, costs escalate.

In the aftermath of September 11, access to mental health services becomes even more important. Just this morning, the front page of the Washington Post included an article about a woman who lost her husband at the World Trade Center and who just committed suicide. The majority assured us that they would consider this legislation next year, and I hope they will keep that promise and act on this critical legislation.

Mr. Speaker, overall, this is a strong bill; and I am proud to support it. I urge my colleagues to do the same.

Mr. REGULA. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. PETERSON), who has been a great advocate for vocational and technical education and makes an excellent contribution to the subcommittee's work on that.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I thank the gentleman for yielding time to me, and I thank the chairman and the ranking member for their work.

I was excited when I got appointed to this committee. Having served in the State for 10 years as chairman of health and welfare issues, it was just exciting and exhilarating to get back into the issues that I loved.

I rise to support this conference report and commend the staff, who did a wonderful job and have been great to work with, and for the bipartisanship of resolving so many of these controversial issues.

I was pleased that we had a President that is leading us in education and making education funding more simple and easier for our small, rural school districts to use. Federal programs have not always been easy for small districts to obtain and utilize; and I think the bill we passed, H.R. 1, does a lot of that, and this funds it. I am just pleased to be part of that. I am pleased we have raised Pell grants to $4,000.

I am especially pleased that our children's hospitals in this bill have finally had the bias against them removed. Our teaching hospitals have always had general education money, except our children's hospitals that teach our pediatricians and people who treat the most vulnerable among us, who are children. This bill equalizes for the first time the funding that our children's hospitals will now receive, the same as our other teaching hospitals have historically received, to train those who treat our kids, our smallest.

I am pleased that this is the first decent increase we have had in vocational education, $80 million. I want to thank the chairman for his generous mark of $150 million, which we worked against the Senate, who did not have any increase, which was historic to this body for many years, flat funding for vocational technical education when the need for it has quadrupled.

The military used to train our poor. The volunteer army has changed that. Poor young men and women used to go into the military and get their skills. That does not happen anymore. We have never replaced that. This $80 million goes to our high schools and our community colleges. That is not a lot of money; but I am pleased, in talking with the chairman, that we are going to work with the Senate and next year try to get a sizeable increase.

I am also pleased with the adult education fund. This funds GEDs and allows people who have dropped out of the system to get back in. Our educational ladder has to reach from the ground up, and adult education needs to be looked at and I believe expanded, also, because we have a lot of adults that have slipped through our high school system in the past who got a degree but did not really get an education and need to get back on that educational ladder. It is only going to be through adult education. It is one I think we really need to look at.

Again, I want to conclude by thanking the staff and the gentleman from Ohio (Chairman REGULA). It has been a delight to work with him and with the gentleman from Wisconsin (Mr. OBEY). I excitedly look forward to what we started this year in technical education, and next year we are going to give it a better hit.

Mr. Speaker, I am pleased to urge all my colleagues to support this bill.

Mr. OBEY. Mr. Speaker, I yield 1½ minutes to the distinguished gentlewoman from Michigan (Ms. RIVERS).

Ms. RIVERS. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise to tell the story of two journeys that end right at the Capitol of the United States. They are similar in some respects, but tragically different in others.

As a young mother, I was diagnosed with manic depressive disease, a serious brain disorder characterized by deep mood swings, and, for me, profound depression. I was lucky. I was able to get treatment, although at one point my medical care consumed over one-half of my family's take-home pay.

Every day I take a cocktail of medications to keep my condition in check. Those medications, along with continuing medical care, have given me my life back. Treatment allowed me to attend college and law school. I have served my community with competency and enthusiasm on the board of education, at the State House, and now on the floor of this magnificent building. My journey has a happy ending.

The other individual whose journey ended at this building was not as lucky as me. Rusty Weston was an unmedicated schizophrenic. For years, his parents had frantically searched for effective, affordable treatment for him, but they were unsuccessful. Finally, they threw him out because they were afraid of him.

When Rusty Weston arrived here at the Capitol, unmedicated, armed, and delusional, he killed two police officers, wounded several other individuals, and terrified the Capitol community.

Mr. Speaker, can the case for mental health parity be any clearer? It should be in this bill. Treatment works; indifference kills.

Mr. REGULA. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. BOEHNER), who did yeoman's work and provided outstanding leadership, along with the gentleman from California (Mr. GEORGE MILLER), on bringing H.R. 1 to success and in ensuring that we make every effort to not leave any child behind.

Mr. BOEHNER. Mr. Speaker, I want to congratulate the gentleman from Florida (Chairman YOUNG); the gentleman from Wisconsin (Mr. OBEY); the dean of the Ohio delegation and my friend, the gentleman from Ohio (Mr. REGULA); the chairman; the subcommittee; and all the members of the Committee on Appropriations for working together to produce a bill that paves the way for meaningful reforms in education and in other national priorities.

As the chairman of the Committee on Education and the Workforce, I also want to thank the staff and the members of the Committee for working closely with me and the members of my committee and my staff to ensure that the reforms that were contained in H.R. 1, the President's education reform bill, are in fact funded and contained within this conference report.

Mr. Speaker, I believe the conference report lays the groundwork for the most significant reforms in education in a generation. The measure before us calls for a significant increase in Federal aid in public schools and for poor students. For the first time ever, major increases in Federal education funding would be linked to meaningful reform of our schools; and for the first time ever, we are insisting on results for our children.

The Labor-HHS conference report provides the resources necessary to implement the President's vision for education reform. It provides $387 million, or $67 million over the President's budget request, for States to develop annual assessment tests of students' reading and math skills. No national test will be created. And States will be responsible for selecting and designing their own assessments.

□ 1445

The conference report also provides a $1.6 billion increase for Title I aid to disadvantaged students, $700 million increase for teacher quality, and a $205 million increase for bilingual education.

All three of these programs have been significantly reformed to expand State and local control and ensure greater accountability for results.

Last but not least in the education side, the conference report fully funds President Bush's Reading First and Early Reading Programs for a total of $975 million, tripling the Federal commitment to reading and encouraging States and schools to use proven methods based on scientific research.

The conference report before us also increases the Federal Government's commitment to fixing and funding special education. The measure recognizes that the Federal Government is still falling short of paying the fair share of the cost of special education. For a quarter of a century, Congress neglected this responsibility, but since 1994, we have increased special education funding by 173 percent. And the conference report before us provides another historic increase of $1.2 billion for IDEA part B.

With this increase, the Federal Government's role, we would spend an unprecedented $7.5 billion on IDEA in the next fiscal year and increase the Federal share of the burden to 16½ percent, the highest percentage since the Special Education Program was enacted. This increase is provided without turning special education funding into a

new entitlement program, meaning Congress will be free to bring much needed reforms to IDEA as we fulfill our financial commitment.

This report also significantly increases the amount for Pell grants and other educational opportunities. I am pleased that the conference report increases Pell grant funds to some $4,000, the highest maximum grant in the program's history. And to strengthen historically black colleges and Hispanic-serving institutions and other related institutions, the measure provides an increase of $42.5 million from last year which, frankly, is a very significant boost.

Finally, on the labor side of our committee, the report before us wisely avoids taking hasty action on mental health parity that could jeopardize the health benefits for American workers.

The measure contains a provision that reauthorizes the 1996 mental health parity law. But the conferees did not agree to a provision added in the Senate that would have significantly expanded mental health parity for employee health benefits. This provision would have come up on top of huge increases in health care premiums in the vicinity of 15 to 30 percent. Hasty action on mental health parity will have serious consequences for employees, consequences many families may not be able to bear during the current economic crunch.

When employers' cost go up, employees often lose their health care coverage. If the law becomes too burdensome and expensive, it is very likely that employers will simply stop offering any type of health benefits to their employees. At the same time we recognize that mental illnesses are serious illnesses and must be treated accordingly. For that reason a simple 1-year reauthorization of the current laws is the right solution at this time.

I intend to take up this issue next year in my committee, and I intend to work with the supporters of expanded mental health parity, including Senator DOMENICI, the gentlewoman from New Jersey (Mrs. ROUKEMA), the gentlewoman from Connecticut (Mrs. JOHNSON) and others who have worked on behalf of mental health parity and we intend to do it in the next session.

Let me congratulate all of my colleagues, and especially my dean, the gentleman from Ohio (Mr. REGULA).

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. GEORGE MILLER), the distinguished ranking member of the Committee on Education and the Workforce.

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentleman for yielding me time.

I want to congratulate the committee on the legislation that they have approved today. As many of my colleagues are all aware, we just finished the education reauthorization bill of the ESEA, and we are getting a lot of nice comments from around the country and from our Members in Congress about the bipartisan efforts to pass that legislation and to work out the differences that we have.

I want to say to all of the Members of Congress, that was facilitated by the fact that this committee and the Appropriations subcommittee was working in a bipartisan effort to support those efforts. They made it very clear they were willing to support the resources, the money necessary to bring about the reforms, but if the reforms were not there, they were not prepared to put the resources into the bill.

I want to thank the chairman, the gentleman from Ohio (Mr. REGULA). Much of what was in our bill dealing with the targeting of our resources, with teacher quality, came out of a number of conversations he and I had and his wife, Mary, about the importance of high quality teachers and teaching in poor schools, and I want to thank him for supporting that effort.

The same goes to the ranking member, the gentleman from Wisconsin (Mr. OBEY) for all of his support he has provided in this legislation that allowed us to bring about and agree, and I think bring about the most far-reaching reforms in the Elementary Education Act in 30 years. We did that by targeting the resources to the children most in need, to the schools most in need. And we were able to do that because this committee agreed to fund the more targeted of the formulas.

We did it by making sure that schools would have the resources necessary to improve their teacher quality, for professional development, for training, for retention of teachers. And, again, this committee provided the money so schools will have the flexibility to do that within their individual schools; and for the first time, to take those who have limited English proficiency and provide a formula base program so the money will go to where those students are as opposed to a haphazard grant program and this committee funded that.

I think that all of us who are terribly concerned about the balance between reform and resources, if you look at this bill as reported by the Subcommittee on Labor, Health and Human Services and Education, you will see that the commitment has been kept. The resources have been developed, the reform is out and the resources have been developed in this bill and I want to thank the member of the committee for that.

Mr. REGULA. Mr. Speaker, how much time do we have remaining?

The SPEAKER pro tempore. The gentleman from Ohio (Mr. REGULA) has 6 minutes and 30 seconds remaining. The gentleman from Wisconsin (Mr. OBEY) has 13 minutes remaining.

Mr. OBEY. Mr. Speaker, I yield 1 minute 20 seconds to the gentleman from California (Mr. FARR).

Mr. FARR of California. Mr. Speaker, I rise in strong support of this conference report. I would like to share with my colleagues the appreciation we have of the chairmanship of the gentleman from Ohio (Mr. REGULA) on this committee who is known in this body as a very compassionate individual, and certainly the gentleman from Wisconsin (Mr. OBEY), the ranking member, who has long fought for these issues.

As we look at this bill, I hope everybody will vote in favor of it. It affects more people in America than any other appropriation we pass. This essentially is the basis for funding for education in America, for our workforce in America, for our health care, including our Centers for Disease Control and for the human services.

I think most importantly often overlooked is the issue that the gentlewoman from Michigan (Ms. RIVERS) just rose on, to talk about our commitment to mental health. If there is anything that is bipartisan in America, it is the support for mental health programs.

I am disappointed that the bill did not have parity for that that would have required every health care insurance plan in the United States to provide the exact same kind of health care level for mental health treatment as it does for other medical treatment. That failing, however, this bill does provide incredible increases to the mental health side, increases $2 million more; for local mental health programs, additional $13 million, totaling $433 million; children's mental health services, an additional $5 million, for $97 million.

It also deals with school violence, a treatment for children with post-traumatic syndrome, and probably most importantly, $2.2 billion for substance abuse prevention and treatment.

I say congratulations to the committee. They have done a good job. I look forward to supporting this conference report.

Mr. REGULA. Mr. Speaker, I yield as much time as he may consume to the gentleman from New Jersey (Mr. HOLT) for a colloquy.

Mr. HOLT. Mr. Speaker, I rise to enter in a colloquy with the gentleman from Ohio (Mr. REGULA).

Mr. Speaker, someone who casually observes the education part of this bill might think we will be spending less on math and science teacher programs this year than last, and as the United States falls increasingly behind the rest of the world in math and science performance, we need to pay attention to this area.

The conference report states, ''The conferees believe that providing high-quality math and science instruction is

of critical importance to our Nation's future competitiveness, and agree that math and science professional development opportunities should be expanded.''

It is my understanding from this that it is the intention of the committee that no less money than last year be spent on teacher training for math and science; is this correct?

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

Mr. HOLT. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Speaker, that is correct. I would assure the gentleman, and also the gentleman from Michigan who will join our colloquy, we consider math and science teacher training to be an important part of preparing our students for the future. I assure my colleague that the conferees have provided adequate funding to allow the same or even increased effort in science and math teacher training. The conferees intend that, at a minimum, the current level of effort in science and math development be maintained.

Mr. HOLT. Mr. Speaker, I thank the gentleman for clarifying this.

I thank the gentleman from Ohio (Mr. REGULA), as well as the gentleman from Wisconsin (Mr. OBEY) for excellent work on this appropriations bill.

Mr. REGULA. Mr. Speaker, I yield as much time as he may consume to the gentleman from Michigan (Mr. EHLERS) for a colloquy. He has been, along with the gentleman from New Jersey (Mr. HOLT), a very strong supporter of math and science education.

Mr. EHLERS. Mr. Speaker, I rise to enter into a colloquy with the gentleman from Ohio (Mr. REGULA), and I do want to thank him very, very much for all his work to improve funding for education, particularly for math and science education.

Over the past few months, much attention has been placed on the poor state of our Nation's K–12 math and science education. International tests place our students in the bottom third of industrialized nations in their performance in science, and dead last among those nations in high school physics.

The 2000 NAEP results recently announced found no improvement in science literacy in the 4th and 8th grades, and a decline in science performance in grade 12 since 1996. This is simply unacceptable. Our country desperately needs more people trained in math and science. Over the past few years, I have advocated improving our Nation's science education programs and increasing the Federal funding for professional development for our Nation's math and science teachers.

Mr. Speaker, this bill consolidates funding for the Eisenhower program, which was the primary professional development program for math and science teachers, into the Title II Teacher Quality Grant program, which will receive an appropriation of $2.85 billion. The conference report states that as much as $375 million was actually expended on math and science in fiscal year 2001, and that the conferees therefore strongly urge the Secretary and the States to continue to fund math and science activities within the Teacher Quality Grant program at a comparable level in fiscal year 2002.

Mr. Speaker, it is my understanding that the intention of the conferees is that no less than $375 million be expended on math and science professional development in fiscal year 2001; is that correct?

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

Mr. EHLERS. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Speaker, the answer is the gentleman is substantially correct. The report language does state that States should spend a comparable level on math and science professional development as was spent in fiscal year 2001. The conferees consider math and science education vitally important to our Nation's future competitiveness and believe that such spending should be enhanced in the future.

Mr. EHLERS. Mr. Speaker, if I may continue, the bill allocates only $12.5 million for the newly created Math and Science Partnership program. The conference report states that the conferees strongly urge the Secretary and States to utilize funding provided by the Teacher Quality Grant program, as well as other programs provided by the Federal Government, to strengthen math and science education programs across the Nation.

Mr. Speaker, it is my understanding that the intention of the committee is to strongly encourage States to use funding under the Teacher Quality Grant program to fund the Math and Science Partnerships; am I correct?

Mr. REGULA. Mr. Speaker, the gentleman from Michigan (Mr. EHLERS) is substantially correct. The conference report strongly encourages States to utilize the $2.85 billion allocated to Title II dollars toward math and science activities.

Mr. EHLERS. Mr. Speaker, I thank the gentleman from Ohio (Mr. REGULA) for his answers, and I thank him for his commitment to math and science education, and I look forward to working together on this issue in the future.

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Mr. OBEY. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. FATTAH).

Mr. FATTAH. Mr. Speaker, I want to thank the ranking member, the gentleman from Wisconsin (Mr. OBEY), and the chairman, the gentleman from Ohio (Mr. REGULA), because they have crafted a bill that should enjoy unanimous support here in the House.

I want to just mention my thanks for the funding for the GEAR UP program and the TRIO program, and a number of other efforts in relation to higher education. And I also want to make note of the first-time funding for the Education Equity Incentive grant program, and a host of other, I think, very appropriate focus that the leadership has brought to bear on some of the real work that has to be done to improve our Nation's schools.

So I want to thank the gentleman from Wisconsin and the gentleman from Ohio for their work, and I would just hope as we go forward that we will find again the same type of bipartisan support for GEAR UP and our other efforts to improve our Nation's schools.

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

Mr. OBEY. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, I want to commend my good friends from Ohio and Wisconsin for their hard work on this bill, especially as it relates to putting in a program called Transition to Teaching. As the chairman has said many times, and I agree, the quality of teaching, getting a great person in that classroom, with good experience and mentoring skills, somebody to rely on for learning how somebody else has taught for 15 or 20 years, is very, very valuable.

The Transition to Teaching program that we have incorporated in this bill brings experience from the private sector in math and science and technology into the classrooms and into the public schools. So I commend the gentleman from Ohio (Mr. REGULA) and the gentleman from Wisconsin (Mr. OBEY) for that.

I do think that in the job of funding H.R. 1, the No Child Left Behind Act, which we just passed the other day, we are about $4 billion under what we authorized. We do, however, have about a 16 or 17 percent increase over last year's level. We have to continue to be ever vigilant, in that we fight for money to fund the reforms with sufficient resources to get the tests and remediate the children that we just passed.

Finally, I would say, on IDEA, we have a billion dollar increase. I hope the President puts new money in this new budget coming next year, and that we get that up to the mandated level.

I thank the Chair for his patience, and I again thank the gentleman from Wisconsin for his work on behalf of this bill.

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

Mr. OBEY. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. PELOSI), also a member of the subcommittee, and our new minority whip.

Ms. PELOSI. Mr. Speaker, I thank the gentleman very much, our distinguished ranking member, for yielding

me this time. And I congratulate the ranking member, as well as the chairman of our subcommittee, for a job well done on this very important Labor-HHS and Education bill.

In a bipartisan manner our subcommittee has produced a well-balanced bill that strengthens our schools, invests in our workforce, and provides much-needed resources for biomedical research and our public health system.

Although the administration proposed the smallest increase in education in 5 years, the bill, instead, provides the largest funding increase in the history of the Department of Education. For the fourth year in a row, dramatic increases are also included for the National Institutes of Health. This keeps us on track to double the NIH funding over 5 years, an investment that is yielding phenomenal progress in our understanding of the human body and the search for better treatments.

Additional resources have also been provided for many other vital programs, including HIV/AIDS prevention and care, breast and cervical cancer screening, child care, drug treatment, bilingual education, and environmental health.

The bill makes important progress, but I am disappointed in one opportunity that was lost at last night's conference. We did not agree to the other body's inclusion of an amendment to require that group health plans' offering mental health benefits do not impose restrictions on mental health care that differ from limits on other physical health care. That was a disappointment.

On the other hand, we must remember that access to treatment for mental health has never been more important for our country. The New England Journal of Medicine reports that nearly half of our American adults report at least one symptom of substantial stress after September 11. We see articles in the paper every day how this situation has been exacerbated.

In any event, we know effective treatments are available for mental health. We hope that promises made will be kept as we go into the next session of Congress.

With that, Mr. Speaker, I want to again commend the chairman. This is a very important bill. We call it lamb-eat-lamb, because everything in it is so good, and when we try to transfer money from one account to another, it is a very difficult decision to make. Mr. Natcher always called it in ''the people's bill.''

We have a great tradition of bipartisanship on the committee. We were delighted to welcome our new member of the committee, who was our chairman, the gentleman from Ohio (Mr. REGULA), congratulate him on his first conference report, and thank the gentleman from Wisconsin (Mr. OBEY) for his extraordinary leadership in making the bill what it is today. It was a tough fight to get this to this point, but I commend both the chairman and the ranking member on the success that Members will be voting on today.

Again, higher numbers for education than the Bush administration requested; more responsive to the needs of the American people.

Mr. REGULA. Mr. Speaker, I yield 15 seconds to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Speaker, I thank the chairman for yielding me this time, and I rise today to express my extreme dismay at the fact that the gentleman did not include the mental health parity provisions included by the Senate in this bill. I certainly pledge to work with everyone in this House to assure that next year that is a top priority. And, again, I am sorry that that goal could not have been accomplished in this bill.

I rise today to express my dismay that this final FY 2002 Labor-HHS Appropriations Conference Report does not retain the mental health parity language that was included in the Senate bill, especially since a majority of Members of both Chambers support full mental health parity in this report. The Labor-HHS Conferees should have heeded the wishes of Congress.

Discrimination against mental illness must end. Mental illness is no different than any other illness, yet our society continues to treat it as such. We cannot in good conscience allow discrepancies in mental health care coverage to continue. For years I have fought to eliminate discrimination in insurance coverage for mental illnesses and this year, the Senate did the right thing by passing full parity legislation. There is a strong unified voice in the Congress calling for mental health parity. I am stunned and dismayed that the Conferees did not answer our call.

I can assure you that I along with many colleagues will be working to assure passage of mental health parity next year before the end of this session of Congress. I know that Senator DOMENICI will be providing leadership yet again to eliminate this discrimination.

There is no debate about the devastating impact of mental illnesses on Americans from every walk of life. The Surgeon General has estimated that roughly 20 percent of the U.S. population—nearly 125,000 people in each of our districts—has a diagnosable mental disorder in any given year. A fifth of our nation's children have mental disorders with at least mild functional impairment. Suicide is the third leading cause of death for young Americans, and twenty percent of all suicides are seniors over age 65. Untreated mental illness costs American businesses $70 billion each year in lost productivity and worker absenteeism according to the Wall Street Journal. Other estimates are significantly higher.

The good news is that treatment works. Apparently, some in Congress apparently still do not understand this. Properly diagnosed and effectively treated, the overwhelming majority of those with mental illnesses can reclaim their lives, return to work, and once again become productive members of our society. Indeed, NIH data show that mental health treatments have greater success rates than treatments for heart disease and many other medical conditions.

Unfortunately for millions of Americans with mental disorders, access to effective treatment is impossible because health plans routinely and legally discriminate against them. The GAO reports that an appalling 87 percent of health plans routinely force patients to pay more for mental health care than other health care, put stricter limits on mental health treatment than on other health treatment, or both. The Surgeon General has unequivocally stated that such distinctions between mental and physical health care have no basis in science. The only reason to restrict mental health care is because of stigma and outdated stereotypes.

Again, by not acting to ensure parity in mental health coverage, Congress is allowing insurers to discriminate—blatantly—against patients who for not fault of their own have a mental illness. Congress would not stand idly by while insurance companies put up barriers to cancer treatments or care for patients with heart disease. Similarly, we in Congress should not tolerate such discrimination against patients in need of mental health care.

I understand some Conferees were concerned about the inclusion of parity because of procedure, not policy. The Chairmen of the authorizing Committees expressed interest in convening hearings on the subject. I am pleased that this Conference Report urges the authorizers to act on mental health parity as I have been urging the authorizing them to do for years.

There is no time to waste. This is a problem we need to address now. In the wake of the terrorist attacks on our country, millions of Americans are coping with profound feelings of fear and vulnerability. Experts tell us that the psychiatric consequences may not show for weeks or months in the form of post-traumatic stress disorder and other serious mental and emotional problems. Unfortunately, at a time when mental health care is of unprecedented importance, many will discover that their health plans hinder rather than help them receive treatment.

By not including mental health parity in this Conference Report, Congress is prolonging the discrimination against those who are already suffering. I ask House Leadership to move ahead with mental health parity as encouraged by the majority of the House and Senate. We must move this reform next year before the 107th Congress adjourns.

Mr. OBEY. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from Wisconsin (Mr. OBEY) has 6¾ minutes remaining, and the gentleman from Ohio (Mr. REGULA) has 1¼ minutes remaining.

Mr. OBEY. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, every single American will benefit from the passage of this bill. Every single American has benefited over the last generation from the passage of similar labor, health, education, and social services bills. Every

American family that cares about educating children should be pleased with this bill.

This bill has also, through the years, absolutely revolutionized our ability to deal with disease. It has totally changed the way we attack disease. It has totally transformed our understanding of human disease, and it has armed us to provide some incredible advances in health care in the future. It is, to me, the most important bill that we pass each and every year in this House.

I again appreciate everything that the gentleman from Ohio (Mr. REGULA) has done to help move this bill forward.

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

Mr. REGULA. Mr. Speaker, I yield myself such time as I may consume for just one comment.

I hope that the authorizing committees will deal with the issue of mental health parity. We had a temporary amendment offered to ensure that there would be continued coverage after September 30. We recognize that this is something that should be done by the authorizing committees and hope that that will be done.

I also want to mention that we so many times hear that the other body does not work well with ours. I just want to say that at the staff level the team from the other body worked beautifully with the House team, Republicans and Democrats, to bring this package together. They worked extremely hard and have produced a wonderful bipartisan bill. It is bipartisan party-wise, and it is bipartisan House and Senate.

One last thing I do not think has been commented on is Job Corps. Today, in this economic crisis we are concerned about job training programs and dislocated workers. The Job Corps is funded at $1.459 billion, $60 million more than last year. The dislocated worker assistance is funded at $1.5 billion, $111 million over fiscal year 2001 and $166 million over the budget request.

I think this illustrates, as the gentleman from Wisconsin (Mr. OBEY) has said, that this bill is compassionate and it indicates our great concern. I would urge all of our colleagues to support this. They can go home and with pride say that they supported this bill. It truly is a people's bill.

Mr. KIND. Mr. Speaker, I rise in support of H.R. 3061 the FY2002 Labor, Health and Human Services, Education Appropriations bill. I am pleased that my colleagues on both sides of the aisle came together to provide an increase of $12.5 billion over FY2001 program level.

This legislation makes education a priority. It provides an increase of $6.7 billion over last year's education appropriation bill and includes a discretionary education appropriation of $48.9 billion. Furthermore, I am happy with the recent passage of H.R. 1, the No Child Left Behind Act. While this bill encompasses many reforms, one issue in which I was actively involved in during committee consideration of ESEA was improving professional development for our teachers, principals, and administrators. This year, the Teacher Quality State Grant received $2.85 billion, a 31% increase over last year's appropriation. I will continue to push for increased funding for professional development; our school leaders are critical to our children's success in the classroom. Educating our youth should be our nation's number one priority.

Regarding health issues, I am a strong supporter of doubling the budget for the National Institutes of Health (NIH) by fiscal year 2003, and complement the committee for providing an additional $3 billion. Congress' bipartisan support of medical research has led to substantial improvements in the health and well being of every American. We have now entered a new era of science with the mapping of the human genome and the potential in stem cell research. The opportunities for preventing, diagnosing, treating and curing diseases have never been greater. And, with the research and development of new vaccines to combat widespread disease epidemics, the NIH is in the forefront of the war on bioterrorism.

Further, I commend the committee for increasing funds to assist rural health care needs including $1.34 billion for community health centers and $40 million for rural hospitals. Further, I am happy that $12.5 million will be provided for the Rural Access to Emergency Devices program administered through the Rural Health Outreach Office. I was the author of the legislation creating this program that gives grants to community partnerships consisting of local emergency responders, police and fire departments, hospitals, and other community organizations to purchase automated external defibrillators (AEDs) and train potential respondents in their use, as well as in basic CPR and first aid.

Finally, it is imperative that we continue adequate funding for employment and training activities under the Department of Labor. During this period of economic uncertainty with workers losing their jobs each day, training and employment programs are critical in helping these workers get back on their feet. I am pleased that Congress chose to restore some of the cuts made to the programs in the administration's budget.

The Labor, Health and Human Services, Education Appropriations bill is often a contentious piece of legislation. I commend my colleagues for working in a bipartisan fashion to address many of our top domestic priorities in education, health care, and training. I urge my colleagues to support the bill.

Mr. CROWLEY. Mr. Speaker, I rise today to express my support for H.R. 3061, the Labor, Health and Human Services, Education and Related Agencies Appropriations Bill.

And would like to thank Chairman REGULA and Ranking Member OBEY as well as all members of the Subcommittee, especially Representative STENY HOYER, ROSA DELAURO, and NITA LOWEY for all of their work and dedication in crafting a bipartisan piece of legislation that funds our Nation's education, health infrastructure and labor programs. This bill provides $48 billion for education programs—an increase of almost $7 billion over last year.

Of this total, $6.54 billion is allocated for the Head Start Program, which represents a $338 million increase over last year's budget. This new funding will guarantee that we can avert a threatened reduction in current enrollment of as many as 2,500 children. This Head Start funding will benefit many Head Start Centers in New York, including the Little Angels Head Start Program in the Bronx. Additionally, this bill increases the ceiling for Pell Grants bringing the maximum award to $4000—the highest maximum grant in the program's history. This will mean more deserving students will have a chance to attend college and achieve the American dream.

The bill provides new resources for mentoring, training, salary enhancement, and other improvements that will support teachers by giving them the resources they need to do their job. With respect to teacher training, I was very pleased to see the great work being done by City University of New York Chancellor Matthew Goldstein, and the President of LaGuardia Community College, Gail Mellow acknowledged with a $600,000 grant for their Teacher Empowerment Zone Program at this great institution.

This bill also allocates $200 million more than what the President requested for bilingual education. These funds will provide instructional support and teacher training to assist the approximately 3.6 million students who have difficulty speaking English.

Mr. Speaker, this is wonderful news for my district, home to students who speak over 70 languages. H.R. 3061 provides the money needed to carry out the sweeping educational reforms outlined in the Leave No Child Behind Act—a bill that ensures teachers, students and parents have the resources to hold themselves to the highest educational standards.

Locally, this translates into $636 million this year for New York City Public Schools, a 28% increase from last year; and $141 million in Title I funding, a 20% increase over last year. With the New York City Board of Education threatening a 15% across the board cut in important education programs, this increased Federal funding is more important than ever. This bill will mean a lot to New York City and particularly the children back in Queens and the Bronx.

In addition, H.R. 3061 includes significant increases for medical research and health programs. I am particularly pleased at the inclusion of $23.3 billion towards the National Institutes of Health—an increase of $3 billion over last year's funding levels, and a $430 million increase for the Centers for Disease Control and Prevention. The CDC has a long history of doing exemplary work, particularly in disease prevention. Specifically, the CDC has led the charge in combating the West Nile Virus, a potentially deadly virus that was first discovered in North America in my district of Queens, New York. The programs at both the CDC and the NIH are not only a good investment in our communities, but they are vital to combating bioterrorism as our nation confronts new threats and challenges.

Furthermore, this bill also allocates $1.91 billion for the Ryan White AIDS program, which is a $103 million increase from last

year, with specific increases for minority HIV/AIDS initiatives. With minority rates of HIV/AIDS infection increasing, this funding is both timely and desperately needed. In my district, Steinway Child and Family Services of Queens has done an outstanding job in providing HIV/AIDS education and prevention services programs, including an innovative program of teen mentoring in the schools. We must combat the scourge of AIDS, and this bill provides a down payment in this war. For our displaced and unemployed Americans, this Labor-HHS-Education Conference Report includes $1.55 billion for dislocated workers employment and training, an increase of almost 10% over last year. For my home State of New York, this will mean a tremendous amount as we strive to recover from the events of September 11th.

Stating that, I was disheartened to see the school construction and modernization that I have championed stripped from this bill, just as I was disappointed that a meaningful compromise was not reached to achieve mental health parity for insurance. Nevertheless applaud the hard work of the House and Senate conferees in bringing this important spending bill to the floor today and I proudly support this measure.

Mrs. CHRISTENSEN. Mr. Speaker, I rise today, to support the Labor Health and Human Services, and Education appropriation bill today, and to applaud the chairman, Mr. REGULA, and ranking member, Mr. OBEY, for their hard work, willingness to work with all of us, with our many and varied interests, and demands, and their unwavering commitment to the people of this country who depend on the work done in this important committee. As a family physician and chair of the Health Braintrust of the Congressional Black Caucus, I want to speak specifically to the Health funding.

Mr. Speaker, while we may not have gotten all that we wanted, I am pleased that funding that would have been flat or reduced under President Bush's budget request was restored or even increased. Although there are many instances where this has happened, I want to make specific reference to Healthy Start, the Health Careers Opportunity Program and the Minority AIDS initiative. On the Minority AIDS initiative we regret that the funding did not come closer to our request of $540 million that we determined was needed to extend the programs for HIV and AIDS to our hard to reach people of color who are at disproportionate risk, and suffer the most from the scourge of this virus.

We are most concerned that the language accompanying the funding for this important initiative still falls short, in that it fails to target this small section of AIDS funding narrowly, to ensure that the community organizations that are of the communities, which are most needy, are the ones to receive the funding. In not doing this, the intent of the Congressional Black and Hispanic Caucuses, to empower our community through resources and technical assistance may not be met—a risk we should not take given the devastation of HIV/AIDS on our communities. But the committee did well in providing us the 11% increase—far more than ensured by the President's budget, and for that we are grateful. We will redouble our efforts to get the full funding and better language next year.

Mr. Speaker, I want to say that I too share the disappointment voiced by several of my colleagues in that the measure which would have given mental health services parity with other healthcare is not included, and pledge to work with them, and our community and national organizations that this goal will be realized. To expect a perfect bill that includes all that everyone wanted is more than unrealistic, and in this period of crisis in our country it is impossible. The chair and ranking member and the committee has done well. We thank them, and we ask our colleagues to vote for this bill.

Mr. LARSON of Connecticut. Mr. Speaker, I rise today to express my support for the Labor-Health and Human Services Appropriations conference report. While the report contains increases which will strengthen many significant projects and initiatives such as: the Ryan White AIDS treatment programs, dislocated workers employment and training, the National Institutes of Health, special education, and Head Start; I am particularly pleased to see the inclusion of $850,000 for the AMISTAD America project.

AMISTAD America, Inc., is an educational foundation in Connecticut, which build and operates a full-size working replica of the ship *Amistad*. It serves as a unique and powerfully effective traveling educational exhibit that will make port visits down the Eastern Seaboard and around the country to educate students about the history and lessons of leadership, racial cooperation, perseverance, courage, justice, and freedom that are inherent in the Amistad Incident of 1839.

Constructed between 1998–2000 with grants from the State of Connecticut and various private donors, the Freedom Schooner *Amistad* is a wonderful example of public and private partnership. With this federal funding, the Freedom Schooner *Amistad* will serve as a tool to educate our school children about the Transatlantic Slave Trade. Moreover, AMISTAD America, Inc. will be able to share the rich history and lessons of the ship *Amistad* to the rest of America by coordinating with local school districts and schools to provide school children free admission, tours and history lessons on the Freedom Schooner *Amistad* vessel when it visits various ports in the United States. It will also hold teacher-training sessions, and distribute K–12 educational materials including the CDROM, The Amistad Incident: A Journey to Freedom . . . A Story of Heroism, to each school district preparing for a visit. In addition, with the help of Apple Computer, school children will be able to connect with Amistad Internet to conduct live, interactive chats with the captain and crew of the *Amistad*. This technology will allow *Amistad* to connect with as many individuals in as many places as possible, especially those communities that cannot be reached by the vessel.

I would like to note that *Amistad* project received support from all Members of the Connecticut Delegation, as well as the Congressional Black Caucus. I thank them for their efforts and assistance in securing funding for this very important educational tool. I would also like to give special thanks and recognition to Christopher Cloud and Will Mebane of Amistad America, Inc. and Fredericka Gray of Phoenix Home Life for their perseverance and dedication to the Freedom Schooner *Amistad* project.

Mr. Speaker, I applaud the hard work of the conferees in preparing this conference report and including this important project, which will help to enrich school children's knowledge and understanding of our nation's history in not only Connecticut, but the entire country. Therefore, I urge my colleagues to vote in favor of the conference report.

Mr. BEREUTER. Mr. Speaker, this Member wishes to add his strong support of the conference report for H.R. 3061, the Labor, Health and Human Services, and Education Appropriations Act for fiscal year 2002.

This Member would like to commend the distinguished gentleman from Ohio [Mr. REGULA], the chairman of the Appropriations Subcommittee on Labor, Health and Human Services and Education, and the distinguished gentleman from Wisconsin [Mr. OBEY], the ranking member of the House Appropriations Subcommittee on Labor, Health and Human Services and Education, for bringing this important legislation to the House Floor today. This Member is particularly pleased that this appropriations conference report includes $800,000 for the University of Nebraska-Lincoln to expand software education and training programs, as well as curriculum development. This funding, which was requested by this Member, is to be used to assist the University of Nebraska-Lincoln's unique honors program, called the Great Plains Software technology program. The program integrates computer science and business curriculums to educate students in technologies that are becoming the building blocks for the new economy.

This funding will be used for further development of this curriculum and will allow the University of Nebraska-Lincoln to serve additional students and provide them with challenging internships. By participating in the Honors Program, students will be prepared with the knowledge needed in the information technology arena so they can start their own companies or help expand existing businesses, thereby creating new jobs and opportunities in Nebraska. This Member is also pleased that the conference report provides $1.5 million for the Close Up Foundation. It is this Member's opinion that the Close Up Foundation is the best citizen education program that brings citizens of any age to Washington, D.C., to study our governmental system. It is a highly successful program that each year provides thousands of high school students with an extraordinary opportunity to learn how our government works. The funding, which was requested by this and other Members, will assist low-income students who want to attend the Close Up program.

This Member is also pleased that the conference report includes language, which this Member requested, expressing concern about the Administration's plans to abolish the Office for the Advancement of Telehealth and reassign these functions to the HIV/AIDS Bureau. This Member is pleased that the conferees have provided sufficient funds to continue the operations of this office as a component of the Office of the Administrator.

The Administration's decision to make such an organizational change came as a complete surprise to this Member, as he was given prior assurances of OAT's success as a leader in advancing higher quality health care for Americans living in rural and non-metropolitan parts of our country.

This Member was concerned about this move for several reasons. Despite any assurances that might be offered to the contrary, the abolition of the OAT and the placement of its function in the HIV/AIDS Bureau would likely divert the focus of the Office's efforts and program and staff resources away from using telehealth to provide better access to rural and underserved populations. The Office currently manages over 80 grants in 40 states and has improved the lives of over 100,000 individuals over the past year. Many of these grants have been highlighted by Members of Congress as being of significant importance to residents of their home districts. These grants were authorized by Congress to meet the unique needs of rural and underserved populations. The needs and requirements of expanding medical access to rural and underserved urban communities using telemedicine are quite different from the programmatic efforts of the HIV/AIDS Bureau.

Through the Office's efforts to foster communication and coordination among programs that are involved in telehealth activities, OAT has served as a critical focal point for such activities within the Federal Government. For example, its efforts to create and manage the Joint Working Group on Telemedicine have focused on improving the effectiveness of over 15 different Federal grant programs through education about new initiatives and participation in joint activities that reduce duplication of efforts. We are concerned that this reorganization will eliminate this function and bring about greater inefficiency and confusion among Federal programs. The Office currently serves as a model for the cost-effective expansion in delivering medical care through its grant program. For example, during a recent period (1999 to 2000) the program's grantees increased patient encounters by over 83 percent while its budget increased by only 56 percent. In addition, Federal dollars used by OAT grantees are used to leverage other funds, further expanding access to care while saving costs to the Federal Government.

Finally, following the horrific events of September 11, 2001, it is ever more important that we have a powerful OAT that can assist rural and underserved communities with the development of telehealth programs. The large Federal investment already made in establishing a network of programs providing telemedicine services can be used to educate rural medical professionals on how to diagnose, report, and respond to effects of terrorism. This education is critical since high mortality rates could occur if diseases resulting from the release of biowarfare agents and other terrorist actions are not recognized and treated properly in their early stages.

Mr. Speaker, in conclusion, this Member supports the conference report for H.R. 3061 and urges his colleagues to approve it.

Mr. MATHESON. Mr. Speaker, I am pleased to rise today in support of a bipartisan appropriations bill that provides resources to important federal priorities. First, I am pleased with the level of funding for education. Last week this House approved the most sweeping reform in federal education policy since 1965. That legislation was designed to elevate the quality of our nation's schools and bridge the achievement gaps that have been tolerated for too long in our country. It will require more of our students and teachers by setting higher standards and tracking progress over time.

While the H.R. 1 reform bill was a monumental achievement, it was hollow rhetoric until today. Today, we are taking the first step to provide the federal resources necessary to support the type of reforms and the level of excellence in education that we outlined in H.R. 1. today, we are moving closer to keeping the federal government's promises to our local schools and students.

The FY 2002 Labor-HHS-Education Appropriations Bill provides a 16 percent funding increase for education programs overall, including a 17 percent boost in elementary and secondary education programs and a 13 percent increase in the maximum Pell Grant. This will translate into helping local school districts hire 32,000 additional teachers and increasing the number of Pell Grant recipients to 4.3 million. In addition, it includes a boost in special education spending for the Individuals with Disabilities Education Act. Although I, like many of my colleagues, believe that supporting our local schools with 40 percent of the costs of special education is a high priority, this legislation will provide the highest level of funding ever for special education by boosting the federal percentage from 12 percent to 17 percent of all costs, a 19 percent increase over last year. I am pleased that we are doing so much to meet our obligations to our children and recognizing that education is an important long-term priority.

While Congress has done much lately to improve education, recent events have demonstrated the essential nature of preserving our health care infrastructure. Because a strong health care system improves the life of every American, I am pleased that this appropriations bill continues to move us down the track of doubling the funding for NIH over five years, by providing a 15 percent increase over last year's funding levels. Federal resources devoted to the National Institutes of Health are the backbone of biomedical research throughout the nation. This increase will invest in potentially life-saving discoveries about a plethora of disease processes and treatment techniques. In addition it will provide increased resources to assist rural areas by strengthening the federal assistance given to rural hospitals and increasing support for the National Health Service Corp.

This legislation also recognizes the evolving nature of our world and new priorities in health care response that we face in ensuring Homeland Security. It dedicates additional resources to public health prevention and bioterrorism preparedness. There is an 11 percent increase for the Centers for Disease Control (the front-line of our nation's bioterrorism preparedness and response team) and funding to begin establishing an environmental health tracking network to assist in monitoring and responding to disease trends.

Although I am disappointed that this legislation's strong commitment to public health does not include an expansion in the federal requirements for mental health parity, I am pleased that the Conference Committee had the foresight to include an extension of the existing regulations for an additional year. This coupled with a 6 percent increase in funds for the Mental Health Services Administration will assist more Americans who suffer from mental illness.

In many ways the long-term stability and prosperity of our nation is provided for in this legislation. Our education system is fortified; our health care system is equipped, and finally, our nation's workers are assisted. This legislation helps to adequately assist dislocated workers and provide training to adults and youth. Never in the last decade have we needed to be more aggressive about providing services for victims of economic downturn and investing in long-term priorities that will create long-term economic prosperity and national security.

Mr. BLUMENAUER. Mr. Speaker, last week we reauthorized funding of education programs with a solid balanced approach for the future. Today's Labor, Health, Human Services and Education bill provides the first year of funding on that vision. Nothing is more important for the future livability of our communities than a sound education system; schools are the building blocks of stable neighborhoods and healthy children.

I am pleased with the progress that has been made on education in this Congress. While there are pressing needs for security and defense, and the state of the economy is on everybody's minds, nothing will make more difference for the long term livability of Oregon and communities around the country than having a solid education system. Especially in these difficult economic times, assistance from the federal government plays a critical role. I enthusiastically support this bill, which provides a 16 percent increase over last year, an increase three times larger than the administration had requested. For special education, a critical need, the rate of increase is even higher at 19 percent.

I am also pleased with the improvements in health and Low-Income Home Energy Assistance (LIHEAP) funding. This conference report includes extra support for National Institutes of Health research, a vital 11% increase for the Centers for Disease Control. These important organizations are even more vital to our preparedness and security in light of the threats that face our nation. We have also maintained LIHEAP funding from FY01, $300 million over the President's request, to help low-income Oregonians and other Americans access heating assistance during a time of cold weather and skyrocketing energy costs. Finally, Congress will send the President a bill without the proposed cuts in Head Start funding, maintaining a program that is vital to the development of young children.

My hope is that we can build on this progress in the next session of congress to be able to assure that our children have stable education funding and that our communities have more resource to modernize schools and provide a full range of services that our children deserve and that citizens demand. The federal government needs to be a full partner; this bill goes a long way towards fulfilling that promise.

Mr. BACA. Mr. Speaker, the Labor H.H.S. conference report signals a bipartisan commitment to place education as a top priority. Education must be top priority not just for children of privilege, not just for those who speak English as their first language, all children deserve the opportunity to learn!

Latinos remain among the most educationally disadvantaged of all students. Education must be a top priority for all children. In education, our children are the underdogs. Our children are without a voice. As elected officials we have the responsibility of voicing loudly and plainly the educational realities of poor and disadvantaged children.

I can assure you that we in the Hispanic Caucus have not forgotten our roots. We are standing strong and fighting hard not only for our children but all children, so that no child is left behind. This bill makes significant strides in funding for our educational priorities but make no mistake that we as Hispanic members of Congress will continue pushing for adequate and protected funding for bilingual education, immigrant and special education.

We will continue fighting so that every poor child, eligible for services can receive assistance. We are not only fighting for our children to catch up we are also fighting for our children to move ahead, excel, fulfill their hopes and dreams and lead us into the 21st century.

We need to move out of the box to meet the needs of the changing population to meet the unique needs of our community. We need to provide the resources so that the opportunities for our children are real. We need to provide the resources so that all children, if they work hard, can succeed. That is the American promise. That is the American dream. We must remember the words of Cesar Chavez: Si se puede, Yes we can!

With the passage of this bill we are well on our way. I strongly support final passage of H.R. 3061.

Ms. KAPTUR. Mr. Speaker, I rise to express my sincere disappointment with the Republican House conferees and their leadership who gave the big insurance companies their holiday wish and abandoned the millions suffering from mental illness when they killed the mental health parity amendment in conference.

Mental illnesses are brain disorders. They are as much physical illness as diabetes or heart disease. Members of Congress and federal workers already have health insurance providing parity for mental health benefits. Other Americans deserve the same protection. The cost of parity is low and the benefits are significant. For example, in my own state of Ohio mental health and substance abuse costs for state employees dropped with parity.

There are 54 million Americans with mental illness, two-thirds of whom receive no treatment. The Wall Street Journal has estimated that untreated mental illnesses cost U.S. businesses $70 billion a year in lost productivity and absenteeism; other estimates are much higher. Parity is inexpensive, support for it is broad, the authorizers have not acted, and those who opposed the amendment should be ashamed for voting to protect unconscionable discrimination.

Mrs. LOWEY. Mr. Speaker, I rise today in strong support of the conference report and I urge its adoption. I want to thank the ranking member, Mr. OBEY, for yielding me this time and for his strong and forceful leadership not only on this bill, but also for the American people.

I want to recognize the chairman of our Subcommittee, Mr. REGULA. He has been an absolute pleasure to work with and has gone out of his way to ensure that the bill was crafted in a bipartisan manner and that the concerns of Members on both sides of the aisle were considered.

Mr. Speaker, this conference report provides tremendous increases for health, education and worker safety and training. We've been able to follow up on the promises we made on this floor last week when we passed the ESEA conference report in this bill. Increases in Title I funding will ensure that our most disadvantaged children have access to a quality education. Pell Grants will reach a maximum of $4,000 per student, giving low-income students a helping hand in paying for college. Overall, the bill boosts education funding by over $1 billion, to its highest level ever. In health programs, the bill continues to provide an unprecedented level of funding for medical research. We are in an age of tremendous discovery in medical research, and the resources provided to NIH will help find treatments and cures for many diseases. There are increases for mental health research and treatment, HIV/AIDS programs, and programs for the elderly. And, we address the growing threat of bioterrorism by giving the CDC, our leader in this fight, greater resources to help keep our nation secure.

Even with these vast increases for so many programs, we know that next year will be very different. The surpluses we've enjoyed have disappeared. And, the President's tax cuts will take up more and more of the federal budget as we go forward. We're just beginning to fund education and healthcare at the levels they deserve. I am concerned, as are many of my colleagues, that we will not be able to provide this same level of funding next year.

I want to mention one area of critical importance—the need to combat obesity in this country. The Surgeon General reported last week that two out of three American adults are overweight. In fact, he estimates that obesity will cause more deaths than smoking in the coming years. Reducing the rate of obesity can prevent unnecessary illness and death. We've been so successful in convincing people to quit smoking, and this should be the next big fight for public health. I know that Chairman REGULA and Mr. OBEY will be very interested in that effort, and I want to again thank the chairman and ranking member for their tireless efforts in putting this bill together. I urge adoption of the conference report.

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

The SPEAKER pro tempore. 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.

Pursuant to clause 10 of rule XX, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 393, nays 30, not voting 11, as follows:

[Roll No. 504]

YEAS—393

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Armey
Baca
Bachus
Baird
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
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
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chambliss
Clay
Clayton
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Coyne
Cramer
Crenshaw
Crowley
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
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
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hayes
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
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 (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McIntyre
McKeon
McKinney
McNulty
Meehan
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
Owens
Oxley
Pallone
Pascrell
Pastor
Payne

Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Rush
Ryan (WI)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Schiff
Schrock
Scott
Serrano
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (FL)

NAYS—30

Akin
Bartlett
Cantor
Chabot
Cox
Crane
Duncan
Flake
Goodlatte
Hayworth
Hefley
Hostettler
Jones (NC)
Kerns
McInnis
Otter
Paul
Pence
Pitts
Rohrabacher
Royce
Ryun (KS)
Schaffer
Sensenbrenner
Sessions
Shadegg
Smith (NJ)
Tancredo
Toomey
Weldon (FL)

NOT VOTING—11

Baker
Clement
Cubin
Hall (OH)
Hastings (FL)
Luther
Meek (FL)
Reyes
Stark
Wexler
Young (AK)

□ 1532

Mr. GOODLATTE and Mr. PENCE changed their vote from ''yea'' to ''nay.''

Mrs. KELLY, Mr. DOGGETT and Mr. THOMAS changed their 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.

ANNOUNCEMENT REGARDING LEGISLATION TO BE CONSIDERED UNDER SUSPENSION OF THE RULES TODAY

Mr. KOLBE. Mr. Speaker, pursuant to the notice requirements of House Resolution 314, I announce that the following measures will be considered under suspension of the rules on Wednesday, December 19, 2001: H.R. 2561 and H.R. 2751.

GENERAL LEAVE

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report accompanying the bill (H.R. 2506) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes, and that I may include tabular and extraneous material.

The SPEAKER pro tempore (Mr. THORNBERRY). Is there objection to the request of the gentleman from Arizona?

There was no objection.

CONFERENCE REPORT ON H.R. 2506, FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2002

Mr. KOLBE. Mr. Speaker, pursuant to the previous order of the House, I call up the conference report accompanying the bill (H.R. 2506) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the order of the House of today, the conference report is considered as having been read.

(For conference report and statement, see prior proceedings of the House of today.)

The SPEAKER pro tempore. The gentleman from Arizona (Mr. KOLBE) and the gentlewoman from New York (Mrs. LOWEY) each will control 30 minutes.

The Chair recognizes the gentleman from Arizona (Mr. KOLBE).

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

I am privileged to bring before the House today the conference report on H.R. 2506, making appropriations for foreign operations, export financing, and related programs for fiscal year 2002. I want to also pay special thanks today to my very able ranking minority member, the gentlewoman from New York (Mrs. LOWEY). She has been a full partner throughout this process, and I am very grateful for the support and the participation that she has provided to bring this bipartisan bill before the House today as a conference report.

It is important to note that this bill enjoyed widespread support when it came before the House the first time. We approved the bill on July 24 by a vote of 381 to 46, really unprecedented for a foreign operations bill. Senate passage occurred 3 months later, on October 24, by a vote of 96 to two. I think these votes in both the House and the Senate demonstrate the importance that most Members in both bodies attach to fulfilling our foreign obligations and assisting our friends and allies abroad.

As I stated when I brought the bill to the floor earlier this year, I had three priorities for this legislation: first was to reverse the spread of infectious diseases, such as HIV/AIDS, tuberculosis and malaria; second, encouraging economic growth through open trade and transparent laws in other countries; and, third, improving the accountability of the agencies that are funded by this bill. This conference agreement represents important progress in all three areas.

The conference agreement appropriates $15.346 billion in new discretionary budget authority. This figure represents an even split between the House and Senate allocations. It is $178 million above the House level, $178 million below the Senate-passed bill. Three major reasons for the increase are the needs to restore a portion of the administration's cut to the Export-Import Bank; to provide new funding for the Andean Counterdrug Initiative; and to intensify our efforts to combat HIV/AIDS and other communicable diseases.

For the Export-Import Bank, we restored $138 million of the proposed reduction of $232 million in the program funds of the bank. This level of funding will allow for loan authorizations estimated at $10.6 billion, approximately $1.4 billion higher than the current level.

Regarding the Andean Counterdrug Initiative, it is important to recall that a supplemental appropriation bill outside the boundaries of the subcommittee's fiscal year 2001 allocation funded the initial Plan Colombia adopted by Congress last year. Therefore, the $625 million the conference report recommends for these activities is significantly above the $154 million that was available in the regular 2001 appropriations act for these countries; hence, the requirement for more money for this initiative. I am disappointed that we could not provide a higher level for this important initiative. However, in the discussions that we had with the Senate on this matter, I often felt like I was a minority of one. We were able to provide the base funding of $625 million, plus transfer authority to provide $35 million in addition to these funds. That will allow for a total of $660 million for this program in fiscal year 2002.

In addition, the conference report includes an amended version of the general provisions as proposed by the Senate that modifies the annual counternarcotics certification process. I ask that the letter I received from the State Department dated December 14, 2001, supporting the recommendation of the conferees be included in the RECORD.

Over $2.8 billion of the funds provided in this conference report will be made

available for military, economic, and refugee assistance for Israel. It is important that we pass this conference report as soon as possible, since Israel's economic assistance is a component of its fiscal year 2001 budget that expires at the end of December, this month, just a few days from now. Overall, the bill provides $5.14 billion for the Middle East, including assistance to Jordan, Egypt and Lebanon.

Total funding for activities to combat HIV/AIDS in this bill is $475 million, a very significant increase over the level of $315 million provided in fiscal year 2001. Within that level, the conference agreement appropriates $50 million for the international HIV/AIDS trust fund, as well as general authority to provide for an additional $50 million, if warranted, from other sources in this bill and from prior year funds.

Together with $100 million appropriated earlier this year in the supplemental appropriations act and $100 million appropriated in the Labor-HHS bill which we just completed on the floor a few moments ago, we have fully met and exceeded the President's request of $200 million in funding for the international fund to combat HIV/AIDS, malaria and tuberculosis. For bilateral assistance, no less than $395 million should be available for HIV/AIDS programs, assuming that $40 million is transferred to the proposed global fund. This amount exceeds the President's request by $66 million and the level authorized in law by $95 million. Some of the increase is for new programs in vulnerable countries such as Burma where little donor assistance is available to restrict the spread of AIDS.

Overall, for assistance programs managed solely by the Agency for International Development, the committee recommends a total of over $3.5 billion, of which $1.43 billion is for child survival and health programs. These totals include $120 million for a grant to UNICEF. In addition, $150 million is provided for basic education, an increase of $47 million over the fiscal year 2001 level. Again, I want to congratulate the gentlewoman from New York for her persistence in ensuring that assistance for basic education receive a high priority in this year's conference agreement.

□ 1545

Many children around the world have a great deal to be thankful to the gentlewoman from New York (Mrs. LOWEY) for.

For international financial institutions, the recommendation is $1.17 billion, which is $23 million over the 2001 level, but $40 million below the request. The bill also completes funding for the Heavily Indebted Poor Country Initiative, with a final $224 million, and provides an additional $25 million for the Tropical Forest Debt Relief Act; $5 million in new funds and $20 million from previous year balances. The President has called on the World Bank to dramatically increase the share of its funding for health and education in the poorest countries, but to do so with grants, rather than loans. Over the past few years, the committee has urged different administrations to adopt these policies, and I am pleased that President Bush has embraced them.

The conference report also includes language similar to that included in the bill that the House passed earlier this year regarding compliance by the Palestinian Authority and the Palestinian Liberation Organization with their commitments to halt violence and terrorism. Language in the conference agreement specifies the PLO and Palestinian Authority should abide by the cease-fire brokered by CIA Director George Tenet. If they are not in substantial compliance, the Secretary of State should impose at least one of three sanctions: First, the closure of the Palestinian information office in Washington; second, the designation of the PLO or one or more of its constituent groups as a terrorist organization; and, third, the cutting off of all except humanitarian aid to the West Bank and Gaza.

The President is allowed to waive these restrictions if he determines it is in the national security interests of the United States. Many of my colleagues wanted to go further in sanctioning the Palestinians; others felt that any language might upset potential negotiations that are either underway or will be underway in the future. The conference compromise, I believe, is a good indication of Congressional intent. I think it sends the right message to the Palestinians: Comply with your commitments regarding the enunciation of terror and violence and no sanctions will be imposed. I also believe it gives the President and the Secretary of State additional leverage in their discussions with Yasser Arafat and the Palestinian Authority.

The conference agreement also includes my proposal regarding the International Committee on the Red Cross. This otherwise noble institution has failed to admit the Magen David Adom Society of Israel to the International Red Cross and Red Crescent Movement. The American Red Cross has courageously fought to get the Society admitted to the Red Cross Movement. They have withheld their dues to the Geneva headquarters of the International Red Cross for the past 2 years. I am proposing that the United States Government do the same, until the Society is fully able to participate in the activities of the International Red Cross.

The bill also includes an additional $100 million to assist El Salvador in its recovery from two devastating earthquakes earlier this year. Many Members of the House are interested in assuring that additional assistance is provided for our friends in El Salvador, and the conference agreement provides that at least $100 million shall be made available for that purpose. The administrator of AID was in El Salvador last week and was able to make this announcement, and I can tell Members it was greeted with considerable satisfaction there.

For the International Fund for Ireland, we are recommending $25 million. That is the same as last year, but it is $5 million above the President's request. The program is designed to support the peace process in Northern Ireland and the border counties of the Republic of Ireland. Again, this is a matter that has strong support in the House and that the Senate did not address.

Our assistance program for Eastern Europe and the Balkans will receive $621 million in this conference report, an increase of $21 million over the fiscal year 2001 level. The major reason for the increase is the need to meet the last-minute requests of the administration for debt relief for Yugoslovia, which will assist the new democratic government of Serbia in its attempt to reform the economy of that country.

For the states of the former Soviet Union, funding would decline only slightly, from $810 million to $784 million. The committee continues its support to find a peaceful settlement in the Southern Caucasus region by providing $90 million for both Armenia and Georgia. While the committee does not set aside a specific amount for Azerbaijan, it waives a statutory restriction on assistance to its government as it cooperates in the fight against global terrorism.

The committee supports the struggle for a better life by the people of the Ukraine. Under this bill, the Ukraine will continue to receive $154 million, one of the largest single aid programs for any country on the globe.

Assistance for South and Southeast Asia is a relatively small part of our bill, but its importance is far more substantial than the number would indicate. Ongoing economic growth in health programs in India, the Philippines, Bangladesh and Indonesia provide the framework for subsequent investment by the private sector and multilateral development banks. The United States will participate in the effort to rebuild the Afghan economy, but substantial funds for that purpose have not yet been requested by the President, and so they are not included in this conference agreement.

For the second year, AID is encouraged to renew a basic education program in Pakistan. It is modest, but a very important start towards renewing a long-term economic assistance program in a country that has been seriously impacted by international terrorism.

The conference agreement also provides funding for several smaller programs that often do not get a lot of attention, including $38 million for antiterrorism assistance and $40 million for humanitarian demining programs around the world.

The Peace Corps is another program that has made an enormous difference in the world over the last several decades, and it has very strong support in the House. We recognize its value and its importance by providing the full funding request of $275 million.

Finally, Mr. Speaker, I want to, once again, thank our ranking minority member, the gentlewoman from New York (Mrs. LOWEY) for her cooperation in developing this year's bill and in reaching a conference agreement. We have had our disagreements from time to time, but we have approached them in the spirit of finding answers to them. We were both committed to developing a bipartisan bill that addresses the key priorities of the administration, as well as the Members of the House, both majority and minority, and, of course, the Senate in this conference report. It has been a great pleasure to work with the gentlewoman this year, and I am very grateful to have had her as my ranking member.

Before we close, Mr. Speaker, I would be remiss if I did not say we could not be here today without the extraordinary help of the staff of this subcommittee and our personal staffs that make it possible. I am speaking of the clerk of our subcommittee, Charlie Flickner, our professional staff, John Shank, Alice Grant and Lori Maes. On the other side of the aisle, Mark Murray; and our personal staffs, Sean Mulvaney from my staff, and Beth Tritter from the staff of the gentlewoman from New York (Mrs. LOWEY). They have been extraordinary in their efforts to work together and to find the answers, and in making sure that this bill came to the floor in a timely fashion and was one that can have strong bipartisan support.

Mr. Speaker, I thank all the members of the subcommittee for their invaluable assistance this year. I am proud that all the House conferees have signed this conference report, and I urge the entire House to vote in favor of this important legislation.

Mr. Speaker, I include the following for the RECORD:

DEPARTMENT OF STATE,
Washington, DC, December 14, 2001.

Hon. JIM KOBLE,
Chairman, Subcommittee on Foreign Operations, Export Financing, and Related Programs, Committee on Appropriations, House of Representatives.

DEAR CHAIRMAN KOLBE: This is in response to Mr. Mica's letter regarding proposed changes to the annual counter narcotics certification process. The general provision contained in the fiscal year 2002 Foreign Operations, Export Financing, and Related Programs Appropriations bill is a significant first step toward improving the current narcotics certification process. Moreover, it is important to remember that this provision to modify the certification process was negotiated, in good faith, by this Administration with the Senate Foreign Relations Committee under the leadership of then Chairman Helms.

We understand that the general provision contained in the final version of your bill would be applied on a worldwide basis and would place a premium on cooperation rather than confrontation with other governments. That cooperation is essential for combating international drug trafficking and traffickers, as well as combating international terrorism and terrorists.

Far from rendering meaningless the 15-year certification process or making it hard for us to fight illicit drugs and terrorism, the proposed legislation is a good measure of how far we have come since certifications began 15 years ago. At that time, we needed the blunt instrument of certification to get the attention of some governments. We are operating in a different world now, where the threat of international trafficking is better understood and where countries are more willing to work together to combat the problem.

The provision in the 2002 Foreign Operations bill retains the positive elements of the current system by continuing to link the counternarcotics efforts of major illicit drug producing and drug-transit countries to their eligibility for most forms of U.S. assistance, while eliminating some of the aspects that have created tension in our bilateral relationships. This provision continues to require the President to evaluate major illicit drug producing or drug-transit countries in their efforts to adhere to the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

The 2002 counternarcotics provision further reduces one source of friction with many countries that are designated as major illicit drug producing or drug-transit countries by reducing the period countries must wait before they are eligible to receive the full amount of U.S. assistance in any fiscal year. The provision still retains the President's authority to waive the imposition of sanctions if he determines and reports to the appropriate congressional committees that it is vital to the national interests of the United States. Only countries that the President designates as having failed in their counter-narcotics efforts and who do not receive a waiver would be eligible for most U.S. assistance provided under the Foreign Operations. Appropriations Act in FY 2002.

Additionally, the 2002 language preserves the Department's annual *International, Narcotics Control Strategy Report* (INCSR), which is the single most important and complete survey anywhere of foreign drug control policies and practices.

The modification to the annual drug certification procedures contained in the general provisions of your bill provides that the new procedures would remain in place for one year, allowing the Department to monitor their effectiveness and to consider other options for the longer range during this period.

The Department is committed to combating the flow of illegal drugs into our country, particularly since the links between drug trafficking and international terrorism have been firmly established. We believe that the proposed modification to the current certification procedures will allow us to continue this important mission.

Sincerely,

PAUL B. KELLY,
Assistant Secretary, Legislative Affairs.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, 2002 (H.R. 2506)

(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	House	Senate	Conference	Conference vs. enacted
TITLE I - EXPORT AND INVESTMENT ASSISTANCE						
EXPORT-IMPORT BANK OF THE UNITED STATES						
Subsidy appropriation	865,000	633,323	738,323	727,323	727,323	-137,677
(Direct loan authorization)	(865,000)	(152,000)	(950,000)	(950,000)	(950,000)	(+85,000)
(Guaranteed loan authorization)	(13,535,000)	(11,335,000)	(12,700,000)	(12,700,000)	(12,700,000)	(-835,000)
Administrative expenses	62,000	65,000	60,000	64,000	63,000	+1,000
Negative subsidy	-15,000	-11,000	-11,000	-11,000	-11,000	+4,000
Total, Export-Import Bank of the United States	912,000	687,323	787,323	780,323	779,323	-132,677
OVERSEAS PRIVATE INVESTMENT CORPORATION						
Noncredit account:						
Administrative expenses	38,000	38,608	38,608	38,608	38,608	+608
Insurance fees and other offsetting collections	-283,000	-290,000	-290,000	-290,000	-290,000	-7,000
Subsidy appropriation	24,000	.....	.....	.....	.....	-24,000
(Direct loan authorization)	(127,000)	(45,000)	(45,000)	(45,000)	(45,000)	(-82,000)
(Guaranteed loan authorization)	(1,000,000)	(1,152,000)	(1,152,000)	(1,152,000)	(1,152,000)	(+152,000)
Total, Overseas Private Investment Corporation	-221,000	-251,392	-251,392	-251,392	-251,392	-30,392
TRADE AND DEVELOPMENT AGENCY						
Trade and development agency	50,000	50,024	50,024	50,024	50,024	+24
Total, title I, Export and investment assistance	741,000	485,955	585,955	578,955	577,955	-163,045
(Loan authorizations)	(15,527,000)	(12,684,000)	(14,847,000)	(14,847,000)	(14,847,000)	(-680,000)
TITLE II - BILATERAL ECONOMIC ASSISTANCE						
FUNDS APPROPRIATED TO THE PRESIDENT						
Agency for International Development						
Child survival and health programs fund	1,063,000	991,000	1,425,000	1,510,500	1,433,500	+370,500
Rescission of unobligated balances	-10,000	-20,000	.....	.....	.....	+10,000
UNICEF	(110,000)	(110,000)	(120,000)	(120,000)	(120,000)	(+10,000)
Subtotal, Child survival (net)	1,053,000	971,000	1,425,000	1,510,500	1,433,500	+380,500
Development assistance	1,305,000	1,325,000	1,098,000	1,245,000	1,178,000	-127,000
International disaster assistance	165,000	200,000	201,000	245,000	235,500	+70,500
Supplemental funding	135,000	.....	.....	.....	.....	-135,000
Transition Initiatives	50,000	50,000	40,000	52,500	50,000	.....
(By transfer)	(5,000)	.....	.....	.....	.....	(-5,000)
Micro & Small Enterprise Development program account:						
Subsidy appropriation	1,500	.....	.....	.....	.....	-1,500
(Guaranteed loan authorization)	(30,000)	.....	.....	.....	.....	(-30,000)
Administrative expenses	500	.....	.....	.....	.....	-500
Development credit authority:						
Subsidy appropriation	1,500	.....	.....	.....	.....	-1,500
(By transfer)	(5,000)	(25,000)	(12,500)	(25,000)	(18,500)	(+13,500)
(Guaranteed loan authorization)	(49,700)	(355,000)	(177,500)	(355,000)	(267,500)	(+217,800)
Administrative expenses	4,000	7,500	7,500	7,500	7,500	+3,500
Subtotal, development assistance	2,715,500	2,553,500	2,771,500	3,060,500	2,904,500	+189,000
Payment to the Foreign Service Retirement and Disability Fund	44,489	44,880	44,880	44,880	44,880	+391
Operating expenses of the Agency for International Development	520,000	549,000	549,000	549,000	549,000	+29,000
(By transfer)	(1,000)	.....	.....	.....	(3,500)	(+2,500)
Supplemental funding	13,000	.....	.....	.....	.....	-13,000
Operating expenses of the Agency for International Development Office of Inspector General	27,000	32,000	30,000	32,000	31,500	+4,500
Total, Agency for International Development (net)	3,319,989	3,179,380	3,395,380	3,686,380	3,529,880	+209,891
Other Bilateral Economic Assistance						
Economic support fund:						
Camp David countries	1,535,000	1,375,000	1,375,000	1,375,000	1,375,000	-160,000
Other	760,000	879,000	824,000	864,500	824,000	+64,000
Rescission of unobligated balances	-10,000	-5,000	.....	.....	.....	+10,000
Subtotal, Economic support fund (net)	2,285,000	2,249,000	2,199,000	2,239,500	2,199,000	-86,000
International Fund for Ireland	25,000	.....	25,000	.....	25,000	.....
Assistance for Eastern Europe and the Baltic States	600,000	605,000	600,000	615,000	621,000	+21,000
Supplemental funding	75,825	.....	.....	.....	.....	-75,825
Assistance for the Independent States of the former Soviet Union	810,000	808,000	768,000	795,500	784,000	-26,000
Total, Other Bilateral Economic Assistance	3,795,825	3,662,000	3,592,000	3,650,000	3,629,000	-166,825

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, 2002 (H.R. 2506) — continued

(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	House	Senate	Conference	Conference vs. enacted
INDEPENDENT AGENCIES						
Inter-American Foundation						
Appropriation	.....	.....	12,000	13,107	13,107	+13,107
(By transfer)	(12,000)	(12,108)	.....	.....	.....	(-12,000)
African Development Foundation						
Appropriation	.....	.....	16,042	16,542	16,542	+16,542
(By transfer)	(16,000)	(16,042)	.....	.....	.....	(-16,000)
Peace Corps						
Appropriation	265,000	275,000	275,000	275,000	275,000	+10,000
Department of State						
International narcotics control and law enforcement	325,000	217,000	217,000	217,000	217,000	-108,000
Andean Counterdrug Initiative	.....	731,000	675,000	547,000	625,000	+625,000
Migration and refugee assistance	700,000	715,000	715,000	735,000	705,000	+5,000
United States Emergency Refugee and Migration Assistance Fund	15,000	15,000	15,000	15,000	15,000	.....
Nonproliferation, anti-terrorism, demining and related programs	311,600	332,000	311,000	318,500	313,500	+1,900
Total, Department of State	1,351,600	2,010,000	1,933,000	1,832,500	1,875,500	+523,900
Department of the Treasury						
International affairs technical assistance	6,000	6,000	6,000	6,000	6,500	+500
Global Fund to Fight HIV/AIDS, Malaria, & Tuberculosis	.....	100,000	.....	.....	.....	.....
Debt restructuring	238,000	224,000	224,000	235,000	229,000	-9,000
Supplemental funding	210,000	.....	.....	.....	.....	-210,000
United States community adjustment and investment program	.....	500	.....	.....	.....	.....
Subtotal, Department of the Treasury	454,000	330,500	230,000	241,000	235,500	-218,500
Total, title II, Bilateral economic assistance (net)	9,186,414	9,456,880	9,453,422	9,714,529	9,574,529	+388,115
Appropriations	(8,772,589)	(9,481,880)	(9,453,422)	(9,714,529)	(9,574,529)	(+801,940)
Emergency appropriations	(433,825)	.....	.....	.....	.....	(-433,825)
Rescission	(-20,000)	(-25,000)	.....	.....	.....	(+20,000)
(By transfer)	(39,000)	(53,150)	(12,500)	(25,000)	(22,000)	(-17,000)
(Loan authorizations)	(79,700)	(355,000)	(177,500)	(355,000)	(267,500)	(+187,800)
TITLE III - MILITARY ASSISTANCE						
FUNDS APPROPRIATED TO THE PRESIDENT						
International Military Education and Training	55,000	65,000	65,000	75,000	70,000	+15,000
Supplemental funding	2,875	.....	.....	.....	.....	-2,875
Foreign Military Financing Program:						
Grants:						
Camp David countries	3,280,000	3,340,000	3,340,000	3,340,000	3,340,000	+60,000
Other	265,000	334,000	287,000	334,000	310,000	+45,000
Subtotal, grants	3,545,000	3,674,000	3,627,000	3,674,000	3,650,000	+105,000
(Limitation on administrative expenses)	(33,000)	(35,000)	(35,000)	(35,000)	(35,000)	(+2,000)
Supplemental funding	31,000	.....	.....	.....	.....	-31,000
Total, Foreign Military Financing	3,576,000	3,674,000	3,627,000	3,674,000	3,650,000	+74,000
Peacekeeping operations	127,000	135,000	135,000	140,000	135,000	+8,000
Total, title III, Military assistance (net)	3,760,875	3,874,000	3,827,000	3,889,000	3,855,000	+94,125
Appropriations	(3,727,000)	(3,874,000)	(3,827,000)	(3,889,000)	(3,855,000)	(+128,000)
Emergency appropriations	(33,875)	.....	.....	.....	.....	(-33,875)
(Limitation on administrative expenses)	(33,000)	(35,000)	(35,000)	(35,000)	(35,000)	(+2,000)
TITLE IV - MULTILATERAL ECONOMIC ASSISTANCE						
FUNDS APPROPRIATED TO THE PRESIDENT						
International Financial Institutions						
World Bank Group						
Contribution to the International Bank for Reconstruction and Development:						
Global Environment Facility	108,000	107,500	82,500	109,500	100,500	-7,500
Contribution to the International Development Association	775,000	803,400	803,400	775,000	792,400	+17,400
Contribution to Multilateral Investment Guarantee Agency	10,000	10,000	.....	.....	5,000	-5,000
(Limitation on callable capital subscriptions)	(50,000)	(50,000)	(50,000)	(50,000)	(25,000)	(-25,000)
Total, World Bank Group	893,000	920,900	885,900	884,500	897,900	+4,900

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, 2002 (H.R. 2506) — continued

(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	House	Senate	Conference	Conference vs. enacted
Contribution to the Inter-American Development Bank:						
Paid-in capital	.....	.....	.....	.....	.....	.....
Contribution to the Inter-American Investment Corporation	25,000	25,000	10,000	20,000	18,000	-7,000
Contribution to the Enterprise for the Americas Multilateral Investment Fund	10,000	.....	.....	.....	.....	-10,000
Total, contribution to the Inter-American Development Bank	35,000	25,000	10,000	20,000	18,000	-17,000
Contribution to the Asian Development Bank:						
Paid-in capital	.....	.....	.....	.....	.....	.....
Contribution to the Asian Development Fund	72,000	103,017	93,017	103,017	98,017	+26,017
Contribution to the African Development Bank:						
Paid-in capital	6,100	5,100	5,100	5,100	5,100	-1,000
(Limitation on callable capital subscriptions)	(97,549)	(79,992)	(79,992)	(79,992)	(79,992)	(-17,557)
Contribution to the African Development Fund	100,000	100,000	100,000	100,000	100,000	.....
Total	106,100	105,100	105,100	105,100	105,100	-1,000
Contribution to the European Bank for Reconstruction and Development:						
Paid-in capital	35,779	35,779	35,779	35,779	35,779	.....
(Limitation on callable capital subscriptions)	(123,238)	(123,238)	(123,238)	(123,238)	(123,238)	.....
Contribution to the International Fund for Agricultural Development	5,000	20,000	20,000	20,000	20,000	+15,000
Total, International Financial Institutions	1,146,879	1,209,796	1,149,796	1,168,396	1,174,796	+27,917
(Limitation on callable capital subscript)	(270,787)	(253,230)	(253,230)	(253,230)	(228,230)	(-42,557)
International Organizations and Programs						
Appropriation	186,000	186,000	196,000	218,000	208,500	+22,500
Total, title IV, Multilateral economic assistance	1,332,879	1,395,796	1,345,796	1,386,396	1,383,296	+50,417
(Limitation on callable capital subscript)	(270,787)	(253,230)	(253,230)	(253,230)	(228,230)	(-42,557)
Grand total (net)	15,021,168	15,212,631	15,212,173	15,568,880	15,390,780	+369,612
Appropriations	(14,573,468)	(15,237,631)	(15,212,173)	(15,568,880)	(15,390,780)	(+817,312)
Rescissions	(-20,000)	(-25,000)	.....	.....	.....	(+20,000)
Emergency appropriations	(467,700)	.....	.....	.....	.....	(-467,700)
(By transfer)	(39,000)	(53,150)	(12,500)	(25,000)	(22,000)	(-17,000)
(Limitation on administrative expenses)	(33,000)	(35,000)	(35,000)	(35,000)	(35,000)	(+2,000)
(Limitation on callable capital subscript)	(270,787)	(253,230)	(253,230)	(253,230)	(228,230)	(-42,557)
(Loan authorizations)	(15,606,700)	(13,039,000)	(15,024,500)	(15,202,000)	(15,114,500)	(-492,200)

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

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

Mr. Speaker, I rise in support of this conference report. I am very proud to join the gentleman from Arizona (Mr. KOLBE) today in presenting the final fiscal year 2002 foreign operations bill to our colleagues. We have worked closely with the Senate to come up with what I believe is a fine product.

The bill provides $15.324 billion, about $178 million above the President's request, for foreign assistance programs. I am pleased that we were able to provide funding levels for many programs, such as Child Survival and Development Assistance, which are well above the President's request. I believe this bill responds decisively to the HIV–AIDS crisis in Africa and around the world, providing a total of $475 million to fight this disease. This total is $150 million above last year's level and $285 million above the fiscal year 2000 level.

The gentleman from Arizona (Mr. KOLBE) and I worked hard to maximize the Congressional commitment to fighting HIV–AIDS within a budget that was simply too small to do all we know we must do, and I believe we have succeeded.

The bill also represents a first step toward a Congressional commitment to providing basic education for all of the world's poor children. Education is a cornerstone of development, and it is high time that the foreign operations bill reflected this priority. In fact, every study shows that educating children, and especially girls, yields extraordinary advances in health care, economic growth and the stability of developing societies.

The bill before us today provides a total of $165 million for basic education, up from just $115 million 1 year ago. This is a tremendous beginning to what I hope will be a multiyear scale-up of this program. Again, I thank the gentleman from Arizona (Mr. KOLBE) for working with me on this issue.

The bill also fully funds our commitments to the Middle East. It adequately funds export programs and meets other international commitments. It also includes a key provision urging the President to assess Palestinian Authority Chairman Yasser Arafat's compliance with basic agreements to disavow violence and terrorism and hold those who continue to pursue terror accountable. It also urges the President to take punitive action against Arafat and the PA if he has not complied.

The House-passed bill made this assessment mandatory, and I want to make it perfectly clear that I strongly preferred that this language stand. The events of recent weeks have made it obvious why Arafat must know if he reneges on his commitments, his relationship with the United States will suffer. I do believe the language in this conference agreement expresses the clear will of Congress on this matter, and I have already urged the President to comply.

We all know that conferencing a bill is a process of compromise, and I would like to discuss two provisions with which I continue to disagree. Specifically, I am concerned about the inclusion in this bill of an open-ended waiver of Section 907 of the Freedom Support Act. I had hoped that we would be able to amend the Senate-passed language to sunset the waiver and ensure the stability of Nagorno-Karabagh. We make clear in the Statement of Managers that we will revisit this issue next year, if necessary.

I also strenuously disagree with the decision to drop the Senate's Global Democracy Promotion language which would have repealed the President's executive order imposing the global gag rule on our bilateral family planning assistance. Although I am delighted we were able to increase bilateral international family planning assistance to $446.5 million, recipients of these funds will continue to be unfairly and onerously restricted by the gag rule. As I have said before, I believe this policy is a blight on our foreign assistance program.

I also regret that this bill has been held up for weeks by those in this body who oppose funding for the United Nations Population Fund, the UNFPA. The increase we have provided for this organization reflects the importance and quality of its work, not only in the family planning arena, but in combatting HIV–AIDS and helping the people of Afghanistan.

In fact, unfortunately, the bill could have been completed a month ago, and I can tell you it does make a huge difference to the implementers and recipients of these assistance programs as a result of the delay. Moving forward with all of the wonderful new initiatives we have discussed here today has been needlessly delayed.

Mr. Speaker, I think we can all agree that the last few months have sparked a new awareness on the part of all Americans of the importance of understanding and engaging with people around the world. We cannot go it alone, we know that, and we cannot deny the fact that what happened seemingly a world away can directly impact the lives of each and every American.

It is with this enhanced awareness of the complexities of the world that my colleagues and I approached this conference, and with it is with a heightened sense of purpose that I continue to support and urge my colleagues to support increased investments in our foreign policy priorities. We simply do not have enough in this year's bill to do what we must for Afghanistan, for HIV–AIDS, for basic education, health care, democracy and economic development, and we will be in the same position next year, unless we get a substantially increased request from the President come February. We must constantly build on our successes, because the stakes are far too high for us to rest on our laurels.

I want to include by thanking the wonderful Members of my committee. It has been a pleasure to work with them, both on the Democrat and Republican side, and the staff, who have been so instrumental in putting this bill together. I particularly appreciate the hard work of Mark Murray, Charlie Flickner, John Shank, Alice Grant, Lori Maes, Sean Mulvaney, Beth Tritter, and all of the associate staffers for the majority and minority members.

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I also must thank, of course, our big chairman, the gentleman from Florida (Mr. YOUNG), who I know is so committed. Finally, I cannot say enough about what a wonderful experience it has been to work with the gentleman from Arizona (Mr. KOLBE), the chairman of the subcommittee. Mr. Speaker, his dedication and hard work is evident in the bill before us today. I look forward to the good work we will do together in the future. It is really a pleasure for me to work with the gentleman from Arizona. I know that there are few issues that we have any disagreement on, and I look forward to working with him again in the future.

I also want to thank Chairman LEAHY and Senator MCCONNELL and their staff for their cooperation.

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

Mr. KOLBE. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Florida (Mr. YOUNG), the chairman of the full committee.

Mr. YOUNG of Florida. Mr. Speaker, this bill does not enjoy as much support as many of our other appropriations bills, but I really compliment the gentleman from Arizona (Mr. KOLBE) and the gentlewoman from New York (Mrs. LOWEY) for having been able to bring together a bill that has many reforms and that changes a lot of the foreign aid programs that are of interest to the United States. As I said, it is not the easiest bill to produce, but they have done a really good job. I know that we will all start to breathe a sigh of relief, because this is the next-to-the-last appropriations bill for this season. Tomorrow, we will have the last appropriations bill for this season.

I hope that we can proceed quickly with the completion of this bill and the rest of the business of today, and I would advise everybody to get a good night's rest, because the largest bill in our pack is tomorrow, and that is our bill for national defense and homeland security.

Mr. Speaker, this is the first year for the gentleman from Arizona (Mr. KOLBE) as chairman of this subcommittee. He had chaired another subcommittee for quite a long time, but because of the term limits that are self-imposed in the House, the gentleman changed to this job this year. I would say to the gentleman that he has done an outstanding job. He has visited with heads of State from all over this planet and has met them with great integrity and with mutual respect. He has done a really fine job representing the Congress as he deals with the foreign leaders, and the gentleman from Arizona deserves the pride of this House and the respect of this House for the great job that he has done. His partner, the gentlewoman from New York (Mrs. LOWEY), has, in fact, been a partner all the way through; and while there were some differences, most of them were overcome without too much difficulty. They have done a good job, and I think it is okay to vote for this bill today.

Mrs. LOWEY. Mr. Speaker, I yield 2½ minutes to the gentlewoman from Michigan (Ms. KILPATRICK), an outstanding, hard-working member of the committee.

Ms. KILPATRICK. Mr. Speaker, I rise to support the foreign operations bill and the process by which it has gone through this United States Congress. I have been a member of this committee now for some 3 years and under the leadership of the former chairman of the subcommittee, the gentleman from Alabama (Mr. CALLAHAN), and now the gentleman from Arizona (Mr. KOLBE). I want to add my voice to those of support and to thank the chairman for his kindness, his inclusion, and the opportunity to work with him. I also want to thank my ranking member, the gentlewoman from New York (Mrs. LOWEY), for her leadership. In spite of the tragedy of our Nation and being from New York and all of the consequences that it must have had for the gentlewoman's family and her constituents, I appreciate her leadership and I appreciate her being here and allowing us to participate and represent as we have been sent here to do.

This is a good foreign operations bill, as has been said, and really has increased many of the lines where we need assistance to assist the countries around the world. Our Export-Import Bank has really been restored to the place that it needs to be to assist our businesses so that they can help not only increase their bottom lines, but to send American goods around the world and receive those goods that will help our communities.

The child survival and health account, most important during this time of pandemic proportions in our HIV/AIDS pandemic that strikes not only Africa, but Russia, India, Asia and our United States as well.

The UNICEF account. I thank my colleagues very much for the additional appropriation there for children around the world who basically need it. And then in our basic education accounts for children around the world to begin to receive the kind of education that they will need to take care of themselves and their families.

Mr. Speaker, this is a good bill. The one objection I do have, and nothing is perfect in this Congress, is the language that is retained that banned those organizations from receiving funds who counsel their clients on abortions in their family planning programs. Family planning is not giving abortions. Family planning is just that; and many people around the world, particularly poor women, need the counseling so that they can plan their children and be able to take care of their people and their families.

Mr. Speaker, I do support the foreign operations bill. I hope that we will go further next year and address the pandemic a little better and give the relief to women who need it around this country as they plan their families.

Mr. KOLBE. Mr. Speaker, I am pleased to yield 5 minutes to the distinguished gentleman from Michigan (Mr. KNOLLENBERG), a member of the subcommittee who has done yeoman's work to help us get to this point.

Mr. KNOLLENBERG. Mr. Speaker, I rise in strong support of this conference report. As a member of this subcommittee for the last 7 years, I am proud of the bill that we have before us today; and I think that commendations should go to the gentleman from Arizona (Mr. KOLBE), the chairman of the subcommittee, who has been a great leader and who has brought what I think is an effective and responsible bill to completion. I also want to thank the gentlewoman from New York (Mrs. LOWEY) for her efforts as well.

As we have in past years, the entire subcommittee has worked together to make important progress on a number of foreign assistance issues; and along with that go some great thanks to the subcommittee staff, the entire staff who have performed admirably. I want to commend all of them. I will not mention their names. The gentleman from Arizona mentioned them, but they are all very important to this.

I am pleased that this agreement provides some 94.3 million in assistance to Armenia. This includes for the first time $4.3 million in military assistance. Providing military assistance marks a new stage in the U.S.-Armenia relationship.

The conference agreement also includes a Senate provision providing a limited conditional waiver of section 907. During the conference, new language was added to protect Armenians in the Caucasus region and explicitly expressed the intent of Congress to review this provision each year. I want to make it abundantly clear that this is a limited and conditional waiver which we will revisit next year in the fiscal year 2003 bill. Renewal of any waiver to section 907 will be closely scrutinized, and Azerbaijan's actions will be closely monitored.

Many friends of Armenia have worked to support these provisions, including the ranking member and others on the subcommittee and, of course, the gentleman from New Jersey (Mr. PALLONE), my caucus cochair, along with the Armenian Assembly of America. One of the most important contributions, Mr. Speaker, that this bill makes in the way of foreign policy commitments is the annual assistance package to the Middle East. Particularly at this difficult time, it is important to remember that we are providing funding. This funding that we are providing supports the pursuit of peace and stability in that region. Israel, of course, who is our principal ally in the region and shares our values of democracy and freedom, and I am pleased that this bill fully supports the administration's request for $2.8 billion in military and economic assistance to Israel, as well as $60 million to support the settlement of Jewish refugees.

The conference agreement also includes $35 million for Lebanon to protect and support the excellent USAID mission there. This funding supports the efforts of NGOs and the American educational institutions to help provide development stability, particularly in southern Lebanon.

The bill also includes $779 million for the Export-Import Bank, $92 million above the President's request. With the funding I hope the bank will be able to maintain at least the level of activity that we experienced last year. The Export-Import Bank has a critical role to play in support of American exports and the businesses and workers who supply these products.

North Korea. The conference agreement also includes $90 million for the Korean Peninsula Energy Development Organization called KEDO. I am pleased this is less than the administration's request. I have long opposed the 1994 agreed-to framework and funding for North Korea, a country which supports terrorism and continues to pursue weapons of mass destruction. I will continue to oppose this effort in the future.

Mr. Speaker, there are many other programs in this bill, including microenterprise loans, foreign military financing for the Baltic countries, and significant funding to continue the fight against HIV/AIDS and the crisis around the world, particularly in Africa.

Mr. Speaker, this is an excellent bill and represents a responsible contribution to our Nation's foreign policy, our national security, and our economic goals.

Once again, I want to commend the gentleman from Arizona (Mr. KOLBE), whom I have worked with on a great many matters, and I am particularly pleased with the way he has worked with all of us. I urge all of my colleagues to support, my colleagues on both sides of the aisle, and to vote in favor of this conference report today.

Mr. Speaker, I rise to strongly support this conference report. As a member of the Foreign Operations Subcommittee for the last seven years, I am proud of the bill we have before us today. I encourage all members to join me in voting aye.

I commend the gentleman from Arizona (Representative JIM KOLBE) for his hard work and leadership in bringing this effective and responsible bill to completion.

I also thank my friend from New York (Representative NITA LOWEY) for her efforts again this year.

As we have in years past, the entire Subcommittee has worked together to make important progress on a number of foreign assistance issues.

I also thank the Subcommittee staff for their tireless efforts, without which this bill would not be possible.

Mr. Speaker, the power of Congress, and particularly the House of Representatives, flows from the power of the purse. When it comes to foreign affairs, that means foreign assistance. As such, this bill serves as the most important contribution this body makes to our nation's foreign affairs. It supports our economic interests, national security, and overall foreign policy.

I'd like to specifically highlight a few areas.

This bill provides an important foundation to our policy toward the Southern Caucasus and particularly for our friend and ally Armenia. The agreement provides $94.3 million in assistance to Armenia. This amount is higher than either the House or Senate version of the bill, and $24.3 million higher than the President's request. This also includes, for the first time, $4.3 million in military assistance to Armenia.

Providing military assistance marks a new stage in the U.S.-Armenia relationship. The military financing will help maintain parity between Armenia and Azerbaijan. It will serve to strengthen and enhance Armenia's military as well as solidify its relationship with the United States armed forces.

This conference agreement also includes a Senate provision regarding limited changes to Section 907. As my colleagues know, I have long supported Section 907 and have fought over the last several years against any effort to repeal or waive this important provision. At the same time, in the aftermath of the events of September 11th, it became clear that certain changes to Section 907 of the Freedom Support Act were not only inevitable, but also necessary. President Bush specifically requested a national security waiver to Section 907 in order to counter al Qaeda terrorist organizations and elements operating with Azerbaijan. Amazingly and inexplicably, Azerbaijan news media reports periodically mischaracterize the Armenians of Nagorno Karabagh as terrorists. Clearly, this not the case and it would be my hope that this inflammatory rhetoric and misinformation campaign by Azerbaijan cease.

In working with the Administration and my House and Senate colleagues, we were able to craft a limited and conditional waiver to Section 907, which would enable the President to effectively combat the war on terrorism and ensure protection for Armenia and Nagorno Karabagh. I want to make it abundantly clear that this is a limited and conditional waiver and we will revisit this issue next year in the fiscal year 2003 bill. Renewal of any waiver to Section 907 will be closely scrutinized and Azerbaijan's actions will be closely monitored. If Azerbaijan abuses any assistance provided as a result of this waiver or attempts to use such assistance in an offensive manner against Armenia or Armenian communities in the South Caucasus, the limited waiver will be terminated.

I would like to associate myself with the remarks made by the Ranking Member of the Senate Foreign Operations Subcommittee (Sen. MITCH MCCONNELL) during consideration of this bill in the other body. In his statement, he made it clear that he will be closely following the developments in Azerbaijan and Turkey to lift the blockades against their neighbors. I concur whole-heartedly with these comments and want to emphasize the importance of lifting the ongoing blockades in place against Armenia and Nagorno Karabagh. It seems to me that lifting these blockades—now more than ever—is in the U.S. national interest. In the aftermath of September 11th, we must redouble our efforts in this regard.

I would like to thank my colleagues for their hard work on this issue, particularly the gentleman from Arizona (Representative JIM KOLBE) our Chairman and my friend from New York (Representative NITA LOWEY) our Ranking Member. I would also like to note the work of my Armenian Caucus Co-Chair, the gentleman from New Jersey (Representative FRANK PALLONE). Additionally, I would like to recognize the invaluable input and proactive leadership of those individuals and organizations from the Armenian-American community who understood the importance of America's efforts to combat terrorism and the new realities in a post September 11th environment. In particular, I would like to commend the Armenian Assembly of America for their tireless efforts to ensure that a balance was achieved.

Mr. Speaker, one of the most important contributions this bill makes to foreign policy is the annual assistance package to the Middle East. Particularly at this difficult time, it's important to remember, the funding we provide supports the pursuit of peace and stability.

Israel, of course, is our principal ally in the region and shares our values of democracy and freedom. Since its establishment, Israel has struggled to achieve its goal of peaceful existence and it is in our interest to provide any assistance necessary for Israel to achieve that goal. I am pleased this bill fully supports the administration's request for $2.8 billion in military and economic assistance to Israel, as well as $60 million to support the resettlement of Jewish refugees.

This bill also provides almost $2 billion to Egypt and $225 million to Jordan, both critical allies of the United States. This funding is a direct result of peace agreements these countries have signed with Israel, which the United States helped to facilitate. As Egypt and Jordan continue to support and advocate for peace with Israel and a cessation to the current violence, it is important for the United States to maintain this funding.

The bill also provides $35 million for Lebanon to support the excellent USAID mission there. This funding supports the efforts of NGO's and American educational institutions to help provide development and stability, particularly in southern Lebanon. Our assistance promotes our values of democracy and free markets among the Lebanese people. This is in the interest of the United States, Lebanon, and Israel. It helps build and strengthen relationships between the Lebanese people and the United States.

However, despite our efforts, violence and terrorism continue in the Middle East. We are now in the 15th month of an ''intifada''. In addition to our financial assistance, the United States has led efforts to bring violence to an end through the Mitchell Committee, the Tenet agreement, and General Zinni's efforts in recent weeks. Despite our efforts, on December first and second we saw perhaps the worst episode of Palestinian terrorism Israel has ever been forced to endure. These acts of terrorism continue.

Quite simply, violence must stop and terrorism must cease. This is now a test for Yasir Arafat and the Palestinian Authority. Arafat must take concrete action, including the arrest of all those responsible for terrorism against Israel. Arafat must bring down the terrorist groups who operate in territory under his control. I am pleased there is language in this bill that makes it clear, if Palestinian violence does not stop, the Palestinians' ties with the United States will be in serious jeopardy.

This bill also includes $790 million for the Export-Import Bank. With this funding, I hope the Bank will be able to maintain at least the level of activity experienced this year.

The Export-Import Bank has a critical role to play in support of American exports, and the businesses and workers who supply those products. Without support from Ex-Im, billions of dollars in American exports simply would not go forward. Ex-Im is especially important for small businesses, which benefit from over 80% of the Bank's transactions. These exports remain crucial to our economy.

The conference agreement also includes $90 million for the Korean Peninsula Energy Development Organization. I am pleased this is slightly less than the Administration's request. I have long opposed the 1994 Agreed Framework and funding for North Korea—a country that supports terrorism and continues to pursue weapons of mass destruction. I will continue

to do this in the future. The United States simply should not provide foreign assistance to a country that supports terrorism.

Mr. Speaker, there are many other important programs in this bill including microenterprise loans, foreign military financing for the Baltic countries, and significant funding—beyond the President's request—to continue the fight against the HIV/AIDS crisis around the world and in Africa.

This is an excellent bill and represents a responsible contribution to our nation's foreign policy, national security, and economic goals.

I once again commend the Chairman and Ranking Member, and their staffs, for their efforts on this bill and I urge all my colleagues on both sides of the aisle to vote in favor of it today.

Mrs. LOWEY. Mr. Speaker, I am pleased to yield 4 minutes to the gentleman from New Jersey (Mr. ROTHMAN), a distinguished member of the committee.

Mr. ROTHMAN. Mr. Speaker, first let me thank and congratulate the chairman of our subcommittee, the gentleman from Arizona (Mr. KOLBE), and our ranking member, the gentlewoman from New York (Mrs. LOWEY), and their respective staffs for doing an outstanding job and being of such great assistance and cooperation to me and to other Members of the committee with interests in this bill. I also want to thank the gentleman from Florida (Mr. YOUNG), the chairman of the full committee, for his continuing leadership and kindnesses to me and other Members on the committee, and, of course, to our ranking member of the full committee, the gentleman from Wisconsin (Mr. OBEY).

Mr. Speaker, I rise today to express my strong support for the foreign operations appropriations bill on which we are about to vote. While I am pleased to see that there is additional money for the United Nations family planning program, I am disappointed that the Mexico City gag rule on a woman's right to choose remains in place. However, overall, this is a very good piece of legislation that comes at a crucial time in our Nation's history.

We all know that military action is essential to protect the American people here at home and abroad. But today's legislation will complement, will assist, that action. It is clear that it is in America's vital national interest to use a small portion of its budget to work and assist with other countries to make sure that those other countries around the world do not become breeding grounds for future Osama bin Ladens. As my colleagues may know, this foreign aid bill represents less than 1 percent of the budget of the United States of America, less than 1 percent; but it is money well spent.

Mr. Speaker, let me read from a recent editorial that appeared in a local newspaper in my district. It said, ''There is a growing international consensus that long-term, wisely targeted foreign aid, designed not only to alleviate poverty, but also to help build strong civic institutions and social stability is an indispensable part of the struggle against terrorism.''

I agree with that. The bill that we pass today takes a big step forward in creating the conditions which will allow people around the world to embrace democracy and tolerance and also to reject those who would be undemocratic and who would subjugate their own people.

Mr. Speaker, in this foreign aid bill, we not only fulfill our moral obligation to fight global poverty, spur economic development, support health and education programs, and build democratic institutions; but through this foreign assistance bill, we serve America's vital national interests. We do so now more than ever because it is important for us to reach out to other populations around the world to help them make the right choices, to choose peace, prosperity and democracy. Because after all, democracies do not wage war on one another. Democracies make great trading partners with one another, and democracies, having democracies around the world helps us as Americans fulfill our national manifest destiny, if you will, the destiny where we seek to have people live in freedom, to have a free people choose their own leaders, and to live in equality under the rule of law.

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This foreign aid bill, less than 1 percent of our national budget, achieves that goal; money very well spent. I urge my colleagues to support this bill.

Mr. KOLBE. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. LEWIS), another distinguished member of the subcommittee and chairman of one of the other subcommittees, and an individual who has contributed a great deal to the work of this committee.

Mr. LEWIS of California. Mr. Speaker, I thank the chairman for yielding time to me.

I had planned not to speak, but our full committee chairman was kind enough to mention that our defense bill was up tomorrow, and it is an item that has the largest funding of all the bills. It takes up over half of discretionary spending, because it is our national defense, after all.

But he also mentioned that this bill is sometimes tough in terms of a balance of votes on the floor. I am rising today really to say that that absolutely should not be our circumstance, for the bill that our chairman is bringing us today, representing only some $15 billion of funding, is absolutely one of the most important reasons for us to have a Congress in the first place.

National security, yes; but this bill reflects America's presence in the world during times of war, but also in times of peace, and uses $15 billion to make sure that the voice of freedom is heard around the world for America, the last remaining superpower; a small presence by way of this bill, able to reach out to countries attempting to make a new way for the lives of their people; the voice of freedom, the voice of independence and opportunity that is America's in the world; our chance to provide a kind of leadership that can impact the future of mankind. This bill is that important, $15 billion though it may be.

I said to the Secretary of State when he came to us not so long ago that he was the chairman of the Joint Chiefs. It was such an irony that I was sitting there listening to him asking for $15 billion when the defense bill represents over $300 billion.

The Members have done a great job, both the chairman and the ranking member, in bringing this bill forward. It is about time the American public understands that this is not just foreign aid, it is the voice for freedom in the world.

Mrs. LOWEY. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Speaker, I thank my very good friend, the ranking member, the gentlewoman from New York (Mrs. LOWEY), for granting me this time; and also to the gentleman from Arizona (Mr. KOLBE), the chairman of the subcommittee, for moving this conference bill to the floor. I might add, much improved from when it left this Chamber initially.

September 11 reminded us all that neglect breeds violence, and an ounce of prevention is worth a pound of cure. This bill has a lot of pounds of cure in it.

Speaking as co-chair of the Ukrainian Caucus here in the House, I would like to speak specifically about Ukraine, noting that from when the bill left the House, the totals for that country have been raised from $125 million to $154 million, so Ukraine is no longer singled out as the only country in the world to receive a cut in foreign assistance, especially before their third parliamentary election, which will occur early next spring.

Our ultimate goal is to help the Ukrainian people participate fully in this third election so they keep moving forward and do not slip backwards, as has happened to Belarus right under our own eyes.

We hope that the funds in this bill will also help to make sure that not only their elections will be properly observed on Election Day, but they can be prepared to participate in the elections; that there will be monitoring of the electoral races, making sure that

election laws are not violated and that the oligarchs are not buying votes; and that the government does not tamper with the candidates' rights to present their own platforms in those elections.

We should all do all we can do to help the Ukrainian elections to be truly free and truly fair. I urge support of this improved conference report as an improvement over the original House bill.

Again, I wish to thank the gentleman from Arizona (Mr. KOLBE), who was a very worthy and engaging advocate in this bill; and also the gentlewoman from New York (Mrs. LOWEY) for her incredible leadership always.

Mr. KOLBE. Mr. Speaker, I am pleased to yield 2½ minutes to the gentleman from Georgia (Mr. KINGSTON), one of the other distinguished members of the subcommittee who has also made very valuable contributions to the work of this subcommittee.

Mr. KINGSTON. Mr. Speaker, I thank the chairman for yielding time to me, and also the ranking member for all the hard work that has been put into this bill.

I want to make three points about it. There are some things in the bill that I do not particularly like, but there is always that case when we are trying to have influence around the globe. We do not all agree what must be done.

There are a lot of very good things in here. There are three things I want to highlight.

Number one is the war on drugs, the Andean counterdrug initiative. As the father of four children, I am amazed as I go into schools throughout the First District of Georgia and I visit lots and lots of schools, that one thing they all have in common, whether they are from a poor county, a rich county, a small county, a rural county, or an urban county, is that in the average high school in America, in just about all of them one can get drugs.

It is amazing, when we think about a product that is not made in America. It is not advertised. If one works for the drug distributor, there are no business cards. We do not see billboards about it, and there is no health care plan; yet somehow this remarkable, insidious product can get on every schoolyard in America.

This takes the battle abroad and says we want to stop it at its source. I appreciate the hard work of the gentleman from Illinois (Speaker HASTERT) on this, and I am glad that the subcommittee has continued to keep the battle against drugs coming into America going.

Number two, I want to mention our role in the Middle East and the situation that Israel is in right now. We are all very, very focused on the 9–11 attacks on America; but our partner in the Middle East, Israel, has also been under attack. While we have waged total war in Afghanistan in wiping out al Qaeda and the Taliban, we seem to often say to our ally, Israel: Restraint, hold back, do not go on a counterattack. Yet, that is kind of a double standard.

I am glad that this bill does fund military financing for Israel, so this keeps a very strong American commitment to Israel.

Finally, let me say this: for the American role around the globe, I think we have found out that we can get our allies, we can pull forces together, and we can stop a terrorist organization. We can have the same positive roles in agriculture and in finance and in population control, and this bill takes a step in that direction.

America is not the policeman for the world; but if there is one, would it not be nice to know that it is a peace officer like the United States of America?

Mrs. LOWEY. Mr. Speaker, I am very pleased to yield 2 minutes to the distinguished gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, I thank the gentlewoman for yielding time to me.

I have one serious regret about this bill, but it is beyond the capacity of the members of the subcommittee or even the full committee to deal with. There is not enough money. We do not do enough to alleviate poverty in the world. We could do better.

In fact, right now we have taken on an obligation by the war we have waged in Afghanistan, which we had not just a right but an obligation to wage, and I am delighted with our success; but it has given us an obligation to go now into Afghanistan economically and politically and in other ways to try to make that a better society than it was before.

I have one other point that I want to comment on. I have long supported aid to Egypt. I was glad Egypt played the constructive role it did beginning in the late seventies in the Middle East.

But I am becoming less and less happy with the role Egypt plays. It is becoming less and less willing to be a constructive force. I want to say that I was particularly outraged when the Egyptian Government decided a few months ago to engage in blatant oppression of Egyptian men who happen to be homosexual. This happened long after this process had begun.

The Egyptian Government ought to understand that it cannot with impunity continue to be so oppressive towards people's human rights, and in particular, its most recent outbreak of severe, unjustified, blatant prejudice, jailing men for no good reason whatsoever. They cannot continue to do that and not have it have an effect on how people view Egypt here and how people deal with Egypt.

I hope Egypt will once again play a more active, constructive role in the Middle East. That is now in question. This bill does some good things with regard to sending a very strong message to the Palestinian Authority about the unacceptable lack of intervention on their part to maintain peace in the Middle East.

The Egyptian Government's record of late has deteriorated, and it has been particularly outrageous in this human rights field.

I will vote for this bill. I regret the fact that it does not have more money. I hope we will make sure that our moral obligation to help the people of Afghanistan deal with the devastation that has happened will not come at the expense of others, and I hope the Egyptian Government will pay attention.

Mrs. LOWEY. Mr. Speaker, I am pleased to yield 2 minutes to my distinguished colleague, the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, I rise today in strong support of the Armenian-related provisions in the foreign ops bill, and I want to commend my colleagues on the subcommittee for striking the appropriate balance regarding section 907 of the Freedom Support Act.

In particular, I want to thank the ranking member, the gentlewoman from New York (Mrs. LOWEY), and in particular the co-chair of the Armenia Caucus, the gentleman from Michigan (Mr. KNOLLENBERG), who worked very hard on the Armenia provisions.

As my colleagues know, this important provision of law, section 907, was enacted in 1992 to address Azerbaijan's aggression and blockades against Armenia and Nagorno-Karabagh. While Congress has upheld this provision of law over the years, the tragic events of September 11 necessitated certain changes to section 907.

As Secretary of State Colin Powell indicated in a letter to Members of Congress, changes were needed to ''enable Azerbaijan to counter terrorist organizations and elements operating within its borders.''

In fact, I remain concerned about credible reports regarding the presence of al Qaeda cells operating within Azerbaijan that pose a direct threat to the United States and whose members participated in Azerbaijan's military campaign against the Armenians of Nagorno-Karabagh.

In his 1999 Defense & Foreign Affairs article by Yossef Bodansky, entitled "The New Azerbaijan Hub—How Islamist operations are targeting Russia, Armenia and Nagorno-Karabakh," Bodansky notes that radical Islamist forces used Azerbaijan as a launching base to conduct operations. As my colleagues may recall, Mr. Bodansky served as the Director of the Congressional Task Force on Terrorism and Unconventional Warfare.

Mr. Speaker, these cells not only pose a threat to Armenia and Karabagh, but also threaten all of us.

I include for the RECORD an article on this subject by Yossef Bodansky, as

well as an Armenia Assembly issue brief on this subject and a press release.

The material referred to is as follows:

THE NEW AZERBAIJAN HUB

(By Yossef Bodansky)

An ongoing study by Defense & Foreign Affairs has cited a significant number of highly-placed sources in Russia and the Caucasus who advise that radical Islamist forces are expanding their infrastructure in Azerbaijan in preparation for a sustained escalation, both in Caucasus and at the heart of Russia. Planned terrorist ''spectaculars'' include the use of suicide bombers.

Significantly, these developments are based on long-standing relationships and understandings between Azeri officials and the Islamist leaders involved in Chechnya, Pakistan and Afghanistan. The escalation bega in in 1997 when the Islamists basically agreed with the Azerbaijan Government of Gaydar Aliyev that they would—in exchange for allowing a free flow of people, weapons and ordnance through Azerbaijan—not interfere with or overthrow the Aliyev Government. As well, they committed to providing outside mujahedin to undertake operations against Armenia and Nagorno-Karabakh which could be credibly denied by the Aliyev Government.

This Azerbaijan-based infrastructure is aimed at both pushing arriving mujahedin to the forward training and operational bases in Chechnya, as well as launching operations against Russia and Armenia (including Nagorno-Kara- bakh) in the event of Russian bombing and raids on the islamist bases in Chechnya.

At present, the most important function of the infrastructure in Azerbaijan is the absorption, handling and initial acclimatization and indoctrination of foreign volunteers, mainly Arabs and Afghans/Pakistanis, as well as growing numbers of Central Asians, before being sent forward to terrorism and military training bases in central Chechnya, mainly the Saudi-born Islamist leader Khattab's main rear-area base near Urus-Martan, Chechnya. Among the mujahedin presently handled in Azerbaijan are numerous would-be shahids (suicide terrorists) who had been trained in Osama bin Laden's camps in Afghanistan. The Islamist infrastructure in Azerbaijan is build on the experience of bin Laden, Khattab and their companions in not only absorbing volunteers for Afghan jihad during the 1980s, but of transforming them into a cohesive élite corps (which is still cohesive and most active more than a decade after the Afghan Jihad).

The current Islamist build-up constitutes a major expansion of the so-called covert pipeline which has been running since the Winter of 1997–98. The primary objective of the original pipeline was to smuggle weapons, money and people arriving from Pakistan/Afghanistan into Chechnya. The two primary methods of transportation:

By truck from the Baku region through the mountains and into Dagestan and Chechnya; or

By light aircraft from several sites in Azerbaijan into the Vedeno gorge or to Nozhay-Yurtovskiy Rayon in Chechnya.

The weapons delivered have been both shipments from Pakistan/Afghanistan, as well as large consignments of weapons purchased locally either from the ex-Soviet stockpiles of the Azerbaijani armed forces or specially acquired from Ukrainian and other suppliers (these weapons were purchased the Azerbaijani official channels with Baku providing end-user certificates and the buyers paying large commissions to all involved).

The current phase started in early September 1999 following a decision in Baku to upgrade the support for the Chechen-Dagestani Islamist forces. The new policy was elucidated publicly on August 20, 1999, by Vafa Guluzade, an Adviser to Gaydar Aliyev and the Azeri Government on State Policy issues. ''Chechen and Dagestani fighting should be regarded as a national liberation struggle, not as a terrorism as the Russian authorities are trying to present it,'' Vafa Guluzade declared. He said that ''today Russia is actually continuing in the Caucasus the policy of serf Russia which in 19th Century subjugated with fire and the sword the freedom-loving Caucasian nations. . . . Carrying out military campaign in the Caucasus today, the biggest campaign after the first Caucasian war, Russia is declaring itself a successor of Tsarist Russia,'' Having gained their independence after hundreds of years of Russian subjugation, Guluzade believes, all Muslim states of the Caucasus should unite their efforts to compel Russia to ''change its policy regarding the Caucasus and other national regions before it is too late''.

The modalities for the running of the new facilities in Azerbaijan were defined during most of September. The new activities in support of Chechnya and Dagestan were defined in late September/early October during a supposedly—secret visit to Georgia and particularly Azerbaijan by Selim Beshayev, the Vice Speaker of the Chechen Parliament. Beshayev's talks with Azeri officials were aimed at ensuring the smooth flow of mujahedin and the specialized equipment they need without undue interference.

In Baku, Beshayev has spent a lot of time convincing the Azeri authorities to expand their direct involvement in the Islamist ''cause'' in the aftermath of the Russian exposure of the Turkey-Georgia pipeline. Beshayev used both carrots and sticks. He promised lavish ''unofficial'' foreign aid to Azerbaijan: large quantities of cash from diverse sources in Saudi Arabia and other Persian Gulf states which will most likely go to private pockets. Beshayev, also reiterated the Islamists' promise to assist Baku in ''resolving the Karabakh problem'' as expeditiously as possible. He was also willing to ''guarantee'' the security of the Baku-Novorossiysk oil pipeline. The concurrent expansion of Islamists activities in Azerbaijan proves the success of Beshayev's visit to Baku.

The key Islamist facilities are concealed as charity and educational organizations affiliated with the web used by bin Laden's networks. Moreover, the headquarters of these organizations are stuffed with Arab ''teachers'' and ''managers'' from the ranks of such organizations as the International Muslim Brotherhood, the Islamic Salvation Front, several branches of Islamic Jihad, and the National Islamic Front of Sudan. The key organizations are:

World Assembly of Islamic Youth (sometimes translated as World Islamic Youth Assembly). Its headquarters is located in Baku's residential district of Dzhandzhlik/Janjilk. The key principals are Muhammad Salim Abd-al-Hamid (Saudi papers), Muhammad Ali Khoroko (Somali papers), Arif Abdallah Abd-al-Hamid and Hayruzi Qa'id Abd-al-Rahman (both Yemenite papers). Another Saudi, Salah Salman, is the contact man with Islamist charity and financial organizations in Saudi Arabia;

The International Organization of Islamic Salvation. Its headquarters is on Narimanov Street, in the settlement (essentially remote suburb) of Azizbekovo near Baku. The three main functionaries are Muhammad Shama, Muhammad Salih al-Jarni and Arif Abdallah Abd-al-Hamid (same as above), all with Yemenite papers;

Al-Ibrahim Foundation. Very little is known about this Baku-based charity except that its Arab principals have huge amounts of cash in hard currency. They are involved in acquisition of real estate among other ''educational'' projects.

In the Fall of 1999, these charities began setting up several camps near Baku, where their students should be able ''to study the Koran in a quiet setting''. The primary function of the camps in the overall vicinity of Baku is the training of professional agitators. The students are a mixture of Arabs, Caucasians and Central Asians. Their primary mission is intended to be to ''brainwash'' the Muslim population of Dagestan (as well as of Uzbekistan and Kyrgyzstan) into supporting Islamist causes, subversion and terrorism. The Islamists have just established in these camps facilities for the production of printed, audio and video incitement and agitation material advocating anti-Russian and anti-Western jihad. Significantly, these ''camps'' are also engaged in agitation against hated Muslim governments, particularly the House of al-Saud. On one wall there is the slogan in Arabic: ''The fate of the Shah of Iran, who was driven out of his own country by Islamic organizations, awaits the [Saudi] royal family.''

The second phase in the expansion of the Islamist facilities has begun in the past few days. A group of Arabs—all with documents from Saudi Arabia, Sudan, Yemen, and Afghanistan—left the Baku area to newly established ''religious field camps'' in the remote mountains of north-eastern Azerbaijan, on the road to Chechnya and Dagestan. All three Islamist ''charities'' mentioned above established such camps virtually simultaneously. These are paramilitary camps where the students undergo basic military training as well as equipping before they move on toward Chechnya and Dagestan. Some of the leaders and commanders of these camps have been identified as ''proxies of terrorist Osama bin Laden''.

Meanwhile, in anticipation for escalation and expansion, senior officials of the International Muslim Brotherhood, the National Islamic Front, and several branches of Islamic Jihad arrived in Azerbaijan in the latter days of September 1999. By the first week of October, they were mainly arranging contacts with local Islamists in order to establish new routes for moving money, weapons and mujahedin into Chechnya. One of their priorities is the shipment of Stingers from Pakistan. In their conversations with Azerbaijani Islamists and ''forthcoming'' officials, these emissaries acknowledged that their primary objective is the consolidation in Azerbaijan of a ''springboard for inserting their main forces [into Chechnya and Dagestan]''. They also set up a flow of cash into the accounts of the Islamist charities and camps. Since late September 1999, there have been repeated transfers of funds from Saudi Arabia via Beirut totaling tens of millions of dollars.

Much of this money is then transferred to Chechnya by couriers. For example, one of the camps received an electronic transfer of $2-million from Al-Barakah Bank Lebanon (which is owned by the Saudi Sheikh Salih Abdallah Kamil). An Arab called Bin-Abdallah (UAE papers) received the money in cash and immediately carried it across the

border into Chechnya. On October 5, 1999, Azerbaijani border guards arrested two Arabs (with Iraqi papers) near the village of Pashbir. They had US$300,000 in cash on them. They claimed they were volunteers working for a charity in Chechnya. All available evidence suggests that these known cases are but a small fraction of the present shipment of funds from Arab countries to Chechnya as well as the ''Koranic camps'' in Azerbaijan.

Another indicator of impending Islamist activities in and via Azerbaijan are the reconnaissance trips of Arab experts near the borders with Chechnya and Dagestan. For example, in the first week of October, a team from the Islamic Jihad traveled twice from Baku to the Azerbaijani-Dagestani border and carefully studied mountain passes and roads near the border. On October 5, 1999, a Turkish citizen called Yegid Rejeb was arrested on the Azerbaijani-Dagestani border *en route* to Khasavyurt with a Russian passport in the name of Magomed Sattarov. Rejeb is a graduate of one of the Baku area camps.

Meanwhile, the build-up of expert terrorist cadres has begun through other venues as well. On September 20, 1999, Chechen field commander Shamil Basayev announced the forthcoming establishment of a battalion of 400–500 *shahids*: would-be martyrs; that is, suicide terrorists. ''These people will be ready and capable of carrying out the most difficult of tasks,'' he declared in Grozny. ''Time and circumstances will tell'' what specific tasks he had in mind for them.

Again, this was not an empty threat. Between October 3–5, 1999, a group of about 50 veteran Arab *mujahedin*—carrying papers from Kuwait, Saudi Arabia, Yemen and the Palestinian Authority—arrived at Khattab's main camp at Urus-Martan in central Chechnya. They traveled into Georgia legally on transit visas issued by the Georgian Consulate in Turkey. They are the first of about 100 Arab *mujahedin* known to have received Georgian visas together. Once this type of travel was exposed, the Georgian authorities in Turkey began dragging their feet in providing visas to walk-in Arabs. Therefore, the Islamists have expanded their search for new alternate routes into Chechnya and Dagestan via Azerbaijan.

AZERBAIJAN AND ISLAMIC TERRORISM

According to the Associated Press, the Congressional Research Services (CRS, 9/10/2001) issued a report noting that individuals and groups affiliated with the international terrorist Osama bin Laden and his Al Qaeda organization used Azerbaijan as one of the bases in its elaborate terrorist network. Some reports suggest that various radical Islamist groups had operated in Azerbaijan even before its 1991 independence. However, the real increase in their presence took place after the 1993 military coup, when the government of Heydar Aliyev approved a large-scale deployment of mujaheddin fighters from Afghanistan and other countries to join in the fighting against the Nagorno Karabagh Armenians.

Azerbaijan has used the Karabagh conflicts, characterizing it as a religious war, to cultivate ties in the Islamic world. These ties, including overtures to radical Jihad-oriented organizations, have been aimed at diplomatically isolating Armenia and raising financial and military assistance for a new military campaign against Karabagh. Since 1998, in the wake of the U.S. embassy bombings in Kenya and Tanzania, the Azerbaijani government came under pressure from Washington to clamp down on radical Islamist groups that operate in Azerbaijan. But as recent reports show, radical Islamist groups are entrenched in Azerbaijan and will be very difficult to eradicate. The information below refers to the main stages of development of Islamist terrorism in Azerbaijan in the past decade:

Azerbaijan experienced a wave of ''Islamic Revival'' in the late 1980s—early 1990s that led the way to the creation of many indigenous Islamist groups espousing violent ideology and establishment of relations with similar organizations abroad. The most overt expressions of Islamic solidarity by Azeris were made in 1990 and 1991, when residents of districts bordering Iran destroyed most of the frontier installations to fraternize with Iranians, just as several newly-established Azeri Islamist groups offered to provide volunteers to fight in the Gulf War on the side of Saddam Hussein. A member of Al Qaeda, Jamal Ahmed el-Fadl, arrested by the FBI for his role in the 1998 embassy bombings, claimed his organization became active in Azerbajan as early as 1989. (Trans-Caspian Project 10/3/00, Ekho 9/1/01)

In the summer of 1993, President Heydar Aliyev deployed over 1,000 Islamist mercenaries in the war against Karabagh Armenians. They were flown on civilian aircraft from Afghanistan to Azerbaijan. The mercenaries, which also included Arab veterans of the Afghan war (1979–89), took an active role in the Karabagh conflict. (Moscow News (9/13/00) A Bin Laden associate claimed that Bin Laden himself led mujaheddin in at least two Karabagh battles. (Associated Press 11/14/99)

Following the armistice that took hold in Karabagh in May 1994, most of the mujaheddin left Azerbaijan to fight in other hot spots, such as the North Caucasus and Balkans. Others, however, remained to establish what was soon described as ''the new hub'' for Islamist radicals that involved a network of training camps, mosques, charitable organizations and underground cells. Ibrahim Eidarous, later arrested in Europe by the FBI for his role in the 1998 embassy bombings, headed the Azerbaijani branch of al Qaeda between 1995 and 1997. In 1997, radical Islamist groups with branches in Azerbaijan reportedly pledged their support for President Heydar Aliyev against Armenians, in exchange for a safe haven in Azerbaijan. (Strategic Policy 10/99; Ekho 9/1/01)

In August 1998, the Azerbaijani branch of the ''Islamic Jihad'' organization, which by then had merged with Osama Bin Laden's al Qaeda, reportedly coordinated the bombings of the U.S. Embassies in Kenya and Tanzania that killed 224 people and wounded nearly 4,600. The FBI was able to trace about 60 phone calls made from the satellite phone used by Bin Laden to his associates in Baku and from them to operatives in East Africa. The U.S. Embassy in Azerbaijan also feared an attack, but as a local radical claimed, they did not attack the Embassy so as ''not to spoil their good relations in Azerbaijan.'' (Zerkalo 7/22/00; Bill of Indictment in U.S.A. vs. Bin Laden et. al. 4/01; Washington Post 5/3/01; Ekho 8/23/01)

Following the 1998 embassy bombings, Azerbaijan came under increased U.S. pressure to curtail radical Islamist activity on its territory. However, Azerbaijan refused to hand over suspected terrorists to the U.S., so as not to ''earn the ire of Islamist fundamentalists'', extending them instead to their native countries. One of the extradited terrorism suspects, Ahmad Salam Mabrouk, who at the time headed the local branch of Al Qaeda, was detained while trying to acquire chemical and biological weapons in Azerbaijan. (Aviation Week & Space Technology 10/12/98; Agence France Presse 3/18/99; London's Sunday Times 7/18/99; Zerkalo 7/22/00; Ekho 8/29/01)

Azerbaijan, nevertheless, continues to be an attractive destination for the international terrorist networks, particularly those based in Afghanistan. In late 2000, head of the UNHCR mission in Azerbaijan Didier Laye noted that most asylum-seekers that arrive in Azerbaijan come from Afghanistan. (Azerbaijan and Afghanistan have no direct borders, are not ethnically related and there is no infrastructure in Azerbaijan to support these arrivals. In the absence of alternative reasons, Azerbaijan is an odd destination for Afghans.) In the Azeri capital, mosques influenced by Islamist radicals attract a large following. That following reportedly includes even some senior members of President Aliyev's staff. Most recently, the local media speculated that should Bin Laden be forced to flee Afghanistan, he may appear in Azerbaijan. Over the years, Bin Laden's sympathizers have moved out of Azerbaijan's capital, Baku, to establish camps in rural areas of the country, particularly in the remote mountainous areas in the largely Sunni Muslim north of the country. (Strategic Policy 10/99; Turan 11/21/00; Ekho 5/2/01)

In the words of one Islamic scholar, Azerbaijan is a part of the ''Global Intifada'' that also includes Palestine, the Balkans and Kashmir. As recently as a few weeks ago, sources in the Azerbaijani Ministry of National Security, cited by local media, confirmed that radical organizations, such as Bin Laden's Al Qaeda, continued to be active in Azerbaijan. Two weeks ago, Egyptian citizen Mahmoud Yaballah was arrested for his connection to the U.S. Embassy bombings, while trying to enter Canada after flying in from Azerbaijan. (Ekho 9/1/01)

Azerbaijan is an authoritarian state, where President and former KGB General Aliyev and his cohorts in effect control all spheres of life. The Aliyev government, which came to power by means of a military coup, has repeatedly banned political parties and media outlets, stolen elections and thrown thousands of its political opponents in jail. It is highly unlikely that groups such as Bin Laden's Al Qaeda could operate in Azerbaijan without at least some consent from President Aliyev. The Aliyev government is thus treading a thin line between international terrorists, whom it cultivated to fight its wars, and the international community, which can no longer ignore this reality.

SOURCES

In addition to reports in the above-noted and well recognized sources, such as AFP, AP, Aviation Week & Space Technology, The Times and Washington Post, this issue brief is based on the following additional sources:

Ekho and Zerkalo are leading Russian-language daily newspapers in Azerbaijan and can be found at *www.zerkalo-daily.com* and *www.zerkalo.az*. In August–September 2001, Ekho featured a series of articles on ties between Bin Laden and Azerbaijan written by its Deputy Editor Nair Aliyev.

Moscow News is a leading English-language liberal weekly newspaper published in Russia and can be found at *www.mn.ru*. In September 2000, it featured an article on connections between Chechnya, Azerbaijan, Afghanistan and the Islamist terrorist network, written by its Azerbaijan correspondent Sanobar Shermatova.

Strategic Policy (formerly Defense & Foreign Affairs) is a monthly international affairs report published in Alexandria, VA and

found at *http://www.strategicstudies.org/dfa.htm*. Its October 1999 issue featured an extensive article by Yossef Bodansky, Director of the U.S. Congressional Task Force on Terrorism and Unconventional Warfare.

TransCaspian Project is an online reporting and analytical service on Caspian regional affairs (found at *http://www.transcaspian.ru*). Its October 3, 2000 report featured an analysis by Alexey Malashenko of the Moscow office of the Carnegie Endowment for International Peace.

Turan is the leading news agency in Azerbaijan and can be found at *http://www.turaninfo.com*.

NOVEMBER 5, 2001.

In the beginning of October the International Working Group on Search and Liberation of Missing Persons, Hostages and POWs of Karabagh Conflict once again visited Azerbaijan where it studied the issue of missing persons in the Nagorno Karabagh conflict. With the participation of the leadership of the Ministry of Defense, we discussed mechanisms for effective cooperation and drew up plans for future work.

We were pleased to see that the communication between people working on the issue of searching for the missing persons is improving and that a procedure for the return of prisoners of war has been established. The officials, who are responsible for dealing with the POWs no longer view them as ''exchange material'' and following check-ups they transfer intentional and unintentional violators of the border to the opposite side without preconditions.

In October, the responsible officers of the State Commission and the Defense Ministry of Azerbaijani Republic expressed their readiness to participate in a meeting of individuals, engaged in the search for missing persons and liberation of POWs of the Nagorno Karabagh conflict. The meeting was scheduled to take place in Germany on November 10–12 of 2001. The purpose of the meeting would be to intensify the humanitarian efforts in the search for missing persons. The consent to participate in the meeting reflected the fact that all structures on both the Armenian and the Azerbaijani side are ready to cooperate with the International Working Group. We were hoping that through direct contacts, citizens on both sides would be able to receive information about the destiny of their loved ones, possibly some would return home strengthening trust between the nations. Naturally, discussion of any political issues during that meeting was not envisaged and such a possibility was altogether excluded.

We have to state with great disappointment that on November 2 the Azerbaijani side refused to participate in that meeting.

Until this instance, in its long years of work on this conflict, the International Working Group has not seen any side backtrack on agreements.

This time the Azerbaijani side is not keeping its promise and refuses to participate in the meeting in Germany, which, as we strongly believe, is a substantial blow to the joint efforts to establish a humanitarian dialogue.

Human values are always a priority in our work. In every conflict we are always on the side of people who are suffering from the conflict. As a result of the Azerbaijani authorities' refusal to participate in the meeting, it is these people that will suffer again. Neither the early notification of the Armenian side about the meeting, nor the pressure of internal destructive forces can justify their suffering.

We believe that refusing to participate in the meeting, the Azerbaijani authorities make our efforts ineffective and seriously lower the level of confidence that the victims of the conflict have in us. For these reasons, the International Working Group plans to hold consultations on whether our engagement in the region is still feasible.

SVETLANA GANNUSHKINA.
BERNHARD CLASEN.
PAATA ZAKAREISHVILI.

Throughout this process, I have worked closely with my Armenian Caucus Co-Chair JOE KNOLLENBERG, who also serves on the House Foreign Operations Appropriations Subcommittee. I would like to thank him in particular for his efforts in ensuring a balanced approach to section 907.

Mr. Speaker, the bill's limited and conditional waiver to section 907 will enable the U.S. to effectively combat the war on terrorism while at the same time ensuring that Armenia and Armenian communities in the South Caucasus are safeguarded. The language makes it clear that no assistance can be provided to Azerbaijan unless the President determines and certifies that it is necessary to support counterterrorism and will not undermine the Nagorno-Karabagh peace process or be used for offensive purposes against Armenia or Armenian communities.

By maintaining section 907, we hold Azerbaijan accountable for their (ongoing blockades against Armenia and Nagorno Karabagh) actions. In addition, Azerbaijan's incessant war mongering is of great concern. Instead of taking a constructive approach, senior Azerbaijani officials continue to threaten military action despite calls from the OSCE to cease such provocations. Azerbaijan has also rejected U.S./European union calls for economic cooperation with Armenia. Moreover, progress in the Nagorno Karabagh peace talks have been hindered with President Heydar Aliyev backing away from commitments made in Paris, France and in Key West, Florida. I was also disappointed to learn that after agreeing to meet with their Nagorno Karabagh counterparts, Azerbaijan recently refused to participate in a meeting sponsored by the International Working Group on Search and Liberation of Missing Persons, Hostages and POWs of the Karabagh conflict. I ask unanimous consent to include the International Working Group's press release on this matter.

Mr. Speaker, I have seen a continued pattern whereby the Armenians reach out and take risks for peace and normal relations with its neighbors only to be rebuffed by Azerbaijan or Turkey. As my colleagues know, the resolution of conflicts in the Caucasus and the opening of closed borders are long-standing U.S. policy goals. In this regard, I expect to see some positive developments and, in fact, when Congress reviews the issue of the Section 907 waiver next year, renewal of any waiver should also be contingent upon Turkey's lifting its blockade of Armenia. Lifting the blockade is certainly in the U.S. national interest.

Mr. Speaker, I also strongly support the other Armenian-related provisions in the bill, including the $90 million earmark for Armenia and an additional $4 million for foreign military financing, and $300,000 for international military education training. Expanding our military cooperation is an important new step in U.S.-Armenian relations and I fully support it.

In this regard, I would note the importance for the United States to maintain parity in its military/security relationship between Armenia and Azerbaijan. Finally, I would also like to commend the Armenian Government as well as Armenian-American organizations and individuals who realized that conditional changes to section 907 were needed in the global war against terrorism.

Again, I want to thank the subcommittee members for what they did in this regard.

Mr. KOLBE. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Mississippi (Mr. WICKER), another member of the subcommittee.

Mr. WICKER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, it is a pleasure to join my chairman and my friend, the gentlewoman from New York (Mrs. LOWEY), in supporting this bill and to urge my colleagues to adopt the conference report overwhelmingly.

Mr. Speaker, this is a bill that typically many people in the United States would just as soon we forget about. There are a lot of my colleagues, Mr. Speaker, who would go back to their town meetings and proudly tell some of their constituents that they never voted for any foreign assistance.

Yet, Mr. Speaker, those same people, when September 11 occurred and when we realized that the United States would have to drive the Taliban out of Afghanistan, that we would have to be engaged in that region, those very same Members who proudly said they never voted for a dime in foreign aid are glad that we have a friend or two in that region. They are proud and thankful that the United States has some influence there.

If by spending just a little money on international military education, demining activities, Peace Corps activities, UNICEF, child survival, HIV/AIDS, we have obtained a little influence in those regions, then I proudly say that that is money spent not only for doing good across the world, but also money spent in our national interest.

It has already been pointed out that this bill today, even with the small increase that we have, amounts to less than 1 percent of all of the money that the United States will spend for all purposes during this fiscal year.

□ 1630

And while some people around the country would not spend anything on this bill at all, I think most Americans, when informed that it is less than 1 percent, say that that is a good price to pay to extend our influence and our friendship around the world.

We are providing assistance in many good ways, Mr. Speaker. And make no mistake about it, we intend to do good with this bill and we are providing help to other nations. But the main reason we pass this bill today and the main reason that I vote for it as a fiscal conservative is that it is absolutely in the national interest of the United States of America for us to extend our influence around the globe.

I thank the gentleman from Arizona (Mr. KOLBE) and I thank the gentlewoman from New York (Mrs. LOWEY) for their hard work.

Mrs. LOWEY. Mr. Speaker, I yield 7 minutes to the gentlewoman from California (Ms. PELOSI), a distinguished member of the committee, a ranking member of the Permanent Select Committee on Intelligence, a former ranking member of the Subcommittee on Foreign Operations, Export Financing and Related Programs.

Ms. PELOSI. Mr. Speaker, first off, I want to commend the distinguished chairman of the subcommittee, the gentleman from Arizona (Mr. KOLBE) and the ranking member, the excellent ranking member of the committee for their strong bipartisan leadership which was so necessary to bring this bipartisan bill to the floor today.

It represent a great deal of work on their part and it was not without its difficult moments. I do intend to support the bill, although I am not thrilled with the way that some of the compromises were worked out, one would be the bill does contain the global gag rule, but I will talk about that in a moment.

The bill provides important foreign aid investments that will boost the economy of developing nations and take a giant step toward the alleviation of poverty.

On that note, Mr. Speaker, I want to say what I say every year when this bill comes up and when I was ranking member I did, and that is that all of us in our country are familiar with the great words of President Kennedy in his inaugural address which I, as a student, witnessed firsthand in the freezing cold in Washington, D.C. in 1960. In that address he said, and we all know these words to the people of America, ''To the citizens of America, ask not what your country can do for you, but what you can do for your country.'' We all know that. Everyone knows those words.

But does everyone know that the very next sentence in the speech, the inaugural address, the very next sentence says, ''To the citizens of the world, ask not what America can do for you, but what we can do working together for the freedom of mankind.''

And I believe, Mr. Speaker, that President Kennedy's words are the clarion call for the bill that is before us today. Now, more than ever, we need to cooperate internationally and to follow the lead of President Kennedy. Since September 11 it is now, more than ever, important to address the root causes of instability in the world by working to alleviate poverty.

Alleviation of poverty would not have probably prevented what happened on September 11. But the alleviation of poverty will go a long way to alleviate also the fury of despair that springs from peoples who have no economic options. They have no recourse. They have no place to go. And so many of them are susceptible to demagogs. I think poverty produces violence throughout the world.

We do know that now more than ever it is a good investment for America to invest in stability in the world and in peace. Pope Paul, VI said, ''If you want peace, work for justice.'' Part of that justice is, of course, economic justice. And this bill, with its investments across the world, helps to build the economies of a country, giving more economic opportunities to people, alleviating poverty, raising the standard of living, and again, hopefully defusing the fury of despair that is out there.

As I mentioned, Mr. Speaker, there are many excellent parts of the bill. The bill contains $475 million for HIV/AIDS funding, which is a significant increase over the amount requested by the administration. It is still not enough, mind you. We have a tremendous opportunity as far as AIDS is concerned and the leadership that the United States provides.

If you combined AIDS and poverty, you have a terrible combination. But that is the combination that many people are faced with throughout the world.

The bill also contains $50 million for the Global Health Trust Fund with an option for the President to invest $50 million more. I certainly had hoped for more funding for the Global Health Trust Fund. The funding provided is increased and combined with the Labor HHS bill that we passed earlier today in the supplemental appropriations bill, will advance the fight against AIDS and encourage other nations to join in contributing funding, what we can do together with other countries.

I want to especially commend the gentlewoman from New York (Mrs. LOWEY), the ranking member on the committee for her work on increasing funding for basic education. She has been a champion on this throughout the years, and her leadership and the amount of money in the bill, $165 million, is due to her efforts over the years, and certainly this year.

I mentioned about family planning. The bill contains a compromise on the family planning issue which enables international family planning to be funded at an increase in funding $446.5 million, and UNFPA at $34 million. This was a hard-fought compromise. But the price to pay for that is the global guide rule is not in the conference report. As my colleagues will recall, one of the first acts, well, the first official act that President Bush took when he became President of the United States was to revoke the language that had been in our foreign ops bill from last year, which eliminated the global gag rule from our public policy. Unfortunately that was in the bill.

The current restrictions of the gag rule erect barriers to the promotion of civil societies abroad and the enhancement of women's participation in the political process and the credibility of the United States in the international arena. Having expressed that dismay, I still, of course, intend to support the bill.

I had also hoped for more funding for disaster assistance for El Salvador in response to the devastating earthquakes. The chairman was successful in providing $100 million in the bill. Only a portion of this is new funding.

I look forward to working with the gentleman from Arizona (Mr. KOLBE) next year to provide needed construction funds to restore the infrastructure there.

There are many good things in the bill. I commend the leadership of the committee for increasing what we called when I was ranking member and the gentleman from Alabama (Mr. CALLAHAN) was chairman, the Callahan account to $1.43 billion for the child survival account, which is a significant increase over the President's budget.

Mr. Speaker, with that, I want to commend the distinguished chairman and the ranking member for a really a good piece of work. It is not without its difficulties. It is, in some respects, a compromise, and in other areas, it really made good strides in helping reach our international goals to help reflect the leadership role of our country in the world.

Now, more than ever, in light of September 11, we see what a small investment this bill is in protecting our people at home by promoting stability and alleviation of poverty and eradication of disease, not only AIDS, tuberculosis, malaria, et cetera.

So this is the Lord's work, in addition to which there is business in here, a trade promotion which is very important to our own economy. It is a good bill. I urge its support.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from Arizona (Mr. KOLBE) has 2 minutes remaining. The gentlewoman from New York (Mrs. LOWEY) has 3 minutes remaining.

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

ANNOUNCEMENT OF MEASURES TO BE CONSIDERED UNDER SUSPENSION OF THE RULES ON WEDNESDAY, DECEMBER 19, 2001

Mr. KOLBE. Mr. Speaker, before I yield to the last speaker, I would like to make the following announcement

for the leadership. Pursuant to the notice requirements of House Resolution 314, I announce that the following measures will be considered under suspension of the rules On Wednesday, December 19, 2001: H.R. 3487; H.R. 3504; and H. Con. Res. 292.

Mr. Speaker, I yield the remaining time to the gentleman from Illinois (Mr. KIRK). All the speakers that we have had on this side have been members of our subcommittee. To close this debate, I would like to call on an individual who has, over the years, contributed a great deal to establishing the foreign policy for this country through the work he has done here as a staff member, and today as a member of the Committee on Armed Services, contributes greatly to the national security of this country.

Mr. KIRK. Mr. Speaker, I rise in very strong support for the Foreign Operations conference report, and I want to especially commend the gentleman from Arizona (Mr. KOLBE) on his first bill, and the gentlewoman from New York (Mrs. LOWEY) for her work.

While the foreign assistance program may not be the most popular, the events of September 11 underscore its importance. By supporting U.S. allies in a time of war against terror, we reduce U.S. casualties and shorten this conflict.

Speaking as a member of the Committee on Armed Services, I would liken this program to its predecessor, the Land Lease Aid of World War II. Foreign assistance represents some of the most effective national defense dollars we provide, and also as a member of the Committee on the Budget, I will fight next year for function 150 funding to make this subcommittee's job easier.

I want to highlight two keys aspects of this bill. First, after great delay, this bill provides the full measure of assistance to our allies in the Middle East, including Israel. If there is anytime to show tangible support to Israel, it is now. Democracies should stick together and this bill does that.

I also want to commend the compromise to provide resources for family planning. The average Afghan woman has six children. Many young Afghans have few prospects and are tempted to extremism. This bill helps dry up the wells of discontent in central Asia, stabilizing new allies in the war on terror, both through the Agency for International Development, and especially through the UNFPA.

I want to commend the committee and staff of the subcommittee and urge rapid adoption of this bill.

Mr. CROWLEY. Mr. Speaker, I rise today in support of this conference report. I want to commend Chairman KOLBE and our ranking member, Congresswoman LOWEY, for crafting a fair and comprehensive bill that addresses the needs of many nations throughout the world.

As conflict continues around the globe, from Northern Ireland to the Middle East, this bill has taken the appropriate steps to provide the tools for future prosperity and the potential for reconciliation.

As the cycle of violence continues in the Middle East, it is essential that we take the appropriate steps to facilitate an atmosphere of peace. The Middle East package in this appropriations bill takes great strides toward that end by including balanced funding for Israel and Egypt, as well as essential support for Jordan and Lebanon.

Specifically, this bill provides economic funding in the amount of $720 million for Israel and $655 million for Egypt. Additionally, it provides $2.04 billion in military financing for Israel and $1.3 billion for Egypt.

I would like to make a special note to commend Israel for being the only country to voluntary request a reduction in its economic assistance. It is my sincere hope that this funding will foster an atmosphere for reconciliation that is so desperate needed. I would also like to thank the Committee for recognizing the work of the Galilee Society. The Galilee Society works with Israeli-Arabs and Israeli-Jews on projects that are in the mutual interest of both communities. From water purification to child immunizations, Galilee has looked beyond the religious and cultural differences that are often divisive in this part of the world, for the betterment of the society as a whole.

Furthermore, the funding provided for the International Fund for Ireland in the amount of $25 million is a crucial element in facilitating an environment in Northern Ireland in which all sides can live together and prosper for the common good. With the peace process on tenuous ground, programs such as the International Fund for Ireland are essential for Irish youth from the North and from the Republic to work together to improve the future of their respective homelands.

On behalf of the Congressional Caucus on Bangladesh and the South Asian Community in New York's Seventh Congressional District, I would like to express our gratitude for $23.5 million for International Disaster Assistance. Specifically, the $5 million earmark for relief efforts in South Asia. The South Asian region has been decimated by earthquakes and flooding throughout this difficult year. The funding included in this bill will make great progress toward rebuilding the communities hardest hit by these tragic events.

I wish to thank the Committee for the funding provided for the United Nations Population Fund. This important funding will save the lives of thousands of women and children throughout the developing world.

Though I am pleased overall with the funding levels included in this bill, I have many concerns regarding the Andean Initiative.

Despite the fact that this funding is a vast improvement over Plan Colombia, I believe that it fails to address the needs of countries, such as Ecuador, to effectively combat the spillover effect from the drug war in Colombia. Furthermore, this initiative continues to provide financial and military assistance to the Colombian military. With an abysmal human rights record, the Colombian military should receive no support from the United States.

It is my hope that these funding deficiencies will be addressed and rectified in future foreign aid packages.

I congratulate Mr. KOLBE and Mrs. LOWEY for their diligent work on this conference report, and I urge my colleagues to support its passage.

Mr. BLUMENAUER. Mr. Speaker, I will support this conference report with the express hope that we can do better next year. Foreign affairs is one of the most important investments we make as a nation, and that fact was underscored by the catastrophic events of September 11.

In his first public appearance after that tragic day, former President Jimmy Carter said on November 15 at the Carter Center that the chasm between rich and poor nations is ''by far the most important single problem in the world.'' If more were done for the poor, he said, ''there would be a lot less animosity and a lot less inclination to commit suicide to kill an American.''

I congratulate my colleagues DOUG BEREUTER and HOWARD BERMAN for leading a letter to President Bush last month urging increased funding for the fiscal year 2003 function 150 International Affairs budget as part of our Nation's comprehensive response to the September 11 attack on America. Foreign assistance makes a difference. Since 1960, life expectancy in poor countries has risen from 45 to 64. Since 1970, the illiteracy rate has fallen from 47 percent to 25 percent. And, since 1980, the number of poor people has fallen by about 200 million—this at a time when world population increased by 1.6 billion. These are impressive gains, but the U.S. is not doing as much as we should.

Through the Organization for Economic Cooperation and Development and the Group of Seven, the world's richest economies have committed themselves to halving world poverty by 2015, and devoting .7 percent of their individual gross national products to overseas development assistance. As a percentage of national income, U.S. foreign aid has dropped steadily since the early 1990s, leaving the U.S. at the very bottom among the 22 OECD members, with barely .1 percent of GNP going to development assistance.

I commend to my colleagues the excellent Op-Ed I am submitting for the RECORD that was written by the CEO of Mercy Corps, headquartered in Portland, Oregon. In it, Neal Keny-Guyer states that ''we have to speak plainly and forcibly about the resources required to confront the real battle. . . . As Congress ponders a blank check for military defenses, national and homeland security and increased intelligence capabilities, we have to significantly increase programs that attack the roots of terrorism.''

I agree with Mr. Keny-Guyer's conclusion that, ''We need to declare that it is a moral outrage to have the resources to reduce global poverty, but not the will to carry out change.'' I pledge to do what I can to work that will to strengthen U.S. foreign assistance along with my colleagues on the House International Relations Committee and through the FY03 budget process.

[From the Oregonian, Nov. 26, 2001]

HELP INJURED WORLD HEAL WITH A SUSTAINED EFFORT

(By Neal Keny-Guyer)

All the military might that America can muster will not end terrorism. Not by itself. It requires a sustained assault against those conditions on which terrorism breeds and feeds: abject poverty and social inequality, mass ignorance and disease, despair and intolerance, violence and conflict.

The frontline battalions and brigades in this war are the humanitarian organizations such as Oxfam, CARE, Save the Children and Mercy Corps. Never has their role been more important. And never have these organizations been more challenged to think and act differently.

It is no longer enough to attack the physical conditions of poverty—income levels, adequate housing, health care, infant mortality rates. Pure acts of mercy and relief may help alleviate individual suffering and make the actors of charity feel better, but they do not redress or affect root causes and conditions. Even if we were to lower global infant mortality rates by 25 percent tomorrow (and, of course, we should pursue this noble goal) it is not clear at all that the world would be a more stable, less violent place. It is not self-evident that the forces of terror would be in retreat.

So what is it that we aid agencies should really be doing to make a difference?

First, we have to speak plainly and forcibly about the resources required to confront the real battle. Americans are generous people, but the U.S. government's global aid budget needs to increase significantly beyond the paltry level of less than 1 percent of our federal budget that we give today. Most industrialized nations devote far greater percentages of their budgets to international relief and development. As Congress ponders a blank check for military defenses, national and homeland security and increased intelligence capabilities, we have to significantly increase programs that attack the roots of terrorism. But let's make sure that we are not just throwing money at good causes or buying political and military cooperation through aid.

Second, international aid agencies and nongovernmental organizations have to replace traditional programs that meet basic human needs and promote development with more innovative initiatives. We need programs that both feed the hungry and teach agriculture skills and, at the same time, promote land reform and democratic participation. Health programs must provide not only basic maternal and child medical care, but also promote basic rights for women and children. We need micro-credit programs that do not simply provide credit for the poor but that also link, for example, Serbian producers with Albanian suppliers in Kosovo. We need humanitarian assistance programs that consciously promote, if not require, active cooperation among various religious factions in so many down trodden countries.

In Afghanistan today, the role of aid agencies is not simply to feed starving people or to rebuild war-torn buildings and infrastructure. Our real job is to provide aid in a way that truly builds a foundation for a peaceful, pluralistic future. Our multi-ethnic, multi-tribal teams need to represent a working model of cooperation and tolerance. We need to witness against human rights abuses and reprisals while we help create Afghan models for a healthy civil society.

Humanitarian and development assistance, always and everywhere, has to promote political participation among marginalized groups, respect for human rights and the rule of law. Aid agencies, always and everywhere, have to deliver assistance in the ways that build bridges of understanding and cooperation among religious, ethnic and cultural communities affected by conflict.

It is no longer enough to be simple angels of mercy. Aid agencies today have to be ambassadors of peace, reconciliation and hope—hope for more secure, just and meaningful future.

Finally aid agencies today need to find creative, compelling ways to connect their supporters with a deeper understanding of the world. We need to declare that it is a moral outrage to have the resources to reduce global poverty, but not the will to carry out change. We cannot stand on the sidelines of history while 50 million people are refugees from war and persecution, while 25 million children are killed, maimed or made homeless in a decade's time, while 35,000 children die each day from hunger and disease.

A seamless web of compassion connects homeless child in Poland with a hungry, desperate child in Afghanistan. And when one child is helped anywhere, all of God's children can rejoice. In this understanding, terrorism cannot win. In this discovery, in this conviction, a better America and a better world will emerge.

Mr. BEREUTER. Mr. Speaker, this Member rises in strong support for the conference report to H.R. 2506, the Foreign Operations appropriations bill. This Member would particularly like to thank the distinguished gentleman from Arizona (Mr. KOLBE), the Chairman of Foreign Operations Appropriations Subcommittee, for his efforts in bringing this conference report to the House Floor. Additionally, this Member would like to thank the distinguished gentleman from Florida (Mr. YOUNG) the Chairman of the Appropriations Committee, for his continued leadership.

This Member would like to focus on three following parts of this conference report to H.R. 2506: the 150 International Affairs Budget, the Export-Import Bank (Ex-Im Bank), and the International Fund for Agricultural Development (IFAD).

First, the conference report to H.R. 2506 includes appropriations for the 150 International Affairs budget. Through the 150 International Affairs budget, the U.S. funds its programs which are critical to protecting U.S. security, economic, and diplomatic interests overseas. Indeed, these programs, which include U.S. humanitarian assistance programs; foreign economic and military assistance; public diplomacy efforts; and export promotion programs, are the tools which American diplomats, aid workers, and businesses use to promote the American story of freedom, democracy, and free markets. Without these tools, other countries and regimes have a greater opportunity to define in an unfavorable light what America stands for and to promote causes which are in direct opposition to U.S. national interests.

Mr. Speaker, this Member joined his colleague, the distinguished gentleman from California (Mr. BERMAN), and 61 other distinguished Members of this Body from both sides of the aisle in sending to the President a letter which expresses support for an increase in the fiscal year 2003 150 International Affairs budget. Currently, funding for the 150 International Affairs budget comprises less than 1 percent of the overall Federal budget, and these funds will play a very crucial role in the war on terrorism. Indeed, increasing the 150 International Affairs Budget will provide the Administration more flexibility to wage the diplomatic component of the war on terrorism.

Second, this Member supports the $727 million appropriation for the program budget of the Ex-Im Bank and the $63 million appropriation for its administrative budget. The Ex-Im Bank is an independent U.S. Government agency which provides direct loans to buyers of U.S. exports, guarantees to commercial loans to buyers of U.S. products, and insurance products which greatly benefit short-term small business sales. To illustrate the importance of the Ex-Im Bank, in FY 2000, it supported over $15 billion worth of exports through loans, guarantees, and insurance for American businesses, both small and large.

As the Chairman of the House Financial Services Subcommittee on International Monetary Policy and Trade, this Member takes a particular interest in the appropriation for the Ex-Im Bank since he has introduced legislation (H.R. 2871) which would reauthorize the Ex-Im Bank for four years, until September 30, 2005. This legislation, the Export-Import Bank Reauthorization Act of 2001, passed the House Financial Services Committee on October 31, 2001. This Member is awaiting this legislation to be taken up on the House Floor. It should be noted that, at the request of certain U.S. Senators, the conference report includes an extension to March 31, 2001, for the authorization of the Ex-Im Bank.

With respect to the program budget, the conference report provides funding for Ex-Im Bank's loans, guarantees, and insurance products. In the administration's budget for fiscal year 2002, it reduced the program budget of the Ex-Im Bank to $633 million. The fiscal year 2001 level for the program budget was $865 million. This conference report restores some of the funding for the program budget by appropriating $727 million for fiscal 2002. It is important to note that under the Export-Import Bank Reauthorization Act of 2001, the program budget is effectively authorized for such sums as are appropriated through fiscal year 2005.

With regard to the administrative budget for the Ex-Im Bank, this conference report appropriates $63 million. This is an increase by $1 million over the $62 million level for the administrative budget for fiscal year 2002. Funding for the administrative budget is essential as the Ex-Im Bank is in a desperate need of a technology upgrade which would particularly benefit small business users of the Ex-Im Bank. To illustrate this importance, this Member's legislation, H.R. 2871, authorizes $80 million for the administrative budget, which includes funding for information technology for fiscal year 2002, and indexes this authorization level for inflation for fiscal year 2003 through fiscal year 2005.

This Member would also like to note that this conference report contains an authorization of $30 million to IFAD. IFAD provides loans and grants for agricultural and rural projects for the world's poor who live in such rural areas. Almost 75 percent of the world's 1.2 billion poorest people live in rural areas. Furthermore, approximately two-thirds of IFAD

loans are concessional. This authorization of $30 million for the Fifth Replenishment for IFAD is identical to the Administration's request.

As the Chairman of the House Financial Services Subcommittee on International Monetary Policy and Trade, which has authorization responsibilities over the regional multilateral development banks including IFAD, this Member introduced H.R. 2604. This legislation reauthorizes the U.S. commitment to the Asian Development Fund and IFAD and sets forth additional policies regarding the other regional multilateral development institutions. This legislation, H.R. 2604, particularly addresses the subjects of HIV/AIDS, user fees, and transparency as it relates to the different regional multilateral development institutions.

This legislation, H.R. 2604, passed the House Financial Services Committee by a voice vote on October 31, 2001. This Member is awaiting this legislation to be taken up on the House Floor. It is important to note this conference report does not authorize the Asian Development Fund. The Administration had requested an authorization for a four year $412 million U.S. contribution to the Seventh replenishment of the Asian Development Fund. Since this authorization is not in the conference report of H.R. 2506, it is imperative that the House Floor take up this Member's legislation, H.R. 2604, in the immediate future since it contains the authorization for the Asian Development Fund.

In conclusion, for the above reasons and many others, this Member urges his colleagues to support the conference report to H.R. 2506, the Foreign Operations appropriations bill.

Mr. FORBES. Mr. Speaker, I rise in reluctant support of the Fiscal Year 2002 Foreign Operations Appropriations Act. Though the bill includes language that gives me serious pause—in particular that related to the United Nations Population Fund (UNFPA), I will cast my vote in support of this legislation today to ensure our continued support for the people of Israel in their time of great crisis.

The people of Israel have lived with violence and unrest since the birth of their nation more than 50 years ago. But in recent years, it has appeared that with serious effort, a reasonable peace could be achieved in that region. Over the past several weeks, however, that dream of peace has crumbled. The leadership of the Palestinian Authority has been lacking either the wherewithal or the will to control the escalating violence and the Israeli leadership has retaliated in the only way it can see fit. Regrettably, innocent lives on both sides often pay the price for this impasse.

In this time of turmoil, Mr. Speaker, we must show our support for our ally, Israel. This bill fully funds the President's requests for foreign military financing and economic assistance to Israel. Thus, despite my objections to the UNFPA language and other provisions, I must support this funding bill.

The compromise language developed by the conferees increases the appropriation for the UNFPA by 40 percent over last year. In recent months, the UNFPA has come under increasing scrutiny for its policies that support coercive abortion policies in China, Peru, and elsewhere. Furthermore, as Congressional criticism of their complicity in these inhumane policies has increased, the UNFPA has become less and less willing to provide information that Congress needs to conduct its required oversight. In fact, only two months ago, the UNFPA refused a request by the International Relations Committee to even testify on this matter.

There can be little doubt that coercive abortion and one-child policies prey upon the most vulnerable people in our global society. They force young women, disabled women, and poor women into giving up the families that they want through abortion or infanticide. They lead to the deaths of countless innocent children all around the world. By intentionally ignoring that these policies exist, the UNFPA passively supports them. And, this is a practice that must stop.

While I am opposed to the bottom-line increase in funding for UNFPA, I am encouraged by the fact that this funding level is meant to be an appropriations ceiling. I am very hopeful that the President and his Administration will use the discretion that this mechanism provides to ensure that funding is commensurate only with the appropriate purposes of this program and that it is not used to support these despicable family planning programs.

In addition to my concerns about the UNFPA funding, Mr. Speaker, I am also skeptical that it is appropriate to be increasing our international funding obligations to this extent at a time when our economy is still demonstrating a marked sluggishness. While I recognize the importance of remaining fully engaged in the international community in times of peace as well as in times of war, I am not certain that the increase in funding in this bill represents the appropriate balance of our national priorities. In fact, this funding bill includes a nearly $2 million increase over the funding level requested by the President.

Mr. Speaker, I do appreciate the difficult task that the conferees had in forging this compromise legislation. And, though I am conflicted on the merits of that compromise, I will support it today.

Mrs. MALONEY of New York. Mr. Speaker, I rise today in strong support of this bi-partisan conference report. I would like to thank my colleagues, Chairman KOLBE and Ranking Member LOWEY for their tireless work and impressive effort in producing this comprehensive report. I would also like to specifically thank Chairman YOUNG and Ranking Member OBEY for their support on a number of important issues.

Thanks to the hard work of this subcommittee and with the direction of Chairman YOUNG, over 250,000 ''at risk'' children in Bosnia will now be helped. Since the tragic war in Bosnia, it is estimated that 13 percent of children in Bosnia and Herzegovina live in extreme poverty and 2,673 children do not have parental care. These children need and deserve a stable, safe environment where they can grow up and enjoy the support of a loving family.

I am proud that my colleagues have addressed this need and have appropriated $3 million to help these children, many of whom live in terrible conditions.

I would also like to thank my colleagues for the increase of funding for the U.N. Population Fund to $34 million—a $12.5 million increase from last year! What a victory for women and children around the world! Thanks to Chairman KOLBE and Ranking Member LOWEY in the House and Senator LEAHY in the Senate, we can now directly fund effective modern contraception for nearly 1.6 million women in low-income countries, prevent 780,000 unintended pregnancies, prevent 365,000 unwanted births, help women avoid over 312,000 abortions, prevent thousands of maternal and child deaths, reduce the spread of HIV/AIDS infection in dozens of high-risk countries, and help poor countries develop stable economies.

This is truly a cause for celebration!

Mr. DINGELL. Mr. Speaker, I rise in support of H.R. 2506, the Foreign Operations Appropriations bill for FY 2002. With American forces engaged in battle, it is essential that Congress provide the Administration the tools it needs to meet our foreign policy objectives, which include playing an active role in the Middle East peace process.

The events of the past weeks have again reminded us the troubled waters through which we must tread in the Middle East. The cycle of violence that has embroiled the region for the last 14 months has in no way helped Israel or the Palestinians. The longer this violence persists, the worse it will be for all parties, including the United States. Already, American credibility vis-a-vis the peace process has been seriously questioned.

The violence unleashed in Jerusalem and Tel Aviv, and elsewhere by Palestinian suicide bombers is wrong. There is no justification for killing innocent civilians, and the deaths of 27 Israeli citizens is outrageous and must be condemned by all. I fail to comprehend what would compel a young man to strap explosives to his body, and surrender his life in an immoral, misguided effort to kill innocent people.

In response to the suicide attacks in Jerusalem and Tel Aviv, Israel has again launched a powerful military response intended to scare Palestinians into submission. This strike has caused numerous Palestinian casualties, and destroyed Yasser Arafat's headquarters. While Israel intended to send a message to Palestinians, I do not think the message they sent—delivered from helicopter gunships and F–16's—is one they wanted the Palestinians to receive. A commentator drew an apt parallel when he noted that if the English bombed Belfast and Dublin in response to an IRA attack, the Irish would hardly be more eager to work with the British on matters of security.

Mr. Speaker, the Israel-Palestinian conflict is headed toward a precipice, which poses a grave danger to Israel, the Palestinians, and the United States. On November 19, Secretary Colin Powell indicated a renewed, active U.S. initiative to end violence and get the peace process back on track. Powell noted that obtaining a just and lasting peace between Israelis and Palestinians is our central diplomatic challenge, and that our vision is to help build, ''a region where Israelis and Arabs can live together in peace, security, and dignity.'' He also stated that both parties must take steps, some painful, in order to reach a just conclusion to this conflict.

This is not the time for our country and this body to play the role of partisan. We must not

be pro or anti-Palestinian, nor must we be pro or anti-Israeli. We must sanction the conduct of those who insight violence or dictate their will by force alone, and criticize any activity that undermines confidence, security, and peace. We must urge both parties to rededicate themselves to the path of peace. This is the only path in the long-term interest of the United States, and is certainly the only one offering real security for Israel and statehood for the Palestinians.

Mr. Speaker, as the Secretary Powell noted, United Nations Security Council Resolutions 242 and 338, Camp David, and all agreements made in the last decade have spelled out the principles upon which a final peace settlement will be made. Israel will get security and the opportunity to forge economic, political, and cultural ties to its neighbors; Palestinians will get an independent state. Israeli and Palestinian citizens alike will all have the opportunity to live normal lives. Both parties win. Only rejectionist and extremists lose.

The first step to peace is implementing the Mitchell Committee Report. The Mitchell Committee studied the ongoing violence over a period of months, and the report is submitted included objective findings and constructive recommendations as to how to end the violence and rebuild confidence that will enable the parties to return to the negotiating table. Both Israel and the Palestinians have accepted the Mitchell Committee Report. It alone offers the one thing that is most needed today: hope.

Mr. Speaker, I would note that I have introduced H. Con. Res. 253, a resolution which expresses support for the Mitchell Commission report. It is supported by the Administration, and I would hope that more members would register their support for the peace process by endorsing Mitchell and cosponsoring H. Con. Res. 253.

''I truly tell you: we have before us today an opportunity for peace which time will never repeat and we must seize it if we are really serious in struggling for peace. If we weaken or fritter away this opportunity we shall end in a new blood-bath; he who has conspired to lose it will have the curse of humanity and history on his head.''

Mr. Speaker, these are the words of Anwar Sadat spoken to the Knesset in 1977. Sadat, like Yitzak Rabin, paid the highest personal price for peace. Let us remember them, and champion efforts to bring about a just and lasting peace. Now is a historic opportunity for between peace and war. Let's be on the right side of history.

Mr. GILMAN. Mr. Speaker, while I support H.R. 2506, the Foreign Operations Conference Report, regrettably, the conference report before us does significantly damage the Annual Drug Certification Process. The certification process is an important Reagan era tool to garner the cooperation of major drug producer and major drug transit nations that want the benefit of US aid.

It is simply, the Drug Certification Procedure mandate that before a major illicit drug producer or major transit nation is entitled to our foreign aid, the President must certify to Congress that such nation is ''fully cooperating'' with us in our fight against these illicit drugs.

As we full know today illicit drugs helped finance global terrorism whether Bin Laden in Afghanistan, or the FARC and ELN in Colombia, or other terrorist networks around the world.

We need the full cooperation of these major producer and/or major transit nations to stop the flow of drugs here, and the profits to the global terrorists. Now is not the time to weaken American law in the fight against illicit drugs and global terrorism.

The Assistant Secretary of State for International Narcotics Control, Randy Beers, who served both Clinton and now under Bush, has said of the drug certification process that it is ''a policy tool which is controversial, not because it has failed, but because it is working.''

Yet in this year's annual foreign operations appropriations bill Secretary Beers negotiated a major change in the drug certification law, without our input that lowered the bar (''demonstrably fails'') on the cooperation we are entitled to receive from these nations, which makes it harder for us to fight illicit drugs abroad.

We question, why now when we are in the fight of our lives against global terrorism would we want to surrender one of the most effective tools against the source of much of its financing, the illicit drug trade. It makes no sense.

It is the wrong message at the wrong time especially now as we fight global terrorism often financed by the illicit drug trade.

Accordingly, I urge Mr. KOLBE's Committee to re-examine the importance of preserving the Drug Certification Process.

Mr. CROWLEY. Mr. Speaker, I rise today in support of this conference report.

I want to commend Chairman KOLBE and my friend NITA LOWEY for negotiating a fair and comprehensive conference report that reflects the new challenges that we face in working with the international community.

On behalf of the Bangladeshi caucus and the entire South Asian Community in my district, I would like to express our most sincere gratitude for $235.5 million in funding for International Disaster assistance with at least $5 million going toward South Asia.

The South Asian region has been decimated by earthquakes and flooding throughout this difficult year.

The funding provided in this bill will make great strides toward rebuilding the communities hardest hit by these tragic events.

I would also like to express my gratitude for the inclusion of $25 million for the International Fund for Ireland.

The funding provided for IFI is crucial to facilitating an environment in Northern Ireland in which all sides can work together on issues of mutual concern and benefit.

Finally, I wish to thank the Committee for the funding provided for the United Nations Population Fund.

This important funding will save the lives of thousands of women and children throughout the world.

The projects of which I am supportive are too numerous to mention in such a short time, but suffice it to say that it is a privilege to vote in favor of this conference report.

Mr. SCHAFFER. Mr. Speaker, the Conference report related to foreign operations—currently under consideration by the House—contains an improved level of funding for Ukraine. These funds move us closer to achieving America's objectives there. The Conferees of the Foreign Operations Appropriations Bill are to be commended for realizing the strategic and economic significance of Ukraine to the United States and for favorably judging my recommendation for higher funding levels.

As you may recall, Mr. Speaker, I rose in opposition to the actions previously taken by this House when it funded America's activities in Ukraine at an amount substantially lower than that recommended by the president. The president's budget called for an expenditure of $169 million for fiscal year 2002. The House approved an amount not to exceed $124 million.

Upon passage of the House bill on foreign operations appropriations, I petitioned our colleagues in the Senate to set in its companion appropriations bill a figure for Ukraine in excess of the president's recommendation. My appeal was warmly received, and I am pleased by the Senate's reply in proposing the Ukrainian line be funded at no less than $180 million.

The figure proposed in the report before us now is $154 million which, while admittedly subordinate to our president's more prudent recommendation, strikes me as a reasonable compromise between the two chambers of the Congress and certainly worthy of our approval today. I appreciate the efforts of the House conferees to accommodate such a significant portion of my request, and I hereby pledge my continuing effort to monitor the efficacy of these scarce resources. I intend to continue in my capacity as Co-chairman of the Congressional Ukrainian Caucus, to oversee and judge the utility of the programs enabled by the generosity of the American people through the Congress. I will endeavor to routinely report to the subcommittee chairman and our colleagues in general regularly the conclusions of my findings. It is my earnest desire that my observations, and those of the Caucus, weigh heavily in the formulation of future budgets regarding our interests in Ukraine. Moreover, I am grateful for the Subcommittee Chairman's receptivity to this proposition.

Funding proposed in the current bill comes at a very critical point in Ukraine's development as a democracy. In March 2002, Ukrainians will have the opportunity to elect a new parliament. There is great concern internationally for the strong possibility of election tampering, outright fraud during this election, and compromised results. If Ukraine is to stay the course toward a mature democracy, the upcoming elections must yield a fair and accurate representation of popular intentions, attitudes, opinions, and beliefs.

Mr. Speaker, I warrant it the duty of the United States to promote democracy and freedom whenever and wherever possible. I have been this institution's strongest supporter of Ukraine in its struggle for democracy throughout my tenure in congress and long before my service here. I regard America's support integral to the growth of democracy, free-markets and property rights in Ukraine. Without question, America's continued help will hasten Ukraine overcoming the various threats of domestic corruption. Our financial assistance will help sustain Ukraine's unmistakable progress in achieving its place among the global community of democratic nations.

The United States Agency for International Development (USAID) is working in Ukraine, representing America's interests by coordinating many democracy-building projects. In fact, I have made various recommendations to USAID for specific programs designed to promote democracy and citizenship, and I'm confident this appropriation will foster timely development of these important projects.

This election will be a thorough test of USAID's effectiveness in Ukraine. If the elections are to be genuine, USAID must coordinate not only its assets for poll watching, but must preempt election fraud by guiding Ukrainian voting officials in providing ballot security, voter education, and legal compliance.

Prior to and throughout my years in Congress, I have had the privilege of meeting many Ukrainians and Ukrainian leaders. These people, whose history of democracy is short, understand its significance better than many who have enjoyed a lifetime in a free society.

It has been ten years since Ukraine discarded the yoke of Society-style communism and oppression and embarked on the road to freedom. The progress of reforms has been slow, to be sure, but this cannot deter American assistance. The case is now stronger than ever for assertive American assistance and leadership in Ukraine.

Despite slow reforms, Ukraine has consistently demonstrated its commitment to building alliances with the western world. Ukraine has supported the U.S. in various peacekeeping missions. Ukraine has been completely cooperative in non-proliferation issues and in nuclear disarmament. Ukraine supported America in the war on terrorism, opening air space and providing ground transportation for coalition supplies. Most recently, Ukraine has supported President Bush in withdrawing from the ABM Treaty, calling it a morally justified decision, and the treaty obsolete.

The Ukrainian people are resolute in their desire to live in a democracy and enjoy national self-determination. The United States stands to benefit greatly from a strong alliance with Ukraine, economically, strategically, and culturally. American support is paramount in the achievement of these important goals and I urge the House to look favorably on this particular portion of the Committee report.

Mr. KOLBE. Mr. Speaker, I urge Members to support this conference report.

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

The SPEAKER pro tempore. 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.

Pursuant to clause 10 of rule XX, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 357, nays 66, not voting 11, as follows:

[Roll No. 505]

YEAS—357

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Armey
Baca
Baird
Baldacci
Baldwin
Ballenger
Barrett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
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
Chambliss
Clay
Clayton
Clyburn
Coble
Collins
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crenshaw
Crowley
Culberson
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Ferguson
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Harman
Hart
Hastings (WA)
Hill
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
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.
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Peterson (PA)
Phelps
Pickering
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Rush
Ryan (WI)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stenholm
Strickland
Stupak
Sununu
Sweeney
Tauscher
Tauzin
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (FL)

NAYS—66

Akin
Bachus
Barcia
Barr
Bartlett
Berry
Blunt
Chabot
Combest
Crane
Cunningham
Davis, Jo Ann
Deal
DeMint
Doolittle
Duncan
Everett
Flake
Goode
Goodlatte
Gutknecht
Hall (TX)
Hansen
Hayes
Hayworth
Hefley
Herger
Hilleary
Hostettler
Johnson, Sam
Jones (NC)
Kennedy (MN)
Kerns
Largent
Lewis (KY)
Lucas (OK)
Manzullo
McInnis
Mica
Miller, Jeff
Myrick
Norwood
Otter
Paul
Pence
Petri
Pitts
Platts
Pombo
Roemer
Rohrabacher
Royce
Ryun (KS)
Sensenbrenner
Shuster
Smith (MI)
Smith (NJ)
Stearns
Stump
Tancredo
Tanner
Taylor (MS)
Taylor (NC)
Toomey
Wamp
Weldon (FL)

NOT VOTING—11

Baker
Clement
Cubin
Hall (OH)
Hastings (FL)
Luther
Meek (FL)
Owens
Stark
Wexler
Young (AK)

□ 1704

Messrs. JONES of North Carolina, HANSEN, LEWIS of Kentucky, HILLEARY, BACHUS, LUCAS of Oklahoma, SAM JOHNSON of Texas, HAYWORTH, EVERETT, SHUSTER, and LARGENT changed their vote from ''yea'' to ''nay.''

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.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

PERSONAL EXPLANATION

Mr. KUCINICH. Mr. Speaker, on December 4 and December 5, I was testifying in Federal bankruptcy court on behalf of the steelworkers and retirees of the LTV Steel Company, and was unable to cast votes here. If present, I would have voted ''yes'' on all of the following: Rollcall No. 466, H.R. 3323; rollcall No. 467, H.R. 3391; rollcall No. 468, S. 494; rollcall No. 469, H. Con. Res. 242; rollcall No. 470, H.R. 3348; rollcall

No. 471, H. Con. Res. 102; and rollcall No. 472, H. Res. 298.

REQUIRING UNITED STATES PLAN TO ENDORSE AND OBTAIN OBSERVER STATUS FOR TAIWAN AT WORLD HEALTH ASSEMBLY

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2739) to amend Public Law 107–10 to require a United States plan to endorse and obtain observer status for Taiwan at the annual summit of the World Health Assembly in May 2002 in Geneva, Switzerland, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2739

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

SECTION 1. AMENDMENTS TO PUBLIC LAW 107–10.

(a) FINDINGS.—Section 1(a) of Public Law 107–10 (115 Stat. 17) is amended by adding at the end the following:

''(12) On May 11, 2001, President Bush stated in his letter to Senator Murkowski that the United States 'should find opportunities for Taiwan's voice to be heard in international organizations in order to make a contribution, even if membership is not possible', further stating that his Administration 'has focused on finding concrete ways for Taiwan to benefit and contribute to the WHO.'.

''(13) On May 16, 2001, as part of the United States delegation to the World Health Assembly meeting in Geneva, Switzerland, Secretary of Health and Human Services Tommy Thompson announced to the American International Club the Administration's support of Taiwan's participation in the activities of the WHO.''.

(b) PLAN.—Section 1(b)(1) of Public Law 107–10 (115 Stat. 17) is amended by striking ''May 2001'' and inserting ''May 2002''.

The SPEAKER pro tempore (Mr. THORNBERRY). Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

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

Mr. Speaker, I rise to voice my strong support of H.R. 2739 amending Public Law 107–10 to require a United States plan to endorse and obtain observer status for Taiwan at the annual summit of the World Health Assembly in May, 2002. The World Health Organization has allowed observers to participate in its past activities, including such activities as the Palestinian Liberation Organization, the Order of Malta, and the Holy Sea.

As a founding member of the World Health Organization, the Republican of China, Taiwan, had participated for 24 years as a full member in WHO's programs and activities, and made significant contributions to the fulfillment of that organization's objectives. Since the admission of the People's Republic of China to the U.N. forced Taiwan to depart from the World Health Organization in 1972, Taiwan, which has a population of more than 23 million, has more people than 75 percent of the member states in the WHO, but has been denied access to the WHO.

Over the years, Taiwan has offered its resources, scientists and health practitioners to people in need throughout the world. Taiwan's absence from the WHO system has become a missing link in the global framework of health and medical care, and it is long overdue that the world unites Taiwan's hands so that the world may benefit from its expertise.

Accordingly, Madam Speaker, I strongly support H.R. 2739 providing observer status for Taiwan and the World Health Organization, and I urge my colleagues to do the same.

Madam Speaker, I reserve the balance of my time.

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

Madam Speaker, I rise in strong support of this legislation. Let me first commend my colleague from Ohio (Mr. BROWN) for his persistence in pushing Taiwan's observer status at the WHO. I also commend the chairman, the gentleman from Illinois (Mr. HYDE) and chairman emeritus, the gentleman from New York (Mr. GILMAN) for their strong support of this legislation.

Congress has addressed this issue several times, Madam Speaker, and we will continue to raise it until this inequity is resolved. Madam Speaker, the World Health Organization makes a major contribution to the international community every single day. WHO has new and innovative programs to stop the spread of HIV–AIDS and other infectious diseases. It has programs of development of basic health care services throughout the developing world, and it provides humanitarian aid to those in need.

□ 1715

As we speak, the World Health Organization is laying the groundwork for helping to meet health care needs in a post-conflict Afghanistan.

In this long and difficult struggle, the WHO and its member countries should be looking for help wherever they can get it. Unfortunately, due to opposition by the Chinese Government in Beijing, Taiwan's efforts to obtain observer status to the annual World Health Assembly meetings in Geneva have fallen on deaf ears. Although the administration has indicated support for Taiwan's bid for observer status, it is unwilling to ruffle any feathers in Beijing to make this bid a reality. The Department of State argues that the majority of WHO members would never support observer status for Taiwan and, therefore, the United States should not make an effort on Taiwan's behalf.

Madam Speaker, this committee should strongly reject this defeatist and weak-kneed logic. We should demand that the administration make a concerted effort to ensure that Taiwan participates in this critical international organization. Their bid may fail, but I can guarantee that Taiwan will never be allowed to participate unless we try to get them through the door.

Madam Speaker, Taiwan is a strong, prosperous and vibrant democracy. It has the financial, scientific, medical and humanitarian resources that can help the World Health Organization and all of its many member states who desperately need help. Taiwan is not even asking to join the WHO as a state but rather just as an observer. The case for Taiwan's observer status at the WHO is clear and the administration should do its utmost to make it happen.

I strongly support H.R. 2739 and urge all of my colleagues to do so, as well.

Madam Speaker, I reserve the balance of my time.

Mr. GILMAN. Madam Speaker, I want to thank the gentleman from California for his strong support of this measure. I also want to take this opportunity to thank the sponsor of the measure, the gentleman from Ohio (Mr. BROWN), and the gentleman from Ohio (Mr. CHABOT) for introducing the measure.

Madam Speaker, I am pleased to yield such time as he may consume to the gentleman from California (Mr. ROHRABACHER), a member of our Committee on International Relations.

Mr. ROHRABACHER. Madam Speaker, I would like to thank the gentleman from Ohio (Mr. BROWN) for the leadership that he provides on this and issues that are tied to the Republic of China, also to the gentleman from California (Mr. LANTOS) and, of course, to the gentleman from New York (Mr. GILMAN). We do have a bipartisan committee. Although we do have some heated debates at times, it is measures like this that demonstrate that the basic values that bind us together are much stronger than the disagreements that we might have.

The Republic of China on Taiwan is a shining example to the world not only of democracy but of healthy and decent living, as well as, I might add, an example of charity. Over these last 50 years, the people who have lived on the island of Taiwan have seen their standard of living rise dramatically. This, of course, while in other parts of the world in other developing nations, some of those nations have not developed like that. And then some nations that have developed economically have not seen the benefits of that development translated into healthier living for their populations. But in Taiwan, one is amazed to find that not only have we seen a dramatic rise in their

standard of living, but we see the health of the general population has increased dramatically as well.

Diseases which used to ravage the populations of the island nations in the Pacific and in Asia, those diseases on Taiwan have not only been brought under control but have been somewhat eradicated. This by a commitment to the inoculation of young children and, yes, the inoculation of the entire population against such diseases as well as this leveling of health standards which has made Taiwan a very nice place to visit and a very nice place to live and a very clean place to live as compared to other developing countries.

But not only in this standard of health and decency. They have a health care system there which is exemplary to other countries in Asia, but what we also see there is a spirit of charity that sometimes we do not see in developing nations. The Su Chi Foundation in Taiwan, for example, gives out hundreds of millions of dollars over the years to countries and to peoples who are in need in areas that are in distress. In Afghanistan yes, but in many other countries that people are in turmoil and other international institutions have not been able to provide help, the Su Chi Foundation have stepped in and given people in desperate circumstances aid in terms of health care, aid in terms of blankets and other humanitarian services. This spirit of charity is very exemplary of Taiwan. They have been very involved as a government as well, but the Su Chi Foundation, let me add, is all contributions made voluntarily by the people of Taiwan themselves.

The Republic of China on Taiwan has earned our respect and has accomplished great things. They should be included, at least if nothing else, as an observer for the World Health Organization. Why should the Republic of China have that right? Because they have earned it. They have earned our respect, they have treated their people decently, they have shown charity, they have had a commitment to health. What more do we need? They are also a democratic government.

Mr. LANTOS. Madam Speaker, I am pleased to yield 5 minutes to the gentleman from American Samoa (Mr. FALEOMAVAEGA), a distinguished member of the Committee on International Relations.

Mr. FALEOMAVAEGA. Madam Speaker, I rise in strong support of the legislation before us, H.R. 2739, which facilitates Taiwan's participation in the World Health Organization.

In follow-up to earlier measures enacted into law by this Congress, H.R. 2739 requires the United States delegation to the World Health Organization meetings in Geneva next May to submit to Congress a detailed plan of action for obtaining observer status for Taiwan at the World Health Organization summit. I congratulate the author of the legislation, the distinguished gentleman from Ohio (Mr. BROWN), for his longtime leadership on this issue. I further commend the gentleman from Illinois (Mr. HYDE), the chairman of the Committee on International Relations, as well as my good friend, the gentleman from New York (Mr. GILMAN), who currently is the manager of this legislation, and certainly our ranking Democratic member, the gentleman from California (Mr. LANTOS), for bringing this matter to the floor. I am deeply honored to join my colleagues in support of this bipartisan legislation.

Madam Speaker, the World Health Organization is the preeminent international health organization in the world. In its charter, the World Health Organization sets forth the crucial objectives of attaining the highest possible level of health care for all people. Yet today the 23 million citizens of the Republic of China on Taiwan are still denied appropriate and meaningful participation in the international health forums and programs conducted by the World Health Organization. This is simply wrong and inexcusable and must be corrected.

Access to the World Health Organization ensures that the highest standards of health, information and services are provided, facilitating the eradication of disease and improvement of public health worldwide. The work of the World Health Organization is particularly crucial today given the tremendous volume of international travel which has heightened the transmission of communicable diseases, such as HIV/AIDS, between borders.

With over some 190 countries participating in the World Health Organization, it is a travesty that Taiwan is not permitted to receive World Health Organization benefits, especially when you consider Taiwan's 23 million citizens outnumber the population of three-fourths of WHO's member states. This lack of access to WHO protections has caused the good people of Taiwan to suffer needlessly, such as in 1998 when a deadly, yet preventable, virus killed 70 Taiwanese children and infected more than 1,100 others.

Madam Speaker, there is no good nor valid reason why Taiwan should be denied at least observer status with the World Health Organization. As a strong democracy and one of the world's most robust economies, Taiwan rightfully should participate in the health services and medical protections offered by the WHO. Conversely, the World Health Organization stands to benefit significantly from the financial and technological contributions that Taiwan has offered many times in the past. This is particularly relevant at a time when the WHO's resources shall be severely stretched to address the health crisis in a rebuilding Afghanistan.

Madam Speaker, Congress has spoken out forcefully on this issue before and we should stop the foot dragging. This legislation before us mandates that the administration should develop and submit a detailed plan of action to achieve this goal, observer status for Taiwan at the May 2002 World Health Organization summit. I urge my colleagues to adopt this worthy legislation.

Madam Speaker, Taiwan a couple of weeks ago was just admitted as a member of the World Trade Organization and rightly so given the fact that Taiwan is one of the leading economic powers in the Asia-Pacific region and certainly with our own country. I am certain Taiwan will also contribute substantially in terms of funding projects and supporting scientific and health-related programs that are sponsored by the World Health Organization.

Just last week we were privileged to visit with the Secretary General of the Democratic Party of Taiwan as well as the chairperson of the Taiwan Mainland Council. Both leaders demonstrated a keen understanding of the issues affecting the Asia-Pacific region and more importantly a demonstration of how democracy has advanced in the course of the past 10 years in this country.

I urge my colleagues to support this legislation.

Mr. GILMAN. Madam Speaker. I rise to voice my strong support for H.R. 2793, amending Public Law 107–10 to require a United States plan to endorse and obtain observer status for Taiwan at the annual summit of the World Health Assembly in May 2002. WHO has previously allowed observers to participate in its past activities, including the Palestine Liberation Organization, the Order of Malta, and the Holy See.

As a founding member of the WHO, the Republic of China (Taiwan) had participated for 24 years as a full member in WHO's programs and activities, and made great contributions to the fulfillment of the organization's objectives. Upon the admission of the People's Republic of China (PRC) to the UN, Taiwan was forced to depart from the WHO in 1972. Taiwan, with a population of more than 23 million and more people than 75 percent of the member states in the WHO, has been denied access to the WHO.

Over the years, Taiwan has offered its resources, scientists, and health practitioners to people in need around the world. Taiwan's absence from the WHO system has become a missing link in the global framework of health and medical care. It is long overdue that the world unties Taiwan's hands so that the world may benefit by its Resources and Special talents.

Accordingly, I strongly urge support for H.R. 2739, providing observer status for Taiwan in the World Health Organization.

Mr. FORBES. Madam Speaker, I rise in support of H.R. 2739, which would require the United States to take positive steps to ensure that Taiwan is afforded an opportunity to participate in the World Health Assembly in May 2002.

Taiwan, with its population of 23.5 million people, is a leader in its region in public health, surpassing its Asian neighbors in life expectancy and maintaining maternal and infant mortality rates comparable to those in western countries. They have participated in medical and humanitarian ventures, helping the people of El Salvador when they were devastated by an earthquake in January. Furthermore, the Taiwanese public health agency has demonstrated an interest in collaborating with its counterparts in other nations, including the United States' Centers for Disease Control and Prevention, on a wide range of public health issues. Taiwan has much to contribute to the global community and it should not be arbitrarily precluded from participating in the annual health assembly.

Earlier this year, the Congress passed legislation calling on the United States Government to take affirmative action to endorse and obtain observer status for Taiwan at the annual World Health Organization summit in Geneva, Switzerland. Taiwan is already a member of international bodies, such as the Asian Development Bank and Asia Pacific Economic Cooperation (APEC). Observer status at the World Health Organization is a logical next step. And, such observer status is not unusual, having been granted for the PLO, the Order of Malta and the Holy See in the past.

I am pleased that the President and Administration officials have voiced their support for Taiwan's participation in the activities of the World Health Organization. I encourage my colleagues to again show their strong support for this proposal and to support this legislation today.

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

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

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and pass the bill, H.R. 2739, as amended.

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

The title of the bill was amended so as to read: ''A bill to amend Public Law 107–10 to authorize a United States plan to endorse and obtain observer status for Taiwan at the annual summit of the World Health Assembly in May 2002 in Geneva, Switzerland, and for other purposes.''.

A motion to reconsider was laid on the table.

MAKING PERMANENT THE AUTHORITY TO REDACT FINANCIAL DISCLOSURE STATEMENTS OF JUDICIAL EMPLOYEES AND JUDICIAL OFFICERS

Mr. SENSENBRENNER. Madam Speaker, I move to suspend the rules and concur in the Senate amendments to the bill (H.R. 2336) to make permanent the authority to redact financial disclosure statements of judicial employees and judicial officers.

The Clerk read as follows:

Senate amendments:

Strike out all after the enacting clause and insert:

SECTION 1. EXTENSION OF SUNSET PROVISION.

Section 105(b)(3)(E) of the Ethics in Government Act of 1978 (5 U.S.C. App.) is amended by striking ''2001'' each place it appears and inserting ''2005''.

Amend the title so as to read: ''An Act to extend for 4 years, through December 31, 2005, the authority to redact financial disclosure statements of judicial employees and judicial officers.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from California (Mr. BERMAN) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Madam 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. 2336, the bill under consideration.

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

There was no objection.

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

Madam Speaker, I have a lengthier statement which I will put in the RECORD, but in the interest of time let me explain the bill and the Senate amendment. Section 7 of the Identity Theft and Assumption Deterrence Act of 1998 allows the Judicial Conference to redact portions of financial disclosure statements for judges and other judicial officers and employees where the Judicial Conference makes a determination that public disclosure will jeopardize the safety of the judge, the judge's family, or the judicial officer or the judicial officer's family. This provision sunsets on December 31, 2001, in the absence of further legislative action. The House passed this legislation with a permanent extension of the redaction authority. The other body amended the House bill for a 4-year sunset. So with the 4-year sunset, the redaction authority would once again expire on December 31, 2005. I believe that it is a legitimate compromise. It allows the Congress in 4 years to review whether these redactions have been done in a manner that preserves the thrust of public disclosure without jeopardizing the lives and safety of judges and their families; and thus I would urge concurrence in the Senate amendment.

Madam Speaker, I reserve the balance of my time.

□ 1730

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

Madam Speaker, I rise to join the distinguished chairman of the Committee on the Judiciary in supporting House passage of H.R. 2336, as amended by the Senate. This bill allows a Federal judge to request redaction of her financial disclosure forms, but only if redaction is necessary to protect the judge against an identified security threat. Such authority exists under current law, but sunsets on December 31.

The September 11 tragedy and events thereafter heighten the security concerns that make this legislation necessary. On October 16, the House passed a slightly different version of H.R. 2336 under suspension of the rules. The House-passed version permanently extended the ability of judges to request redaction of their financial disclosure reports. The Senate version on which we vote today extends the redaction authority for only 4 years. While I continue to believe permanent extension would be preferable, the looming December 31 sunset of the redaction authority makes it imperative that we move quickly to enact the Senate amendment.

This redaction authority is appropriately limited, and, thus, does not raise concerns about undo restrictions on public access to financial disclosure reports. A judge's report may only be redacted if the Judicial Conference and the U.S. Marshals Service find that revealing personal and sensitive information could endanger that judge. Furthermore, the report can only be redacted to the extent necessary to protect a judge and only for as long as a danger exists.

It does not appear that the redaction authority has been abused to date. Of 2,350 judges filing reports in calendar year 2000, only 6 percent had their reports redacted, wholly or partially. Typically the information redacted is limited to such things as a spouse's place of work, the location of a judge's second home, or the school at which a judge teaches law. It is obvious how a person with ill will could misuse this information to harm a judge or her family.

The law requires that the Judicial Conference, in concert with the Department of Justice, file an annual report detailing the number and circumstances of redactions. This statutory reporting requirement enables Congress to monitor for any abuse of the redaction authority.

I think enactment of H.R. 2336 is necessary to protect the security of our Nation's judges, and I urge my colleagues to vote for it.

Madam Speaker, I yield back the balance of my time.

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

The SPEAKER pro tempore. The question is on the motion offered by

the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 2336.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. BERMAN. Madam 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. Pursuant to clause 8, rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

ENHANCED BORDER SECURITY AND VISA ENTRY REFORM ACT OF 2001

Mr. SENSENBRENNER. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3525) to enhance the border security of the United States, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3525

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

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Enhanced Border Security and Visa Entry Reform Act of 2001''.

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

Sec. 1. Short title.
Sec. 2. Definitions.

TITLE I—FUNDING

Sec. 101. Authorization of appropriations for hiring and training Government personnel.
Sec. 102. Authorization of appropriations for improvements in technology and infrastructure.
Sec. 103. Machine-readable visa fees.

TITLE II—INTERAGENCY INFORMATION SHARING

Sec. 201. Interim measures for access to and coordination of law enforcement and other information.
Sec. 202. Interoperable law enforcement and intelligence data system with name-matching capacity and training.
Sec. 203. Commission on interoperable data sharing.

TITLE III—VISA ISSUANCE

Sec. 301. Electronic provision of visa files.
Sec. 302. Implementation of an integrated entry and exit data system.
Sec. 303. Machine-readable, tamper-resistant entry and exit documents.
Sec. 304. Terrorist lookout committees.
Sec. 305. Improved training for consular officers.
Sec. 306. Restriction on issuance of visas to nonimmigrants who are from countries that are state sponsors of international terrorism.
Sec. 307. Designation of program countries under the Visa Waiver Program.
Sec. 308. Tracking system for stolen passports.
Sec. 309. Identification documents for certain newly admitted aliens.

TITLE IV—ADMISSION AND INSPECTION OF ALIENS

Sec. 401. Study of the feasibility of a North American National Security Program.
Sec. 402. Passenger manifests.
Sec. 405. Time period for inspections.

TITLE V—FOREIGN STUDENTS AND EXCHANGE VISITORS

Sec. 501. Foreign student monitoring program.
Sec. 502. Review of institutions and other entities authorized to enroll or sponsor certain nonimmigrants.

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601. Extension of deadline for improvement in border crossing identification cards.
Sec. 602. General Accounting Office study.
Sec. 603. International cooperation.
Sec. 604. Statutory construction.
Sec. 605. Report on aliens who fail to appear after release on own recognizance.
Sec. 606. Retention of nonimmigrant visa applications by the Department of State.

SEC. 2. DEFINITIONS.

In this Act:

(1) ALIEN.—The term ''alien'' has the meaning given the term in section 101(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(3)).

(2) APPROPRIATE COMMITTEES OF CONGRESS.—The term ''appropriate committees of Congress'' means the following:

(A) The Committee on the Judiciary, the Select Committee on Intelligence, and the Committee on Foreign Relations of the Senate.

(B) The Committee on the Judiciary, the Permanent Select Committee on Intelligence, and the Committee on International Relations of the House of Representatives.

(3) FEDERAL LAW ENFORCEMENT AGENCIES.—The term ''Federal law enforcement agencies'' means the following:

(A) The United States Secret Service.

(B) The Drug Enforcement Administration.

(C) The Federal Bureau of Investigation.

(D) The Immigration and Naturalization Service.

(E) The United States Marshall Service.

(F) The Naval Criminal Investigative Service.

(G) The Coastal Security Service.

(H) The Diplomatic Security Service.

(I) The United States Postal Inspection Service.

(J) The Bureau of Alcohol, Tobacco, and Firearms.

(K) The United States Customs Service.

(L) The National Park Service.

(4) INTELLIGENCE COMMUNITY.—The term ''intelligence community'' has the meaning given that term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

(5) PRESIDENT.—The term ''President'' means the President of the United States, acting through the Assistant to the President for Homeland Security, in coordination with the Secretary of State, the Commissioner of Immigration and Naturalization, the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Secretary of Transportation, the Commissioner of Customs, and the Secretary of the Treasury.

(6) USA PATRIOT ACT.—The term ''USA PATRIOT Act'' means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001 (Public Law 107–56).

TITLE I—FUNDING

SEC. 101. AUTHORIZATION OF APPROPRIATIONS FOR HIRING AND TRAINING GOVERNMENT PERSONNEL.

(a) ADDITIONAL PERSONNEL.—

(1) INS INSPECTORS.—Subject to the availability of appropriations, during each of the fiscal years 2002 through 2006, the Attorney General shall increase the number of inspectors and associated support staff in the Immigration and Naturalization Service by the equivalent of at least 200 full-time employees over the number of inspectors and associated support staff in the Immigration and Naturalization Service authorized by the USA PATRIOT Act.

(2) INS INVESTIGATIVE PERSONNEL.—Subject to the availability of appropriations, during each of the fiscal years 2002 through 2006, the Attorney General shall increase the number of investigative and associated support staff of the Immigration and Naturalization Service by the equivalent of at least 200 full-time employees over the number of investigators and associated support staff in the Immigration and Naturalization Service authorized by the USA PATRIOT Act.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this subsection, including such sums as may be necessary to provide facilities, attorney personnel and support staff, and other resources needed to support the increased number of inspectors, investigative staff, and associated support staff.

(b) WAIVER OF FTE LIMITATION.—The Attorney General is authorized to waive any limitation on the number of full-time equivalent personnel assigned to the Immigration and Naturalization Service.

(c) AUTHORIZATION OF APPROPRIATIONS FOR INS STAFFING.—

(1) IN GENERAL.—There are authorized to be appropriated for the Department of Justice such sums as may be necessary to provide an increase in the annual rate of basic pay—

(A) for all journeyman Border Patrol agents and inspectors who have completed at least one year's service and are receiving an annual rate of basic pay for positions at GS–9 of the General Schedule under section 5332 of title 5, United States Code, from the annual rate of basic pay payable for positions at GS–9 of the General Schedule under such section 5332, to an annual rate of basic pay payable for positions at GS–11 of the General Schedule under such section 5332;

(B) for inspections assistants, from the annual rate of basic pay payable for positions at GS–5 of the General Schedule under section 5332 of title 5, United States Code, to an annual rate of basic pay payable for positions at GS–7 of the General Schedule under such section 5332; and

(C) for the support staff associated with the personnel described in subparagraphs (A) and (B), at the appropriate GS level of the General Schedule under such section 5332.

(d) AUTHORIZATION OF APPROPRIATIONS FOR TRAINING.—There are authorized to be appropriated such sums as may be necessary—

(1) to appropriately train Immigration and Naturalization Service personnel on an ongoing basis—

(A) to ensure that their proficiency levels are acceptable to protect the borders of the United States; and

(B) otherwise to enforce and administer the laws within their jurisdiction; and

(2) to provide adequate continuing cross-training to agencies staffing the United States border and ports of entry to effectively and correctly apply applicable United States laws;

(3) to fully train immigration officers to use the appropriate lookout databases and to monitor passenger traffic patterns; and

(4) to expand the Carrier Consultant Program described in section 235(b) of the Immigration and Nationality Act (8 U.S.C. 1225A(b)).

(e) AUTHORIZATION OF APPROPRIATIONS FOR CONSULAR FUNCTIONS.—

(1) RESPONSIBILITIES.—The Secretary of State shall—

(A) implement enhanced security measures for the review of visa applicants;

(B) staff the facilities and programs associated with the activities described in subparagraph (A); and

(C) provide ongoing training for consular officers and diplomatic security agents.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the Department of State such sums as may be necessary to carry out paragraph (1).

SEC. 102. AUTHORIZATION OF APPROPRIATIONS FOR IMPROVEMENTS IN TECHNOLOGY AND INFRASTRUCTURE.

(a) FUNDING OF TECHNOLOGY.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds otherwise available for such purpose, there are authorized to be appropriated $150,000,000 to the Immigration and Naturalization Service, for purposes of—

(A) making improvements in technology (including infrastructure support, computer security, and information technology development) for improving border security;

(B) expanding, utilizing, and improving technology to improve border security; and

(C) facilitating the flow of commerce and persons at ports of entry, including improving and expanding programs for preenrollment and preclearance.

(2) WAIVER OF FEES.—Federal agencies involved in border security may waive all or part of enrollment fees for technology-based programs to encourage participation by United States citizens and aliens in such programs. Any agency that waives any part of any such fee may establish its fees for other services at a level that will ensure the recovery from other users of the amounts waived.

(3) OFFSET OF INCREASES IN FEES.—The Attorney General may, to the extent reasonable, increase land border fees for the issuance of arrival-departure documents to offset technology costs.

(b) IMPROVEMENT AND EXPANSION OF INS, STATE DEPARTMENT, AND CUSTOMS FACILITIES.—There are authorized to be appropriated to the Immigration and Naturalization Service and the Department of State such sums as may be necessary to improve and expand facilities for use by the personnel of those agencies.

SEC. 103. MACHINE–READABLE VISA FEES.

(a) RELATION TO SUBSEQUENT AUTHORIZATION ACTS.—Section 140(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236) is amended by striking paragraph (3).

(b) FEE AMOUNT.—The machine-readable visa fee charged by the Department of State shall be the higher of $65 or the cost of the machine-readable visa service, as determined by the Secretary of State after conducting a study of the cost of such service.

(c) SURCHARGE.—The Department of State is authorized to charge a surcharge of $10, in addition to the machine-readable visa fee, for issuing a machine-readable visa in a non-machine-readable passport.

(d) AVAILABILITY OF COLLECTED FEES.—Notwithstanding any other provision of law, amounts collected as fees described in this section shall be credited as an offsetting collection to any appropriation for the Department of State to recover costs of providing consular services. Amounts so credited shall be available, until expended, for the same purposes as the appropriation to which credited.

TITLE II—INTERAGENCY INFORMATION SHARING

SEC. 201. INTERIM MEASURES FOR ACCESS TO AND COORDINATION OF LAW ENFORCEMENT AND OTHER INFORMATION.

(a) INTERIM DIRECTIVE.—Until the plan required by subsection (c) is implemented, Federal law enforcement agencies and the intelligence community shall, to the maximum extent practicable, share any information with the Department of State and the Immigration and Naturalization Service relevant to the admissibility and deportability of aliens, consistent with the plan described in subsection (c).

(b) REPORT IDENTIFYING LAW ENFORCEMENT AND INTELLIGENCE INFORMATION.—

(1) IN GENERAL.—Not later than 120 days after the date of enactment of this Act, the President shall submit to the appropriate committees of Congress a report identifying Federal law enforcement and the intelligence community information needed by the Department of State to screen visa applicants, or by the Immigration and Naturalization Service to screen applicants for admission to the United States, and to identify those aliens inadmissible or deportable under the Immigration and Nationality Act.

(2) REPEAL.—Section 414(d) of the USA PATRIOT Act is hereby repealed.

(c) COORDINATION PLAN.—

(1) REQUIREMENT FOR PLAN.—Not later than one year after the date of enactment of the USA PATRIOT Act, the President shall develop and implement a plan based on the findings of the report under subsection (b) that requires Federal law enforcement agencies and the intelligence community to provide to the Department of State and the Immigration and Naturalization Service all information identified in that report as expeditiously as practicable.

(2) CONSULTATION REQUIREMENT.—In the preparation and implementation of the plan under this subsection, the President shall consult with the appropriate committees of Congress.

(3) PROTECTIONS REGARDING INFORMATION AND USES THEREOF.—The plan under this subsection shall establish conditions for using the information described in subsection (b) received by the Department of State and Immigration and Naturalization Service—

(A) to limit the redissemination of such information;

(B) to ensure that such information is used solely to determine whether to issue a visa to an alien or to determine the admissibility or deportability of an alien to the United States, except as otherwise authorized under Federal law;

(C) to ensure the accuracy, security, and confidentiality of such information;

(D) to protect any privacy rights of individuals who are subjects of such information;

(E) to provide data integrity through the timely removal and destruction of obsolete or erroneous names and information; and

(F) in a manner that protects the sources and methods used to acquire intelligence information as required by section 103(c)(6) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(6)).

(4) CRIMINAL PENALTIES FOR MISUSE OF INFORMATION.—Any person who obtains information under this subsection without authorization or exceeding authorized access (as defined in section 1030(e) of title 18, United States Code), and who uses such information in the manner described in any of the paragraphs (1) through (7) of section 1030(a) of such title, or attempts to use such information in such manner, shall be subject to the same penalties as are applicable under section 1030(c) of such title for violation of that paragraph.

(5) ADVANCING DEADLINES FOR A TECHNOLOGY STANDARD AND REPORT.—Section 403(c) of the USA PATRIOT Act is amended—

(A) in paragraph (1), by striking ''2 years'' and inserting ''one year''; and

(B) in paragraph (4), by striking ''18 months'' and inserting ''six months''.

SEC. 202. INTEROPERABLE LAW ENFORCEMENT AND INTELLIGENCE DATA SYSTEM WITH NAME-MATCHING CAPACITY AND TRAINING.

(a) INTEROPERABLE LAW ENFORCEMENT AND INTELLIGENCE ELECTRONIC DATA SYSTEM.—

(1) REQUIREMENT FOR INTEGRATED IMMIGRATION AND NATURALIZATION DATA SYSTEM.—The Immigration and Naturalization Service shall fully integrate all databases and data systems maintained by the Service that process or contain information on aliens. The fully integrated data system shall be an interoperable component of the electronic data system described in paragraph (2).

(2) REQUIREMENT FOR INTEROPERABLE DATA SYSTEM.—Upon the date of commencement of implementation of the plan required by section 201(c), the President shall develop and implement an interoperable electronic data system to provide current and immediate access to information in databases of Federal law enforcement agencies and the intelligence community that is relevant to determine whether to issue a visa or to determine the admissibility or deportability of an alien.

(3) CONSULTATION REQUIREMENT.—In the development and implementation of the data system under this subsection, the President shall consult with the Director of the National Institute of Standards and Technology (NIST) and any such other agency as may be deemed appropriate.

(4) TECHNOLOGY STANDARD.—

(A) IN GENERAL.—The data system developed and implemented under this subsection, and the databases referred to in paragraph (2), shall utilize the technology standard established pursuant to section 403(c) of the USA PATRIOT Act, as amended by section 201(c)(5) and subparagraph (B).

(B) CONFORMING AMENDMENT.—Section 403(c) of the USA PATRIOT Act, as amended by section 201(c)(5), is further amended—

(i) in paragraph (1), by inserting '', including appropriate biometric identifier standards,'' after ''technology standard''; and

(ii) in paragraph (2) —

(I) by striking ''INTEGRATED'' and inserting ''INTEROPERABLE''; and

(II) by striking ''integrated'' and inserting ''interoperable''.

(5) ACCESS TO INFORMATION IN DATA SYSTEM.—Subject to paragraph (6), information in the data system under this subsection shall be readily and easily accessible—

(A) to any consular officer responsible for the issuance of visas;

(B) to any Federal official responsible for determining an alien's admissibility to or deportability from the United States; and

(C) to any Federal law enforcement or intelligence officer determined by regulation

to be responsible for the investigation or identification of aliens.

(6) LIMITATION ON ACCESS.—The President shall, in accordance with applicable Federal laws, establish procedures to restrict access to intelligence information in the data system under this subsection, and the databases referred to in paragraph (2), under circumstances in which such information is not to be disclosed directly to Government officials under paragraph (5).

(b) NAME-SEARCH CAPACITY AND SUPPORT.—

(1) IN GENERAL.—The interoperable electronic data system required by subsection (a) shall—

(A) have the capacity to compensate for disparate name formats among the different databases referred to in subsection (a);

(B) be searchable on a linguistically sensitive basis;

(C) provide adequate user support;

(D) to the extent practicable, utilize commercially available technology; and

(E) be adjusted and improved, based upon experience with the databases and improvements in the underlying technologies and sciences, on a continuing basis.

(2) LINGUISTICALLY SENSITIVE SEARCHES.—

(A) IN GENERAL.—To satisfy the requirement of paragraph (1)(B), the interoperable electronic database shall be searchable based on linguistically sensitive algorithms that—

(i) account for variations in name formats and transliterations, including varied spellings and varied separation or combination of name elements, within a particular language; and

(ii) incorporate advanced linguistic, mathematical, statistical, and anthropological research and methods.

(B) LANGUAGES REQUIRED.—

(i) PRIORITY LANGUAGES.—Linguistically sensitive algorithms shall be developed and implemented for no fewer than 4 languages designated as high priorities by the Secretary of State, after consultation with the Attorney General and the Director of Central Intelligence.

(ii) IMPLEMENTATION SCHEDULE.—Of the 4 linguistically sensitive algorithms required to be developed and implemented under clause (i)—

(I) the highest priority language algorithms shall be implemented within 18 months after the date of enactment of this Act; and

(II) an additional language algorithm shall be implemented each succeeding year for the next three years.

(3) ADEQUATE USER SUPPORT.—The Secretary of State and the Attorney General shall jointly prescribe procedures to ensure that consular and immigration officers can, as required, obtain assistance in resolving identity and other questions that may arise about names of aliens seeking visas or admission to the United States that may be subject to variations in format, transliteration, or other similar phenomenon.

(4) INTERIM REPORTS.—Six months after the date of enactment of this Act, the President shall submit a report to the appropriate committees of Congress on the progress in implementing each requirement of this section.

(5) REPORTS BY INTELLIGENCE AGENCIES.—

(A) CURRENT STANDARDS.—Not later than 60 days after the date of enactment of this Act, the Director of Central Intelligence shall complete the survey and issue the report previously required by section 309(a) of the Intelligence Authorization Act for Fiscal Year 1998 (50 U.S.C. 403–3 note).

(B) GUIDELINES.—Not later than 120 days after the date of enactment of this Act, the Director of Intelligence shall issue the guidelines and submit the copy of those guidelines previously required by section 309(b) of the Intelligence Authorization Act for Fiscal Year 1998 (50 U.S.C. 403–3 note).

(6) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out the provisions of this subsection.

SEC. 203. COMMISSION ON INTEROPERABLE DATA SHARING.

(a) ESTABLISHMENT.—Not later than one year after the date of enactment of the USA PATRIOT Act, the President shall establish a Commission on Interoperable Data Sharing (in this section referred to as the ''Commission''). The purposes of the Commission shall be to—

(1) monitor the protections described in section 201(c)(3);

(2) provide oversight of the interoperable electronic data system described in this title; and

(3) report to Congress annually on the Commission's findings and recommendations.

(b) COMPOSITION.—The Commission shall consist of nine members, who shall be appointed by the President, as follows:

(1) One member, who shall serve as Chair of the Commission.

(2) Eight members, who shall be appointed from a list of nominees jointly provided by the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the Majority Leader of the Senate, and the Minority Leader of the Senate.

(c) CONSIDERATIONS.—The Commission shall consider recommendations regarding the following issues:

(1) Adequate protection of privacy concerns inherent in the design, implementation, or operation of the interoperable electronic data system.

(2) Timely adoption of security innovations, consistent with generally accepted security standards, to protect the integrity and confidentiality of information to prevent against the risks of accidental or unauthorized loss, access, destruction, use modification, or disclosure of information.

(3) The adequacy of mechanisms to permit the timely correction of errors in data maintained by the interoperable data system.

(4) Other protections against unauthorized use of data to guard against the misuse of the interoperable data system or the data maintained by the system, including recommendations for modifications to existing laws and regulations to sanction misuse of the system.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Commission such sums as may be necessary to carry out this section.

TITLE III—VISA ISSUANCE

SEC. 301. ELECTRONIC PROVISION OF VISA FILES.

Section 221(a) of the Immigration and Nationality Act (8 U.S.C. 1201(a)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting ''(1)'' immediately after ''(a)''; and

(3) by adding at the end the following:

''(2) The Secretary of State shall provide to the Service an electronic version of the visa file of an alien who has been issued a visa to ensure that the data in that visa file is available to immigration inspectors at the United States ports of entry before the arrival of the alien at such a port of entry.''.

SEC. 302. IMPLEMENTATION OF AN INTEGRATED ENTRY AND EXIT DATA SYSTEM.

(a) DEVELOPMENT OF SYSTEM.—In developing the integrated entry and exit data system for the ports of entry, as required by the Immigration and Naturalization Service Data Management Improvement Act of 2000 (Public Law 106–215), the Attorney General and the Secretary of State shall—

(1) implement, fund, and use a technology standard under section 403(c) of the USA PATRIOT Act (as amended by sections 201(c)(5) and 202(a)(3)(B)) at United States ports of entry and at consular posts abroad;

(2) establish a database containing the arrival and departure data from machine-readable visas, passports, and other travel and entry documents possessed by aliens; and

(3) make interoperable all security databases relevant to making determinations of admissibility under section 212 of the Immigration and Nationality Act (8 U.S.C. 1182).

(b) IMPLEMENTATION.—In implementing the provisions of subsection (a), the Immigration and Naturalization Service and the Department of State shall—

(1) utilize technologies that facilitate the lawful and efficient cross-border movement of commerce and persons without compromising the safety and security of the United States; and

(2) consider implementing the North American National Security Program described in section 401.

SEC. 303. MACHINE-READABLE, TAMPER-RESISTANT ENTRY AND EXIT DOCUMENTS.

(a) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Attorney General, the Secretary of State, and the National Institute of Standards and Technology (NIST), acting jointly, shall submit to the appropriate committees of Congress a comprehensive report assessing the actions that will be necessary, and the considerations to be taken into account, to achieve fully, not later than October 26, 2003—

(A) implementation of the requirements of subsections (b) and (c); and

(B) deployment of the equipment and software to allow biometric comparison of the documents described in subsections (b) and (c).

(2) ESTIMATES.—In addition to the assessment required by paragraph (1), each report shall include an estimate of the costs to be incurred, and the personnel, man-hours, and other support required, by the Department of Justice, the Department of State, and NIST to achieve the objectives of subparagraphs (A) and (B) of paragraph (1).

(b) REQUIREMENTS.—

(1) IN GENERAL.—Not later than October 26, 2003, the Attorney General and the Secretary of State shall issue to aliens only machine-readable, tamper-resistant visas and travel and entry documents that use biometric identifiers. The Attorney General and the Secretary of State shall jointly establish biometric identifiers standards to be employed on such visas and travel and entry documents from among those biometric identifiers recognized by domestic and international standards organizations.

(2) READERS AND SCANNERS AT PORTS OF ENTRY.—

(A) IN GENERAL.—Not later than October 26, 2003, the Attorney General, in consultation with the Secretary of State, shall install at all ports of entry of the United States equipment and software to allow biometric comparison of all United States visas and travel and entry documents issued to

aliens, and passports issued pursuant to subsection (c)(1).

(B) USE OF READERS AND SCANNERS.—The Attorney General, in consultation with the Secretary of State, shall utilize biometric data readers and scanners that—

(i) domestic and international standards organizations determine to be highly accurate when used to verify identity; and

(ii) can read the biometric identifiers utilized under subsections (b)(1) and (c)(1).

(3) USE OF TECHNOLOGY STANDARD.—The systems employed to implement paragraphs (1) and (2) shall utilize the technology standard established pursuant to section 403(c) of the USA PATRIOT Act, as amended by section 201(c)(5) and 202(a)(3)(B).

(c) TECHNOLOGY STANDARD FOR VISA WAIVER PARTICIPANTS.—

(1) CERTIFICATION REQUIREMENT.—Not later than October 26, 2003, the government of each country that is designated to participate in the visa waiver program established under section 217 of the Immigration and Nationality Act shall certify, as a condition for designation or continuation of that designation, that it has a program to issue to its nationals machine-readable passports that are tamper-resistant and incorporate biometric identifiers that comply with applicable biometric identifiers standards established by the International Civil Aviation Organization. This paragraph shall not be construed to rescind the requirement of section 217(a)(3) of the Immigration and Nationality Act.

(2) USE OF TECHNOLOGY STANDARD.—On and after October 26, 2003, any alien applying for admission under the visa waiver program shall present a passport that meets the requirements of paragraph (1) unless the alien's passport was issued prior to that date.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section, including reimbursement to international and domestic standards organizations.

SEC. 304. TERRORIST LOOKOUT COMMITTEES.

(a) ESTABLISHMENT.—The Secretary of State shall require a terrorist lookout committee to be maintained within each United States mission.

(b) PURPOSE.—The purpose of each committee established under subsection (a) shall be—

(1) to utilize the cooperative resources of all elements of the United States mission in the country in which the consular post is located to identify known or potential terrorists and to develop information on those individuals;

(2) to ensure that such information is routinely and consistently brought to the attention of appropriate United States officials for use in administering the immigration laws of the United States; and

(3) to ensure that the names of known and suspected terrorists are entered into the appropriate lookout databases.

(c) COMPOSITION; CHAIR.—The Secretary shall establish rules governing the composition of such committees.

(d) MEETINGS.—The committee shall meet at least monthly to share information pertaining to the committee's purpose as described in subsection (b)(2).

(e) PERIODIC REPORTS.—The committee shall submit quarterly reports to the Secretary of State describing the committee's activities, whether or not information on known or suspected terrorists was developed during the quarter.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to implement this section.

SEC. 305. IMPROVED TRAINING FOR CONSULAR OFFICERS.

(a) TRAINING.—The Secretary of State shall require that all consular officers responsible for adjudicating visa applications, before undertaking to perform consular responsibilities, receive specialized training in the effective screening of visa applicants who pose a potential threat to the safety or security of the United States. Such officers shall be specially and extensively trained in the identification of aliens inadmissible under section 212(a)(3) (A) and (B) of the Immigration and Nationality Act, interagency and international intelligence sharing regarding terrorists and terrorism, and cultural-sensitivity toward visa applicants.

(b) USE OF FOREIGN INTELLIGENCE INFORMATION.—As an ongoing component of the training required in subsection (a), the Secretary of State shall coordinate with the Assistant to the President for Homeland Security, Federal law enforcement agencies, and the intelligence community to compile and disseminate to the Bureau of Consular Affairs reports, bulletins, updates, and other current unclassified information relevant to terrorists and terrorism and to screening visa applicants who pose a potential threat to the safety or security of the United States.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to implement this section.

SEC. 306. RESTRICTION ON ISSUANCE OF VISAS TO NONIMMIGRANTS FROM COUNTRIES THAT ARE STATE SPONSORS OF INTERNATIONAL TERRORISM.

(a) IN GENERAL.—No nonimmigrant visa under section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)) shall be issued to any alien from a country that is a state sponsor of international terrorism unless the Secretary of State determines, in consultation with the Attorney General and the heads of other appropriate United States agencies, that such alien does not pose a threat to the safety or national security of the United States. In making a determination under this subsection, the Secretary of State shall apply standards developed by the Secretary of State, in consultation with the Attorney General and the heads of other appropriate United States agencies, that are applicable to the nationals of such states.

(b) STATE SPONSOR OF INTERNATIONAL TERRORISM DEFINED.—

(1) IN GENERAL.—In this section, the term ''state sponsor of international terrorism'' means any country the government of which has been determined by the Secretary of State under any of the laws specified in paragraph (2) to have repeatedly provided support for acts of international terrorism.

(2) LAWS UNDER WHICH DETERMINATIONS WERE MADE.—The laws specified in this paragraph are the following:

(A) Section 6(j)(1)(A) of the Export Administration Act of 1979 (or successor statute).

(B) Section 40(d) of the Arms Export Control Act.

(C) Section 620A(a) of the Foreign Assistance Act of 1961.

SEC. 307. DESIGNATION OF PROGRAM COUNTRIES UNDER THE VISA WAIVER PROGRAM.

(a) REPORTING PASSPORT THEFTS.—As a condition of a country's initial designation or continued designation for participation in the visa waiver program under section 217 of the Immigration and Nationality Act (8 U.S.C. 1187), the Attorney General and the Secretary of State shall consider whether the country reports to the United States Government on a timely basis the theft of blank passports issued by that country.

(b) CHECK OF LOOKOUT DATABASES.—Prior to the admission of an alien under the visa waiver program established under section 217 of the Immigration and Nationality Act (8 U.S.C. 1187), the Immigration and Naturalization Service shall determine that the applicant for admission does not appear in any of the appropriate lookout databases available to immigration inspectors at the time the alien seeks admission to the United States.

SEC. 308. TRACKING SYSTEM FOR STOLEN PASSPORTS.

(a) ENTERING STOLEN PASSPORT IDENTIFICATION NUMBERS IN THE INTEROPERABLE DATA SYSTEM.—

(1) IN GENERAL.—Beginning with implementation under section 202 of the law enforcement and intelligence data system, not later than 72 hours after receiving notification of the loss or theft of a United States or foreign passport, the Attorney General and the Secretary of State, as appropriate, shall enter into such system the corresponding identification number for the lost or stolen passport.

(2) ENTRY OF INFORMATION ON PREVIOUSLY LOST OR STOLEN PASSPORTS.—To the extent practicable, the Attorney General, in consultation with the Secretary of State, shall enter into such system the corresponding identification numbers for the United States and foreign passports lost or stolen prior to the implementation of such system.

(b) TRANSITION PERIOD.—Until such time as the law enforcement and intelligence data system described in section 202 is fully implemented, the Attorney General shall enter the data described in subsection (a) into an existing data system being used to determine the admissibility or deportability of aliens.

SEC. 309. IDENTIFICATION DOCUMENTS FOR CERTAIN NEWLY ADMITTED ALIENS.

Not later than 180 days after the date of enactment of this Act, the Attorney General shall ensure that, immediately upon the arrival in the United States of an individual admitted under section 207 of the Immigration and Nationality Act (8 U.S.C. 1157), or immediately upon an alien being granted asylum under section 208 of such Act (8 U.S.C. 1158), the alien will be issued an employment authorization document. Such document shall, at a minimum, contain the fingerprint and photograph of such alien.

TITLE IV—ADMISSION AND INSPECTION OF ALIENS

SEC. 401. STUDY OF THE FEASIBILITY OF A NORTH AMERICAN NATIONAL SECURITY PROGRAM.

(a) IN GENERAL.—The President shall conduct a study of the feasibility of establishing a North American National Security Program to enhance the mutual security and safety of the United States, Canada, and Mexico.

(b) STUDY ELEMENTS.—In conducting the study required by subsection (a), the officials specified in subsection (a) shall consider the following:

(1) PRECLEARANCE.—The feasibility of establishing a program enabling foreign national travelers to the United States to submit voluntarily to a preclearance procedure established by the Department of State and the Immigration and Naturalization Service to determine whether such travelers are admissible to the United States under section 212 of the Immigration and Nationality Act

(8 U.S.C. 1182). Consideration shall be given to the feasibility of expanding the preclearance program to include the preclearance both of foreign nationals traveling to Canada and foreign nationals traveling to Mexico.

(2) PREINSPECTION.—The feasibility of expanding preinspection facilities at foreign airports as described in section 235A of the Immigration and Nationality Act (8 U.S.C. 1225). Consideration shall be given to the feasibility of expanding preinspections to foreign nationals on air flights destined for Canada and Mexico, and the cross training and funding of inspectors from Canada and Mexico.

(3) CONDITIONS.—A determination of the measures necessary to ensure that the conditions required by section 235A(a)(5) of the Immigration and Nationality Act (8 U.S.C. 1225a(a)(5)) are satisfied, including consultation with experts recognized for their expertise regarding the conditions required by that section.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the President shall submit to the appropriate committees of Congress a report setting forth the findings of the study conducted under subsection (a).

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 402. PASSENGER MANIFESTS.

(a) IN GENERAL.—Section 231 of the Immigration and Nationality Act (8 U.S.C. 1221(a)) is amended—

(1) by striking subsections (a), (b), (d), and (e);

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

(3) by inserting after ''SEC. 231.'' the following new subsections:

''(a) ARRIVAL MANIFESTS.—For each commercial vessel or aircraft transporting any person to any seaport or airport of the United States from any place outside the United States, it shall be the duty of an appropriate official specified in subsection (d) to provide to an immigration officer at that port manifest information about each passenger, crew member, and other occupant transported on such vessel or aircraft prior to arrival at that port.

''(b) DEPARTURE MANIFESTS.—For each commercial vessel or aircraft taking passengers on board at any seaport or airport of the United States, who are destined to any place outside the United States, it shall be the duty of an appropriate official specified in subsection (d) to provide an immigration officer before departure from such port manifest information about each passenger, crew member, and other occupant to be transported.

''(c) CONTENTS OF MANIFEST.—The information to be provided with respect to each person listed on a manifest required to be provided under subsection (a) or (b) shall include—

''(1) complete name;

''(2) date of birth;

''(3) citizenship;

''(4) sex;

''(5) passport number and country of issuance;

''(6) country of residence;

''(7) United States visa number, date, and place of issuance, where applicable;

''(8) alien registration number, where applicable;

''(9) United States address while in the United States; and

''(10) such other information the Attorney General, in consultation with the Secretary of State, and the Secretary of Treasury determines as being necessary for the identification of the persons transported and for the enforcement of the immigration laws and to protect safety and national security.

''(d) APPROPRIATE OFFICIALS SPECIFIED.—An appropriate official specified in this subsection is the master or commanding officer, or authorized agent, owner, or consignee, of the commercial vessel or aircraft concerned.

''(e) DEADLINE FOR REQUIREMENT OF ELECTRONIC TRANSMISSION OF MANIFEST INFORMATION.—Not later than January 1, 2003, manifest information required to be provided under subsection (a) or (b) shall be transmitted electronically by the appropriate official specified in subsection (d) to an immigration officer.

''(f) PROHIBITION.—No operator of any private or public carrier that is under a duty to provide manifest information under this section shall be granted clearance papers until the appropriate official specified in subsection (d) has complied with the requirements of this subsection, except that in the case of commercial vessels, aircraft, or land carriers that the Attorney General determines are making regular trips to the United States, the Attorney General may, when expedient, arrange for the provision of manifest information of persons departing the United States at a later date.

''(g) PENALTIES AGAINST NONCOMPLYING SHIPMENTS, AIRCRAFT, OR CARRIERS.—If it shall appear to the satisfaction of the Attorney General that an appropriate official specified in subsection (d), any public or private carrier, or the agent of any transportation line, as the case may be, has refused or failed to provide manifest information required by subsection (a) or (b), or that the manifest information provided is not accurate and full based on information provided to the carrier, such official, carrier, or agent, as the case may be, shall pay to the Commissioner the sum of $300 for each person with respect to whom such accurate and full manifest information is not provided, or with respect to whom the manifest information is not prepared as prescribed by this section or by regulations issued pursuant thereto. No commercial vessel, aircraft, or land carrier shall be granted clearance pending determination of the question of the liability to the payment of such penalty, or while it remains unpaid, and no such penalty shall be remitted or refunded, except that clearance may be granted prior to the determination of such question upon the deposit with the Commissioner of a bond or undertaking approved by the Attorney General or a sum sufficient to cover such penalty.

''(h) WAIVER.—The Attorney General may waive the requirements of subsection (a) or (b) upon such circumstances and conditions as the Attorney General may by regulation prescribe.''.

(b) EXTENSION TO LAND CARRIERS.—Not later than two years after the date of enactment of this Act, the President shall conduct a study regarding the feasibility of extending the requirements of subsections (a) and (b) of section 231 of the Immigration and Nationality Act (8 U.S.C. 1221), as amended by subsection (a), to any commercial carrier transporting persons by land to or from the United States. The study shall focus on the manner in which such requirement would be implemented to enhance the national security of the United States and the efficient cross-border flow of commerce and persons.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to persons arriving in, or departing from, the United States on or after the date of enactment of this Act.

SEC. 405. TIME PERIOD FOR INSPECTIONS.

(a) REPEAL OF TIME LIMITATION ON INSPECTIONS.—Section 286(g) of the Immigration and Nationality Act (8 U.S.C. 1356(g)) is amended by striking '', within forty-five minutes of their presentation for inspection,''.

(b) STAFFING LEVELS AT PORTS OF ENTRY.—The Immigration and Naturalization Service shall staff ports of entry at such levels that would be adequate to meet traffic flow and inspection time objectives efficiently without compromising the safety and security of the United States. Estimated staffing levels under workforce models for the Immigration and Naturalization Service shall be based on the goal of providing immigration services described in section 286(g) of such Act within 45 minutes of a passenger's presentation for inspection.

TITLE V—FOREIGN STUDENTS AND EXCHANGE VISITORS

SEC. 501. FOREIGN STUDENT MONITORING PROGRAM.

(a) STRENGTHENING REQUIREMENTS FOR IMPLEMENTATION OF MONITORING PROGRAM.—

(1) MONITORING AND VERIFICATION OF INFORMATION.—Section 641(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1372(a)) is amended by adding at the end the following:

''(3) ALIENS FOR WHOM A VISA IS REQUIRED.—The Attorney General, in consultation with the Secretary of State, shall establish an electronic means to monitor and verify—

''(A) the issuance of documentation of acceptance of a foreign student by an approved institution of higher education or other approved educational institution, or of an exchange visitor program participant by a designated exchange visitor program;

''(B) the transmittal of the documentation referred to in subparagraph (A) to the Department of State for use by the Bureau of Consular Affairs;

''(C) the issuance of a visa to a foreign student or an exchange visitor program participant;

''(D) the admission into the United States of the foreign student or exchange visitor program participant;

''(E) the notification to an approved institution of higher education, other approved educational institution, or exchange visitor program sponsor that the foreign student or exchange visitor participant has been admitted into the United States;

''(F) the registration and enrollment of that foreign student in such approved institution of higher education or other approved educational institution, or the participation of that exchange visitor in such designated exchange visitor program, as the case may be; and

''(G) any other relevant act by the foreign student or exchange visitor program participant, including a changing of school or designated exchange visitor program and any termination of studies or participation in a designated exchange visitor program.

''(4) REPORTING REQUIREMENTS.—Not later than 30 days after the deadline for registering for classes for an academic term of an approved institution of higher education or other approved educational institution for which documentation is issued for an alien as described in paragraph (3)(A), or the scheduled commencement of participation by an alien in a designated exchange visitor program, as the case may be, the institution or program, respectively, shall report to the

Immigration and Naturalization Service any failure of the alien to enroll or to commence participation.''.

(2) ADDITIONAL REQUIREMENTS FOR DATA TO BE COLLECTED.—Section 641(c)(1) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1372(c)(1)) is amended—

(A) by striking ''and'' at the end of subparagraph (C);

(B) by striking the period at the end of subparagraph (D) and inserting ''; and''; and

(C) by adding at the end the following:

''(E) the date of entry and port of entry;

''(F) the date of the alien's enrollment in an approved institution of higher education, other approved educational institution, or designated exchange visitor program in the United States;

''(G) the degree program, if applicable, and field of study; and

''(H) the date of the alien's termination of enrollment and the reason for such termination (including graduation, disciplinary action or other dismissal, and failure to re-enroll).''.

(3) REPORTING REQUIREMENTS.—Section 641(c) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1372(c)) is amended by adding at the end the following new paragraph:

''(5) REPORTING REQUIREMENTS.—The Attorney General shall prescribe by regulation reporting requirements by taking into account the curriculum calendar of the approved institution of higher education, other approved educational institution, or exchange visitor program.''.

(b) INFORMATION REQUIRED OF THE VISA APPLICANT.—Prior to the issuance of a visa under subparagraph (F), subparagraph (M), or, with respect to an alien seeking to attend an approved institution of higher education, subparagraph (J) of section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)), each alien applying for such visa shall provide to a consular officer the following information:

(1) The alien's address in the country of origin.

(2) The names and addresses of the alien's spouse, children, parents, and siblings.

(3) The names of contacts of the alien in the alien's country of residence who could verify information about the alien.

(4) Previous work history, if any, including the names and addresses of employers.

(c) TRANSITIONAL PROGRAM.—

(1) IN GENERAL.—Not later than 120 days after the date of enactment of this Act and until such time as the system described in section 641 of the Illegal Immigration Reform and Immigrant Responsibility Act (as amended by subsection (a)) is fully implemented, the following requirements shall apply:

(A) RESTRICTIONS ON ISSUANCE OF VISAS.—A visa may not be issued to an alien under subparagraph (F), subparagraph (M), or, with respect to an alien seeking to attend an approved institution of higher education, subparagraph (J) of section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)), unless—

(i) the Department of State has received from an approved institution of higher education or other approved educational institution electronic evidence of documentation of the alien's acceptance at that institution; and

(ii) the consular officer has adequately reviewed the applicant's visa record.

(B) NOTIFICATION UPON VISA ISSUANCE.—Upon the issuance of a visa under section 101(a)(15) (F) or (M) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(F) or (M)) to an alien, the Secretary of State shall transmit to the Immigration and Naturalization Service a notification of the issuance of that visa.

(C) NOTIFICATION UPON ADMISSION OF ALIEN.—The Immigration and Naturalization Service shall notify the approved institution of higher education or other approved educational institution that an alien accepted for such institution or program has been admitted to the United States.

(D) NOTIFICATION OF FAILURE OF ENROLLMENT.—Not later than 30 days after the deadline for registering for classes for an academic term, the approved institution of higher education or other approved educational institution shall inform the Immigration and Naturalization Service through data-sharing arrangements of any failure of any alien described in subparagraph (C) to enroll or to commence participation.

(2) REQUIREMENT TO SUBMIT LIST OF APPROVED INSTITUTIONS.—Not later than 30 days after the date of enactment of this Act, the Attorney General shall provide the Secretary of State with a list of all approved institutions of higher education or other approved educational institutions that are authorized to receive nonimmigrants under section 101(a)(15) (F) or (M) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(F) or (M)).

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this subsection.

SEC. 502. REVIEW OF INSTITUTIONS AND OTHER ENTITIES AUTHORIZED TO ENROLL OR SPONSOR CERTAIN NONIMMIGRANTS.

(a) PERIODIC REVIEW OF COMPLIANCE.—The Commissioner of Immigration and Naturalization, in consultation with the Secretary of Education, shall conduct periodic reviews of the institutions certified to receive nonimmigrants under section 101(a)(15) (F), (M), or (J) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(F), (M), or (J)). Each review shall determine whether the institutions are in compliance with—

(1) recordkeeping and reporting requirements to receive nonimmigrants under section 101(a)(15) (F), (M), or (J) of that Act (8 U.S.C. 1101(a)(15)(F), (M), or (J)); and

(2) recordkeeping and reporting requirements under section 641 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1372).

(b) PERIODIC REVIEW OF SPONSORS OF EXCHANGE VISITORS.—

(1) REQUIREMENT FOR REVIEWS.—The Secretary of State shall conduct periodic reviews of the entities designated to sponsor exchange visitor program participants under section 101(a)(15)(J) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(J)).

(2) DETERMINATIONS.—On the basis of reviews of entities under paragraph (1), the Secretary shall determine whether the entities are in compliance with—

(A) recordkeeping and reporting requirements to receive nonimmigrant exchange visitor program participants under section 101(a)(15)(J) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(J)); and

(B) recordkeeping and reporting requirements under section 641 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1372).

(c) EFFECT OF FAILURE TO COMPLY.—Failure of an institution or other entity to comply with the recordkeeping and reporting requirements to receive nonimmigrant students or exchange visitor program participants under section 101(a)(15) (F), (M), or (J) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15) (F), (M), or (J)), or section 641 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1372), may, at the election of the Commissioner of Immigration and Naturalization or the Secretary of State, result in the termination, suspension, or limitation of the institution's approval to receive such students or the termination of the other entity's designation to sponsor exchange visitor program participants, as the case may be.

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. EXTENSION OF DEADLINE FOR IMPROVEMENT IN BORDER CROSSING IDENTIFICATION CARDS.

Section 104(b)(2) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1101 note) is amended by striking ''5 years'' and inserting ''6 years''.

SEC. 602. GENERAL ACCOUNTING OFFICE STUDY.

(a) REQUIREMENT FOR STUDY.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study to determine the feasibility and utility of implementing a requirement that each nonimmigrant alien in the United States submit to the Commissioner of Immigration and Naturalization each year a current address and, where applicable, the name and address of an employer.

(2) NONIMMIGRANT ALIEN DEFINED.—In paragraph (1), the term ''nonimmigrant alien'' means an alien described in section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)).

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General shall submit to Congress a report on the results of the study under subsection (a). The report shall include the Comptroller General's findings, together with any recommendations that the Comptroller General considers appropriate.

SEC. 603. INTERNATIONAL COOPERATION.

(a) INTERNATIONAL ELECTRONIC DATA SYSTEM.—The Secretary of State and the Commissioner of Immigration and Naturalization, in consultation with the Assistant to the President for Homeland Security, shall jointly conduct a study of the alternative approaches (including the costs of, and procedures necessary for, each alternative approach) for encouraging or requiring Canada, Mexico, and countries treated as visa waiver program countries under section 217 of the Immigration and Nationality Act to develop an intergovernmental network of interoperable electronic data systems that—

(1) facilitates real-time access to that country's law enforcement and intelligence information that is needed by the Department of State and the Immigration and Naturalization Service to screen visa applicants and applicants for admission into the United States to identify aliens who are inadmissible or deportable under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.);

(2) is interoperable with the electronic data system implemented under section 202; and

(3) performs in accordance with implementation of the technology standard referred to in section 202(a).

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of State and the Attorney General shall submit to the appropriate committees of Congress a report setting forth the findings of the study conducted under subsection (a).

SEC. 604. STATUTORY CONSTRUCTION.

Nothing in this Act shall be construed to impose requirements that are inconsistent with the North American Free Trade Agreement or to require additional documents for aliens for whom documentary requirements are waived under section 212(d)(4)(B) of the Immigration and Nationality Act (8 U.S.C. 1182(d)(4)(B)).

SEC. 605. ANNUAL REPORT ON ALIENS WHO FAIL TO APPEAR AFTER RELEASE ON OWN RECOGNIZANCE.

(a) REQUIREMENT FOR REPORT.—Not later than January 15 of each year, the Attorney General shall submit to the appropriate committees of Congress a report on the total number of aliens who, during the preceding year, failed to attend a removal proceeding after having been arrested outside a port of entry, served a notice to appear under section 239(a)(1) of the Immigration and Nationality Act (8 U.S.C. 1229(a)(1)), and released on the alien's own recognizance. The report shall also take into account the number of cases in which there were defects in notices of hearing or the service of notices of hearing, together with a description and analysis of the effects, if any, that the defects had on the attendance of aliens at the proceedings.

(b) INITIAL REPORT.—Notwithstanding the time for submission of the annual report provided in subsection (a), the report for 2001 shall be submitted not later than 6 months after the date of enactment of this Act.

SEC. 606. RETENTION OF NONIMMIGRANT VISA APPLICATIONS BY THE DEPARTMENT OF STATE.

The Department of State shall retain, for a period of seven years from the date of application, every application for a nonimmigrant visa under section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)) in a form that will be admissible in the courts of the United States or in administrative proceeding, including removal proceedings under such Act, without regard to whether the application was approved or denied.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentlewoman from Texas (Ms. JACKSON-LEE) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Madam 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. 3525, as amended.

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

There was no objection.

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

Madam Speaker, since September 11, we have learned how deeply vulnerable our immigration system is to exploitation by aliens who wish to harm Americans. H.R. 3525 makes needed changes to our immigration laws to fight terrorism and to prevent such exploitation.

I will outline some of the bill's most significant provisions. Most importantly, by October 2003, this bill requires the Attorney General and the Secretary of State to issue machine readable, tamper-resistant visas that use standardized biometric identifiers. This will allow immigration inspectors to determine whether a visa properly identifies the visa holder.

Similarly, aliens seeking to enter the United States under the visa waiver program with passports issued after October 2003 must possess tamper-resistant, machine readable passports with standardized biometric identifiers. The bill also requires the Attorney General to enter into a data system the identification numbers of stolen U.S. and foreign passports. Our military recently found blank European and United States passports in the caves of Afghanistan after the al Qaeda terrorists fled. We must ensure that passports and other documents presented to our inspectors are not counterfeit and are being used by the aliens to whom they were issued.

The bill directs our law enforcement agencies and intelligence community to share information with the State Department and the INS relevant to the admissibility and deportability of aliens. This will result in lookout lists that are much more thorough and will do more to prevent bad actors from obtaining U.S. visas or entering the United States.

As the Border Patrol succeeds in controlling the border, more aliens take a chance at ports of entry, placing a strain on the limited staff of immigration service inspectors. Likewise, INS investigative resource needs have long been neglected. This bill helps fill these critical gaps. H.R. 3525 authorizes appropriation to hire at least 200 full-time INS inspectors, and at least 200 full-time INS investigators.

Another long-standing problem at the INS is the low pay for Border Patrol agents and INS inspectors. This has led many trained Border Patrol agents and inspectors to leave the INS for other law enforcement agencies offering better pay, such as the Air Marshals. Former Border Patrol agents make up 75 percent of the first Air Marshals class. H.R. 3525 authorizes appropriations to increase the pay of Border Patrol agents and inspectors in order to help the INS retain its best people.

The bill requires the Secretary of State to give special training to all Consular officers in effective screening of visa applicants who pose a potential threat to the safety or security of the United States. The bill also requires a higher level of scrutiny of aliens from countries that sponsor international terrorism before nonimmigrant visas are issued. It requires Consular officers issuing visas to provide the INS an electronic version of the alien's visa file to ensure that the visa file data is available to immigration inspectors at U.S. ports of entry before the arrival of the alien at the port.

The bill strengthens the foreign student tracking system by requiring that it track the acceptance of aliens by educational institutions, the issuance of visas to aliens, the admission into the United States of the aliens, the notification of education institution of the admission of aliens slated to attend them, and the enrollment of aliens at the institutions.

Finally, the bill requires the State Department to keep visa applications, whether granted or denied, on file for 7 years, so that the government can determine whether an alien sought a visa in the past, what type of visa and whether the visa was granted or denied. The bill fills many gaps in our current immigration law enforcement system. We must put these essential tools into the hands of our law enforcement agents.

I urge my colleagues to pass this legislation.

Let me publicly thank everybody who has worked on this bill, particularly Senators KENNEDY, FEINSTEIN, BROWNBACK and KYL, the gentleman from Michigan (Mr. CONYERS), the gentlewoman from Texas (Ms. JACKSON-LEE), and the gentleman from Pennsylvania (Mr. GEKAS), and the staffs on both the Senate and House sides.

Let me also say that it is my regret that, because of jurisdictional problems, we cannot deal with giving the Customs Service more personnel to help them do their jobs at the border, and it is my hope that the Committee on Ways and Means will promptly pass legislation to fill this hole.

I also regret that we are not able to provide in this legislation a requirement that manifests of arriving and departing airplanes and vessels be filed with the immigration service so that visa numbers can be matched, so the INS particularly, for arriving airplanes and vessels, will be tipped off on who is on board them. It is my hope the Committee on Transportation and Infrastructure will deal with this issue promptly in other legislation.

Again, this is a good bill. It is a bill that is sorely needed. I urge Members to support it.

Madam Speaker, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, let me, first of all, thank the chairman of the Committee on the Judiciary for his, again, persistence and determination in working through this legislation and working with the Senate. I might add my appreciation also to Senators KENNEDY, BROWNBACK, FEINSTEIN and KYL, and as well our ranking member, the gentleman from Michigan (Mr. CONYERS) and the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. GEKAS).

I can say to my colleagues that this legislation is long overdue. In fact, many of these issues have been issues that we have discussed dealing with redeveloping and refining the Nation's immigration policies even preceding the horrific acts of September 11. Now that that tragedy has occurred with the terrible loss of life of Americans, it focuses us to ensure that we understand this is even more important.

But as I rise to support this legislation, let me be very clear and be very cautious that it is important that we in this country separate out legitimate and focused immigration policy from the concept of ferreting out terrorists. I am glad that this legislation provides for foreign consulates an opportunity to identify potential terrorists by establishing terrorist lookout committees.

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I am very grateful for that. Because one of the problems that generated out of September 11, the heinousness of the act, the ability of terrorists coming into this country, many of them had legitimate visas that they had received from our consulate offices overseas; and I guess to add extra insult to injury, some of those individuals were now illegal because they had overstayed their visas. That is an improvement, and I believe that this legislation, the Enhanced Border Security and Visa Entry Reform Act of 2001, is a plus to be able to add to the improvement of that terrible tragedy, or to fix the terrible tragedy by creating an opportunity for us to have a system where individuals can be checked before they even receive a visa.

Madam Speaker, there is something even more important, if you will, that is ongoing and that helps us establish an immigration policy, and that is the improving of the resources and training and technology available to our border personnel in a critical component of our efforts to improve border security. That is something that we should have been doing even preceding the horrible incident of September 11. We have a very large Canadian border and, of course, a very large southern border. We already have been working on the southern border, and I must say that the numbers of Border Patrol agents have worked very hard to balance their responsibilities with the enforcement responsibilities. We have worked very hard to avoid racial profiling, but we realize that we must give those who protect our borders the resources.

This legislation waives a limitation on the hiring of full-time personnel, giving greater control to decision-makers at the border and increasing the number of border personnel.

It raises the pay of INS naturalization service border personnel and provides Custom agents, Border Patrol, and INS inspectors with essential training and cross-training. Funds are authorized to the State Department to improve the screening of visa applicants and strengthen the coordination of international intelligence information. One of the failings that was discovered due to the tragedy on September 11, or out of the tragedy of September 11, was the inability or the lack of the utilization of sharing intelligence or information between agencies.

This bill focuses the agencies on the importance and the responsibility and gives them the tools and says to them, you must share intelligence, you must share information, you must help us thwart the terrible devastation of terrorists coming into this country or those coming here wanting to do harm.

Funds are also authorized to enhance technology available to the INS and Customs Service to improve and expand technology and to facilitate the flow of people and commerce at our ports of entry. To offset the cost of such improvements, the Attorney General is authorized to increase land border fees and the State Department is permitted to raise fees from the use of machine-readable visas. I do know that some aspects of the legislation have been deleted, and I hope that we will be able to ensure that all aspects of this legislation that may have been questioned as it relates to jurisdiction will get eventually added.

In addition, the Attorney General is required to use authorized funds for installing biometric data readers and scanners at U.S. ports of entry. One of the difficulties at the southern border was that the individuals coming across the Mexican borders have their biometric cards, but we did not have the staff nor the readers of those cards; and there was a great logjam of those individuals who were legally trying to access the United States and were doing everything that they should have done. We must not tolerate that, and improve the systems at the border.

We must also improve coordination and information-sharing between the State Department, the INS, law enforcement, and intelligence agencies. Building on the progress made by the antiterrorism bill, this legislation directs the President to devise and implement a comprehensive report and plan to provide the access these agencies need to safeguard our country against terrorism.

Further, this legislation requires the development of the interoperable electronic data system with specific name recognition capabilities to provide appropriate foreign service officers and Federal agents with immediate access to relevant law enforcement and intelligence database information.

We must also improve our ability to monitor foreign nationals who are present in the United States. Consulate offices who issue visas will be required to transmit electronic versions of visa files to the INS so that critical information is available. A key failure on September 11, individuals who had overstayed their visas, there was no way, or there was not any attempt to track them and determine that they needed to be removed from this country.

This legislation also gives greater direction to the integrated entry and exit system established in 1996 by IIRIRA, including use of specific technology standards and technologies to facilitate across the border. What this does, it provides the INS with state-of-the-art technology at our borders. There has to be a better way and a better system and that is to improve the technology of our particular needs at the border.

We are also working with our consulate offices in ensuring that there is a relationship with the Secretary of State. Gaps still exist in the monitoring of foreign students. Accordingly, this legislation expands the monitoring program to include flight schools, language-training programs, and vocational schools; and it improves the reporting requirements on the INS as to the individuals going to these schools. In addition, this legislation requires the INS, in consultation with the Department of Education, to periodically review institutions enrolling foreign students and receiving exchange visitors to ensure that they adhere to the reporting and recordkeeping responsibilities.

What we have, Madam Speaker, is an opportunity to address the failings of not only September 11, but we have the opportunities to address the problems that we have had heretofore.

Let me also note that we are very gratified with the inclusion of language from the legislation that the gentleman from Texas (Mr. REYES) and myself cosponsored that for all journeymen, border patrol agents, and inspectors who have completed at least 1 year of service and are receiving an annual rate of basic pay for positions GS–9 of the general schedule under section 5332 will receive an annual increase in their rate so that we can bind comparable and qualified individuals and provide a career pattern.

Let me simply say in closing, Madam Speaker, that I too have a disappointment in the comparing of the needs of developing a real immigration policy with the needs of finding terrorists. I really think that that is a reason why we were not able to bring 245(i) to the floor of the House, a simple bill that would allow for the adjustment of individuals who are here, who are accessing legalization in the right manner. Can we imagine that we could not bring this bill to the floor of the House to allow a simple adjustment so that these individuals could be reunited

with their families for the holiday. I am hoping that we will come to our senses and realize that immigration is not terrorism, that immigration is not lawlessness, that we are a country of immigrants and, as well, laws, and we should find a way to pass 245(i) to reunite our families.

Madam Speaker, I reserve the balance of my time.

Mr. SENSENBRENNER. Madam Speaker, I yield 3 minutes to the gentleman from Delaware (Mr. CASTLE).

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

I also rise in strong support of H.R. 3525, which does, indeed, improve our visa system and better secure our borders; and I want to thank the chairman and the House leadership for bringing this legislation up to date to improve our systems for border security and monitoring foreign visitors to the United States. This legislation, the Enhanced Border Security Act of Visa Entry Reform Act of 2001, is a sensible bill and a positive and urgently needed step toward securing our borders and protecting Americans from potential terrorist attacks.

It has been widely reported that the ringleaders and other terrorists involved in attacks on September 11 used expired or false visas to enter our Nation to plan and conduct their terrible deeds. These facts are the most damaging evidence of the ongoing problem that millions of foreign visitors overstay their visas and we need a much better system for enforcing the terms by which they enter and leave our country. An estimated 40 percent of the 5 million to 8 million illegal immigrants living in the United States last year were listed as overstays by the INS, although the agency admits that 1991 is the last year for which it could estimate the number of visa violators with any accuracy.

It is imperative that we make immediate changes in our ability to document and track foreign visitors to the United States to thwart future potential terrorist acts. This will require improved documentation and computerized systems for tracking the millions of foreign visitors who come to our Nation each year on a temporary basis with tourist, student, or temporary work visas. In 1998 the INS reported that 1 million foreign people came to the United States on a temporary basis.

A fresh look at the visa processing program is immediately needed. Six years ago, Congress directed the INS to gather the arrival and departure data of most foreign visitors to make sure they do not remain in the United States after the expiration of their authorized stays. A recent review by the Department of Justice Inspector General found INS officials mismanaged $31 million aimed at automating that system. Earlier this fall, I introduced legislation, the Visa Integrity and Security Act, or VISA Act, to strengthen our immigration system and to improve the ability of the INS to track all temporary visa holders. A number of the key provisions of that legislation were included in the important antiterrorism PATRIOT Act passed earlier this fall.

However, there is much work to be done; and H.R. 3525 takes much needed steps forward, such as implementing tamper-resistant visas using biometric identifiers for all aliens entering the U.S.; creating an electronic database to provide immediate access for U.S. officials to ensure visa applicants do not pose a threat to the United States; improving the system for tracking foreign student visas; and increasing funds for INS and Customs inspectors, Border Patrol agents, and State Department officers to perform these important screening duties.

Unfortunately, these dangerous times require us to better screen and track foreign visitors to the United States to ensure they are here for their stated purpose and only stay for the allotted time. Now is the time to make sure that these sound steps are implemented to improve the security of our country. We can still welcome and should welcome foreign visitors and we are a nation of immigrants; but we have the right and, indeed, the duty to know why they are in our Nation and if they are in for the right reasons, and that we set the terms for their stay.

For all of these reasons, I urge my colleagues to support H.R. 3525. We can take the additional steps needed to secure our borders while maintaining an open society.

Ms. JACKSON-LEE of Texas. Madam Speaker, it is my pleasure to yield 3 minutes to the distinguished gentleman from Texas (Mr. REYES), whose district is one of the districts that borders the southern border.

Mr. REYES. Madam Speaker, I thank the gentlewoman from Texas for yielding me this time.

Madam Speaker, let me begin by thanking the chairman of the Committee on the Judiciary (Mr. SENSENBRENNER) for bringing this important bill to the floor today. He has been willing to work with me on a number of issues in this bill, and I thank him for his efforts. I would also like to thank the ranking member, the gentleman from Michigan (Mr. CONYERS), for all of his assistance on this issue, as well as my colleague, the gentlewoman from Texas (Ms. JACKSON-LEE), for her hard work on bringing these issues forward and giving us these venues.

As the only Member of Congress with an immigration background, I have a unique perspective on many of these issues. The Enhanced Border Security and Visa Entry Reform Act is the product of a compromise between the House and the Senate and includes a number of issues that many of us have been working on for many, many years. This bill includes the extension of the deadline for replacing old border-crossing cards with new laser visas. This 1-year extension will benefit thousands of families and struggling businesses along the border, and I applaud the chairman and the ranking member for including this extension.

Since September 11, Madam Speaker, our Nation's borders have looked more like parking lots than entry points into this country. This bill provides additional personnel and technology at our ports of entry; and while we need more INS and Customs personnel and much more than $150 million in technology, this bill provides a good down payment for our border region.

This bill also provides the framework for information-sharing among Federal, State, and local law enforcement agencies. This cooperation is critical and vital to our homeland defense efforts. I am also supportive of the provision restricting the issuance of visas to nonimmigrants to countries that are state sponsors of terrorism.

Also included in this bill is a pay raise for hard-working Border Patrol agents and INS inspectors. We have been working on this for many, many years; and I am confident that this provision will help in our efforts in recruiting and retaining qualified Border Patrol agents and inspectors.

What is as important as what is in this bill is what is not included in this bill. Last night the White House and Senate and House negotiators agreed on this bill. The bill is what we have before us here today, with one notable exception, that is, the extension of section 245(i), which was pulled from the bill at the last minute at the insistence of a small group of Republican Members.

I am extremely disappointed, as are many other members of the Hispanic Caucus, that our leadership and the White House did not follow through on their commitment to immigrant families across this whole country. The President proclaimed that he supported the extension of 245(i), and we expected him to live up to his commitment to fight for this issue, as he has fought for many, many of these other priorities and issues such as tax cuts.

□ 1800

Sadly, last night we were again abandoned.

Madam Speaker, let us look at the facts surrounding the extension of 245(i). It allows immigrants who are otherwise eligible to adjust their status and to pay a fine and obtain their immigrant visas in the United States, instead of having to leave the country and pick up their visas.

Madam Speaker, all in all, I believe this is a good bill and I support it, and

I would ask all my colleagues to support this bill. It is important for our country and the security of our borders.

Mr. SENSENBRENNER. Madam Speaker, I yield 1 minute to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Madam Speaker, I thank the gentleman for yielding time to me.

Madam Speaker, this is an issue I have been working on for a number of months, beginning with the introduction of the Visa Integrity and Security Act with the gentleman from Delaware (Mr. CASTLE) and the gentleman from Georgia (Mr. DEAL). This bill is an admirable and comprehensive enhancement of these efforts, which were largely included in the patriot antiterrorism legislation.

H.R. 3525 puts the focus of the problems in the system that will make it possible for terrorists to enter the country and live in the United States undetected, sometimes for years. By passing this bill, we are recognizing that those who are charged with defending the United States from persons who wish to do her harm will have the right tools necessary to man the front lines. This legislation provides the necessary tools.

From consular officers who will have the first encounter with visa applicants to the border officials that process their departure documents, this bill will utilize forward-looking technology to target those who are the problem: the terrorists, not the immigrants.

I urge passage of H.R. 3525.

Ms. JACKSON-LEE of Texas. Madam Speaker, it is my pleasure to yield 2 minutes to the distinguished gentleman from California (Mr. FILNER), who likewise has a district that has an extensive span at the southern border. We thank him for his leadership on this issue.

Mr. FILNER. Madam Speaker, I thank the gentlewoman for yielding time to me, and I thank the chairman for bringing us this bill.

I represent San Diego, California, home of the biggest border crossing between any two nations in the world. What we need more than anything is the dual job of stopping terrorists, but allowing the legal traffic to flow in an orderly fashion. Our businesses, our families, depend on a flow of traffic that can be predictable and it is regular.

What the chairman has done, as I understand it, is put 200 more positions for INS inspectors annually for the next 5 years, which will allow us to do both the security and the flow that is absolutely necessary.

I join the chairman in his regret that a jurisdictional dispute prevented Customs inspectors from being included in this bill, and I also join the gentleman in his call to bring that bill to us as quickly as possible. I am also pleased that the extension of the laser visa boarding crossing card has been extended for a year that will allow us to make sure that people can get that card and use it properly.

I am disappointed that at the last minute, for some reason, section 601, what was section 601, that granted law enforcement status to INS inspectors, was removed. This is an absolute necessity, not only for the INS but for Customs and for many other Federal agencies. I hope that we can bring back that long-awaited adjustment of status for these law enforcement officers. We honor them if they die on the Law Enforcement Memorial in Washington, D.C., but as they live, they are not accorded that status.

I join the gentleman from Texas (Mr. REYES) and the gentlewoman from Texas (Ms. JACKSON-LEE) in their regret that the 245 extension has been removed, but I thank the chairman for giving us the resources over the next few years to allow us to keep the Level I alert that is so absolutely necessary to keep out terrorism, but to allow the border to have the resources necessary to have the flow of legal traffic. I thank the gentlewoman for her time.

Ms. JACKSON-LEE of Texas. Madam Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Texas (Mr. RODRIGUEZ), who likewise has an expansive southern border, and has done a lot of work on this issue. I thank him for his leadership.

Mr. RODRIGUEZ. Madam Speaker, while I support the spirit of the bill, I am somewhat disappointed in the introduction and how we have heard the discussion on this bill, in that it is not allowing us an opportunity to place some very significant items on the bill.

As a Member who represents the border, I would have liked to have had the opportunity to provide some additional items. The border right now is having to struggle real hard after September 11. We are having a great deal of difficulty with long lines, long waits, as well as Customs that are having to work long hours and not being able to even take vacation during this Christmas period. We understand the reasons why, but we also have an obligation to provide the resources that are needed.

Since September 11, communities along the U.S.-Mexican borders have struggled to meet the new security demands. Long waiting times due to more thorough inspections, which are drastically needed, have adversely impacted many businesses also along the border that depend on the cross-border business that happens, and on commerce and traffic.

This is why I support providing more resources for the U.S. Customs Service to enhance their personnel and improve their technology capabilities. I am very pleased, and I want to thank the chairman for providing those resources.

The Customs Service currently needs over 900 additional Customs inspectors, not only to ease the situation along the northern border with Canada, but to provide assistance to those working long and difficult shifts on the southern border, as well.

While I understand the need to place more INS and Customs inspectors along the northern border, we should not be remiss on our obligations to improve inspections on the southern border.

Furthermore, I am also disappointed that despite the White House support of H.R. 3525, it fails to include provisions to grant the temporary section 245(i) extensions. The removal of section 245(i) has torn families apart, and we need to really look at putting those families together again.

Ms. JACKSON-LEE of Texas. Madam Speaker, I am very pleased to yield 3 minutes to the distinguished gentleman from Illinois (Mr. GUTIERREZ), one of the two chairs of the Immigration Task Force of the Democratic Caucus and a leader on these issues.

Mr. GUTIERREZ. Madam Speaker, I thank the gentlewoman for yielding time to me.

Madam Speaker, I come here thinking this is really a good bill, and at the same time, knowing and understanding that we had a better bill until last night, a bill which balanced the needs of our immigration policy; a bill that said 245(i) would be part of this bill.

I remember when I and other Members of the Hispanic Congressional Caucus early in this first term of President Bush met with the President, and he agreed to support 245(i). I remember once again when 245(i) ended in April 30 of this year, when I was heartened to hear the President of the United States come forward and say that we are going to continue with 245(i) and we are going to extend this important bill.

Many in America may ask, just what does it do? It allows families to stay together. It allows American citizens to get the permanent residency for their wives. It allows citizens of this country and permanent residents legally here in this country to allow their wives and their children, and yes, their moms and dads, their very immediate family, to stay here and not be separated.

Somebody would say, well, if they do not pay the penalty, what do they have to do? Well, they pay a huge penalty, and shame on this Congress and shame on those Members of this institution who yesterday went before those who were negotiating and said that we could not have 245(i).

While they come before this House repeatedly to talk about family values, here we had an opportunity to do something about family values. I am always thinking, when I listen to the President of the United States say, ''This is a war against terrorists; this is not a war against Islam, this is not a war against Muslims,'' I wish he and other

Members of this institution would state as categorically and as clearly that this is not a war against immigrants.

The people who attacked us on September 11 were terrorists, who came here to destroy and be destructive in this country. Immigrants come here to build this country, to sweat and toil and make this the rich Nation that it is today. Shame on this institution for confusing one thing with the other.

I think it is really regrettable that we do not have 245(i), and I say that we redouble our efforts so we can keep families together. We need a sane immigration policy, an immigration policy based on keeping families together and uniting those families.

I just want to end by saying I thank the gentlewoman for giving me the time, and I thank the gentlewoman for her leadership, the gentlewoman from Texas (Ms. JACKSON-LEE) and the gentleman from Michigan (Mr. CONYERS), and all of those who truly believe.

I think when history is written, people will ask: Who stood up, who stood up for immigrants, for people who work? And shame on everybody in this Congress who walks on a shiny floor every day, knowing who mopped that floor; walks into a hotel room and says, my, it sure is clean, and has their laundry done, has their dishes washed, has all of the menial jobs done in their lives, and yet cannot vote to keep those families together.

Ms. JACKSON-LEE of Texas. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, let me close by saying this: The eloquence of the gentleman from Illinois (Mr. GUTIERREZ) and the gentleman from Texas (Mr. RODRIGUEZ) and the gentleman from Texas (Mr. REYES) speaks for itself.

Just a few days after September 11, I held a town hall meeting to bring the community together to help them heal, to talk about the tragedies. It was open to everyone, and members of my immigrant community came.

Their greatest frustration was that they wanted to leave and serve this country. They wanted to go and join whatever military service would take them in. They wanted to stand up and be counted.

I believe, as I said to the gentleman from Wisconsin (Mr. SENSENBRENNER), and I thank him for his leadership, I am more than disappointed that we could not pass 245(i) to reunite families, to focus on what this country is all about, giving people the opportunity to contribute to the values of this Nation and stand up and be counted, and fight alongside of us to weed out terrorism because they believe and love this Nation.

This legislation is a good piece of legislation, but Madam Speaker, we have not finished our job. We are committed not to give up the fight, because there are families out there counting on us.

Let me simply acknowledge the work of George Fishman and Lora Ries and Leon Buck as staff, and Scott Deutchman and Perry Apelbaum, who worked on this in the wee hours and worked on it weeks before we were able to focus on this as the bill that has come before us now.

But the daunting question that we have is: Are we going to recognize that this is a Nation of immigrants and laws, and immigration does not equate to terrorism, and stop the kind of hysteria that is being created to label all immigrants as terrorists?

They no more want terrorists in this country than we do; they no more want to have people come in and harm us than we would. We must hold to our values of the Statue of Liberty, that we ask for those to come who are persecuted.

Madam Speaker, I ask my colleagues to support this legislation, and I yield back the balance of my time.

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

Madam Speaker, I think it is important that we get on the subject of what is before the House tonight; that is, legislation that does a number of important things: tightening up our visa issuing system; attempting to make sure that the visas and passports used by people entering this country are those that were issued to them; and to provide biometric information and various other types of antifraud devices.

I think it is important to point out that we provide more money for additional INS inspectors and investigators, and most importantly, provide a pay raise for them.

Since 9–11, I have made several visits to border areas. I have been to San Diego, I have been to Detroit, and I have been to the Miami airport. At each one of these stops, I have specifically requested to meet with representatives of the unions that represent the border patrol and INS inspectors, and I have heard again and again that good people are leaving because they can go to someplace else in law enforcement and get paid a lot more.

As a result, the turnover and the training time of those people who are actually on the borders enforcing the laws and protecting the people of this country becomes greater and greater. So this bill deals with those issues.

Again, I regret that the jurisdictional disputes prevent us from dealing with the aircraft and ship manifests and the chronic shortage of Customs inspectors, and once again, I urge the other committees of jurisdiction to promptly bring legislation before the House to deal with those issues.

With respect to what I have heard from the last several speakers, I will state categorically that this is not a war on immigrants, it is a war on terrorists. Immigrants have made this country what it is. With the exception of the descendents of Native Americans, all of our forefathers and foremothers were immigrants; granted that there were different waves of immigration from different parts of the world, but immigrants came to this country because of the economic opportunity and the freedom that we provide.

What we want to do is to make sure that the immigration is done pursuant to law, and to provide the proper documentation so that people who are here legally can go to work and help themselves and their families and our country.

Next year, we will be dealing with the restructuring and reorganization of the Immigration and Naturalization Service, which is the most dysfunctional agency in the Federal Government.

□ 1815

Finally, with respect to 245(i), this House has voted in favor of extending 245(i). The chairman of the Subcommittee on Immigration and Claims, the gentleman from Pennsylvania (Mr. GEKAS) and I introduced H.R. 1885 on May 17, 2001. We brought it before the House under suspension of the rules four days later on May 21, 2001. And on a roll call of 336 to 43, the House passed the extension of 245(i).

Now, that bill provided an extension four months after the date of enactment. And as is the case with a lot of meritorious legislation, the other body did not deal with it promptly.

Now, I hope the time has come when we will be able to bring another 245(i) bill to the floor. But I do not think it accurately represents what 336 of us did on May 21, to say that we have turned our backs on those families. There were only 43 no votes on May 21. And I think the vast majority, the 336 of us who voted yes, will have our day in court some time in the future and a 245(i) extension that is fair to all will be sent to the President of the United States. I urge an aye vote on H.R. 3525.

Ms. ROYBAL-ALLARD. Madam Speaker, I rise in support of H.R. 3525, the Enhanced Border Security and Visa Entry Reform Act, because this bill strengthens the security of our borders, secures our visa entry system, and enhances our ability to deter potential terrorists. However, I also rise to express my displeasure that an extension of Section 245(i) of the Immigration and Nationality Act was dropped from the final version of this bill.

My support of H.R. 3525 is based on the fact that it improves the resources, training, and technology available to our border personnel to increase the effectiveness of our efforts to improve border security. This bill requires the Attorney General to begin installing biometric data readers and scanners at U.S. ports of entry so we can more accurately deter individuals with false passports or visas.

H.R. 3525 also improves coordination and information-sharing by the State Department,

the Immigration and Naturalization Service (INS), and law enforcement and intelligence agencies. For example, consular officers who issue visas will now be required to transmit electronic versions of visa files to the INS, so that this critical information is available to immigration inspectors at U.S. ports of entry. By enhancing our ability to screen visitors to the U.S. before their arrival, we will help to keep terrorist cells from entering our country.

This bill also improves the monitoring of foreign students and exchange visitors. H.R. 3525 expands the current foreign student monitoring program in our colleges and universities to include flight schools, language training programs, and vocational schools. It also enhances the reporting requirements placed on the INS, the State Department and educational institutions. In addition, it requires the INS, in consultation with the Department of Education, to periodically review institutions enrolling foreign students and receiving exchange visitors, to ensure that they adhere to the mandated reporting and record-keeping requirements.

Madam Speaker, in spite of the many merits of this bill, I am however very disappointed that it does not include an extension of Section 245(i) of the Immigration and Nationality Act.

Section 245(i) allows eligible immigrants to stay in this country by paying a substantial fee of $1,000 to adjust their status to permanent residency based on a close family member or employer sponsor. Under Section 245(i), the only eligible immigrants are those who have been physically present in the United States since before December 1998 and have an established familiar relationship or employment based petition filed with the INS. Immigrants who qualify would be screened for criminal offenses, fraud, and would need to meet all other conditions of admissibility—just like any other immigrant who applies for a green card. An extension of 245(i) does not provide a loophole to our border security—anyone found to be linked to any criminal activity would continue to face deportation or detention.

A permanent extension of Section 245(i) is an issue of great importance to the Hispanic Caucus and the entire Latino community. President Bush publicly supported an extension, as have the AFL–CIO and the U.S. Chamber of Commerce. In fact, the House was scheduled to vote on an extension of this important provision, but due to the unconscionable attacks of September 11th this legislation was pulled from consideration and never rescheduled.

Since then, I along with other members of the Congressional Hispanic Caucus have been urging the leadership of the House to bring up and pass an extension to Section 245(i) before the end of the year. We felt confident that adding an extension of Section 245(i) to H.R. 3525 would create the right balance between the need to keep our borders safe from terrorist threats, and keep the avenues for legal permanent residency open to hard working immigrants.

Without an extension of Section 245(i), we are not helping to secure our borders; we are instead promoting the separation of families and the increase of individuals on our unemployment roles. It is therefore unfortunate that Section 245(i) has fallen victim to those who equate immigration with terrorism.

There is no doubt that our country needs long-term solutions to security problems at our borders, and H.R. 3525 is a positive step in that direction. In our effort to secure our nation however, we must not close the door to our ability to legalize employees of American companies or spouses and children of U.S. citizens. An extension of Section 245(i) is pro-family, pro-business, and good for America. I hope the Bush Administration will keep its promise and work with the bipartisan congressional supporters of Section 245(i) to gain passage of an extension before the end of the 107th Congress.

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

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 3525, as amended.

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

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN THE ENGROSSMENT OF H.R. 3525, ENHANCED BORDER SECURITY ACT AND VISA ENTRY REFORM ACT OF 2001

Mr. SENSENBRENNER. Madam Speaker, I ask unanimous consent that in engrossment of the bill, H.R. 3525, the Clerk be authorized to make technical corrections and conforming changes to the bill.

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

There was no objection.

ELIGIBILITY OF CERTAIN PERSONS FOR BURIAL IN ARLINGTON NATIONAL CEMETERY

Mr. SMITH of New Jersey. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3423) to amend title 38, United States Code, to enact into law eligibility of certain veterans and their dependents for burial in Arlington National Cemetery, as amended.

The Clerk read as follows:

H.R. 3423

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

SECTION 1. ELIGIBILITY OF CERTAIN PERSONS FOR BURIAL IN ARLINGTON NATIONAL CEMETERY.

(a) IN GENERAL.—(1) Chapter 24 of title 38, United States Code, is amended by adding at the end the following new section:

"§ 2412. Arlington National Cemetery: eligibility of certain persons for burial

''(a)(1) The remains of a member or former member of a reserve component of the Armed Forces who at the time of death was under 60 years of age and who, but for age, would have been eligible at the time of death for retired pay under chapter 1223 of title 10 may be buried in Arlington National Cemetery on the same basis as the remains of members of the Armed Forces entitled to retired pay under that chapter.

''(2) The remains of the dependents of a member whose remains are permitted under paragraph (1) to be buried in Arlington National Cemetery may be buried in that cemetery on the same basis as dependents of members of the Armed Forces entitled to retired pay under such chapter 1223.

''(b)(1) The remains of a member of a reserve component of the Armed Forces who dies in the line of duty while on active duty for training or inactive duty training may be buried in Arlington National Cemetery on the same basis as the remains of a member of the Armed Forces who dies while on active duty.

''(2) The remains of the dependents of a member whose remains are permitted under paragraph (1) to be buried in Arlington National Cemetery may be buried in that cemetery on the same basis as dependents of members on active duty.''.

(2) The table of sections at the beginning of chapter 24 of title 38, United States Code, is amended by adding at the end the following new item:

''2412. Arlington National Cemetery: eligibility of certain persons for burial.''.

(b) EFFECTIVE DATE.—Section 2412 of title 38, United States Code, as added by subsection (a), shall apply with respect to interments occurring on or after the date of the enactment of this Act.

SEC. 2. PLACEMENT OF MEMORIAL IN ARLINGTON NATIONAL CEMETERY HONORING THE VICTIMS OF THE ACTS OF TERRORISM PERPETRATED AGAINST THE UNITED STATES ON SEPTEMBER 11, 2001.

(a) AUTHORIZATION TO PLACE MEMORIAL.—The Secretary of the Army is authorized to construct and place in Arlington National Cemetery a memorial marker honoring the victims of the acts of terrorism perpetrated against the United States on September 11, 2001.

(b) CONSULTATION WITH FAMILIES OF VICTIMS BEFORE USE OF AUTHORITY.—The Secretary of the Army shall consult with the families of victims of such acts of terrorism prior to the exercise of the authority provided for under subsection (a).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SMITH) and the gentleman from Illinois (Mr. EVANS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I am pleased that the House is considering H.R. 3423, as amended, so promptly. This bill would change in-ground burial eligibility at Arlington National Cemetery by eliminating the requirement that retired reservists be in receipt of their retirement pay.

Reservists must be 60 years old to receive pay, and existing Army rules do not allow these gray zone retirees to be

buried at Arlington. The bill would also make eligible for in-ground burial reservists who die in the line of duty during active or inactive training.

Madam Speaker, Arlington is the Nation's most famous veterans cemetery with a storied history of American heros who are buried there. However, there is limited space for in-ground burial at the cemetery. In 1967, the Army adopted rules restricting eligibility as to which veterans can be buried there. It should be noted that Arlington will provide space for cremated remains in its columbaria for honorably discharged veterans eligible for burial at any of the other national cemeteries.

In general, Army rules restrict in-ground burial at Arlington to veterans who were wounded in combat, died on active duty, received one of the military service's highest awards for gallantry or were held prisoner of war or retired from military service.

The bill before us, Madam Speaker, would amend those Army rules to ensure access for retired reservists such as Captain Charles Burlingame, III, the pilot of flight 77 which tragically crashed into the Pentagon on September 11. Indeed, Captain Burlingame, a former Navy F–4 Phantom fighter pilot, was one of the first casualties in the war on terrorism.

The existing Army rules, however, prevented Captain Burlingame, who was 51, from receiving full burial rights at Arlington National Cemetery solely because of his age at death.

In every other aspect, Captain Burlingame was fully qualified having served 20 years of service with distinction. Fortunately, Captain Burlingame was eventually approved for his own burial in his own grave site through a waiver approved by the Secretary of the Army. Captain Burlingame deserved the Nation's highest honor of burial at that hallowed ground of Arlington, not only because he gave his life trying to save his passengers, but because he did his duty to our Nation as a member of the Naval Reserve as a combat pilot.

Burial space is very limited, Madam Speaker, at Arlington; and I appreciate the interest in maintaining its strict eligibility rules. Those rules have remained essentially unchanged over the last 34 years. But the role of our reserve forces has changed markedly over the last number of years, the last 34 or so years.

In the Congress, we have recognized this by authorizing many benefits for reservists that previously were only provided to former active duty personnel. Reservists play a major role in the modern total force concept that protect our freedoms. Today we are unable to go to war without mobilizing reservists right from the start. It is inequitable, I would suggest, that a reservist who serves our Nation for a minimum of 20 years shall have been eligible for in-ground burial at Arlington simply because he or she had the misfortune to die prior to the age of 60. In addition to such distinguished retirees as Captain Burlingame, this legislation would make eligible members of the reserve components who die in the line of duty while performing weekend or two-week reserve duty.

Frankly, I see no reason why a reservist's eligibility for Arlington should be based on whether that person was or was not in training status when he or she died in the line of duty. In today's military, there is usually no practical difference.

Madam Speaker, the danger of serving in our Armed Forces is emphasized by the thousands of active duty deaths which occur each and every year. Almost all of these deaths occur not as a result of hostile action, but as the predictable toll of employing young men and women in sometimes dangerous and daunting tasks while operating complex weapons systems that put them at risk. Many of them are also the result of automobile accidents.

Under current law, we honor each of these service members by offering their families honors and benefits because their death occurred in the line of duty. One of those honors is to be buried at Arlington National Cemetery.

At our hearing on this last week, Madam Speaker, we received very compelling testimony from several witnesses that a military plane crash may end the lives of all on board, but that the status of those who died may range from active duty to inactive duty training. To afford burial at Arlington to one whose status was active duty while denying it to yet another who was inactive is illogical, and it is profoundly unfair. This bill would make the rules more equitable.

During the committee consideration of this measure, we agreed to adopt an amendment offered by the gentleman from Illinois (Mr. EVANS), my good friend and colleague, the ranking member of the Committee on Veterans' Affairs. The amendment authorizes but does not require the construction of a memorial at Arlington Cemetery to all of those that were killed on September 11. Under existing regulations, it is necessary for Congress to authorize a memorial such as the one contemplated in this bill.

I have met, Madam Speaker, with a number of the families of persons who were killed on September 11, and there would undoubtedly be constructed a national memorial to their loved ones. This legislation respects the desires of the families by requiring the Secretary of the Army to consult with them prior to determining whether the memorial should be built at Arlington and, if so, how it should be designed in a manner that is compatible with the existing cemetery.

Madam Speaker, this is a good bill. It is urgent that it be passed immediately.

Madam Speaker, I reserve the balance of my time.

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

Madam Speaker, I rise today in support of H.R. 3423 as amended. Again, I want to thank the chairman of this committee for his leadership on this issue, as well as so many others during the course of this year. I also want to extend my thanks to the gentleman from Indiana (Mr. SIMPSON), chairman of the Subcommittee on Benefits, and the gentleman from Texas (Mr. REYES), the ranking member, for their outstanding efforts during what has been a demanding legislative year.

Recent events have highlighted for us that America's veterans continue to exemplify bravery, courage and conviction. Quite simply put, our veterans remain our heroes. I am pleased that this measure would revise the Department of Army's current eligibility requirements for burial at the Arlington Cemetery to better reflect today's military force structure.

This bill would eliminate the 60-year-age requirement for grade zone retired reservists. The need for these changes was highlighted by the death of Charles F. Burlingame, III, the pilot of American Airlines flight 77 that crashed into the Pentagon on September 11, 2001. He was a navy reservist for 17 years and was ineligible to be buried at Arlington. After much debate, I was pleased that the Army finally agreed to provide a hero's burial for Mr. Burlingame, but the need to eliminate this arbitrary rule still remains.

This bill would also provide Arlington burial for reservists who die in the line of duty when performing active or inactive duty training. I feel strongly that a member of America's military who was killed in the line of service deserves a hero's burial at Arlington. The military and veterans organizations that appeared before the committee at our hearing unanimously supported the bill.

Finally, this bill also provides discretionary authority to the Secretary of the Army for constructing and placing a memorial in the Arlington National Cemetery to all the innocent victims who lost their lives in the terrorist attacks against the United States on September 11, 2001. As a general rule, Arlington's memorials are largely restricted to honoring military history. However, past Congresses have provided for exceptions in order to memorialize the victims of extraordinary tragic events in America's history. For example, Congress has provided for memorials at Arlington honoring the Space Shuttle Challenger crew and the victims of the Pan Am Flight 103.

Madam Speaker, this is a good bill for America's veterans. I salute the

chairman for bringing it quickly to the floor before the end of this year.

Madam Speaker, I rise today in support of H.R. 3423, as amended. I want to commend and thank the Chairman of the Committee, CHRIS SMITH, for his leadership on this issue and his successful efforts to work with Members on both sides of the aisle to so quickly bring this measure to the House floor today. I also extend my thanks to the Chairman of the Benefits Subcommittee, MIKE SIMPSON, and the Ranking Democratic Member, SILVESTRE REYES, of their outstanding efforts during what has been a demanding legislative year.

As a Marine and as a member of the Veterans' Affairs Committee since 1983, I know very well that Arlington National Cemetery is a cherished parcel of this Nation's most hallowed ground. In bringing this measure before the House for a vote today, every member of the Veterans' Affairs Committee has been unequivocal in their personal commitment to honor and revere Arlington National Cemetery on behalf of the brave men and women of America's military and our veterans.

Recent events have highlighted for us that America's veterans continue to exemplify the bravery, courage and conviction that are pillars beneath America's freedom and success throughout history. Quite simply, our veterans remain our heroes. I am pleased that H.R. 3423 would revise the Department of the Army's current eligibility requirements for burial at Arlington National Cemetery to better reflect this fact.

As reported unanimously by the Veterans' Affairs Committee, H.R. 3423 would revise the current burial rules that govern Arlington National Cemetery. Specifically, the bill would eliminate the requirement for reservists who are eligible for retirement pay and otherwise eligible for in-ground burial to be 60 years of age. H.R. 3423 would also provide for in-ground burial eligibility for members of the reserve components who die in the line of duty while serving their country performing active duty or inactive duty training.

Madam Speaker, when we consider Arlington's in-ground burial restrictions, we are immediately faced with conflicting needs. On the one hand, we must do our best to preserve Arlington Cemetery's limited space for those men and women whose level of commitment and heroism to the Nation has been truly extraordinary. On the other hand, we want to make a hero's burial available, to the fullest and most uniformly fair extent possible, to all our heroes who are so deserving of this honor.

Whether the rule should remain intact as it is now or whether we should reform the rule in some way is a question that required the careful thought and consideration of the Committee. After deliberating over H.R. 3423, the Committee found it quite difficult to find justification to distinguish between sacrifices and contributions to the Nation of a career reservist and those of an active duty servicemember. There are increasingly dynamic and pressing demands on today's modern military. As such, I believe strongly that our active duty and reserve forces should share equally when it comes to America's grateful show of final respects.

Similarly, I feel strongly that no reasonable grounds for distinction exist between the deaths of our active duty servicemembers and the deaths of our reservists who are engaged in active duty or inactive duty training. There is no question in my mind that a member of America's military who is killed in the line of duty deserves a hero's burial at Arlington National Cemetery. Moreover, the various military and veterans' organizations that appeared before the Committee at our hearing on H.R. 3423 were unanimously in favor of this provision of the bill.

Madam Speaker, on the morning of September 11, 2001, America experienced several tragic terrorist attacks in which thousands of civilians and military servicemembers perished. The terrorist attacks of September 11th were attacks against the United States and its citizens. They were acts of war that defined a day of violence, of horror and of profound sadness that can never be forgotten. It was also the greatest single loss of human life on American soil that we have ever had to endure in our history.

The victims of the terrorist attacks are heroes in every sense of the word. As ordinary people on an ordinary day, each would go on to display great courage in the face of disparity and unthinkable violence. Through our memories of them and their ultimate sacrifices, they live on to lead our current war against a faceless enemy.

H.R. 3423 is dedicated to honoring some of America's heroes. Whether at Arlington National Cemetery, or at one of our many other national, state or private cemeteries that span the globe, this Nation has chosen through time to honor its heroes with proper resting grounds and grateful recognition of their contributions and sacrifice.

In light of America's recent tragedies, I offered an amendment to H.R. 3423 during the Committee's markup of the bill that was subsequently passed and made part of the bill. As it has now been amended, H.R. 3423 provides discretionary authority to the Secretary of the Army for constructing and placing a memorial within the Arlington National Cemetery to honor all innocent victims who lost their lives in the terrorist attacks against the United States on September 11, 2001.

As the Ranking Democratic Member of the Veterans Affairs Committee and a member of the Armed Services Committee, I consider Arlington National Cemetery to be especially appropriate for this purpose as hundreds of the thousands who were killed on that day were active duty servicemembers and veterans. Under current law, memorials at Arlington are largely restricted to honoring military history. Congress has provided for a number of exceptions to this restriction, however, in order to memorialize the victims of extraordinarily tragic events in America's history. For example, Congress provided for the placement of memorials at Arlington in honor of the crew of the space Shuttle *Challenger*, as well as the victims of Pan Am Flight 103 who were lost to terrorism over Lockerbie, Scotland.

In remembering the tragedies of September 11, the Nation will undoubtedly choose to memorialize its victims in countless and different ways. President Bush acknowledged on Tuesday of last week that permanent memorials would surely be constructed in their honor. I agree with the President, and I believe we should act today to move forward toward achieving this goal. Arlington National Cemetery is an entirely fitting option for the placement of one such memorial for the victims of the tragedies of September 11.

I strongly urge my colleagues to support H.R. 3423, as amended.

DECEMBER 18, 2001.

To: House Veterans' Affairs Committee Attention: Deborah Smith

From: Lawrence Kapp Analyst in National Defense Foreign Affairs, Defense, and Trade Division

Subject: Definitions of Inactive Duty For Training and Active Duty For Training

This memorandum is written in response to your request for a definition of ''Inactive Duty Training'' (IDT) and ''Active Duty for Training'' (ADT) as the terms are used in reference to the training status of military reservists. In accordance with your request, the definitions provided are general ones suitable for the non-specialist. I have also attached an extract from DoD Directive 1215.6, Uniform Reserve, Training, and Retirement Categories, which provides more comprehensive definitions.

Inactive Duty Training is training conducted by members of the Selected Reserve[1] when they are not on active duty. This type of training is often referred to as ''drill,'' and is usually conducted one weekend per month. Typical duties include individual task training, collective task training, and completion of administrative requirements. Less frequently, IDT is used to support the operational missions of the active component.

Active Duty for Training (ADT) is one of several different types of active duty. ADT is typically used to fulfill individual or unit training requirements for reservists. For example, a reservist who is sent to a military school to become qualified in a specific military occupational speciality would normally attend the school in an ADT status. An important type of ADT for members of the Selected Reserve is Annual Training (AT), sometimes referred to colloquially as ''summer camp.'' Members of the Selected Reserve are usually required to participate in AT for two weeks each year.

If you have further questions about training categories for reservists, please do not hesitate to call me at 202–707–7609.

E1. ENCLOSURE 1 DEFINITIONS

E1.1.1. Active Duty (AD). Full-time duty in the active military service of the United States. It includes full-time training duty, annual training duty, and attendance, while in active military service, at a school designated as a service school by law and the Secretary of the Military Department concerned. It does not include full-time National Guard duty. For the RC, AD is comprised of the categories ADT and ADOT.

E1.1.2. Active Duty for Special Work (ADSW). A tour of AD for Reserve personnel authorized from military or Reserve personnel appropriations for work on AC or RC programs (ADSW-AC funded or ADSW-RC funded). The purposes of ADSW is to provide the necessary skills manpower assets to support existing or emerging requirements. By policy, ADSW tours are normally limited to 139 days, or less, in one fiscal year. Tours exceeding 180 days are accountable against AC or AGR end strength IAW 10 U.S.C. 115 (reference (d)), unless specifically provided for in public law. Training may occur in the conduct of ADSW.

E1.1.3. Active Duty for Training (ADT). A category of AD used to provide structured

individual and/or unit training, or educational courses to RC members. Included in the ADT category are AT, IADT, and OTD. The primary purpose of ADT is to provide individual and/or unit readiness training, but ADT may support AC missions and requirments; i.e., operational support, thereby adding substance to the Total Force.

E1.1.4. Active Duty Other than for Training (ADOT). A category of AD used to provide RC support to either AC or RC missions. It includes the categories of ADSW, AGR duty, and involutionary AD IAW Sections 12301, 12302, and 12304 of reference (d) and 14 U.S.C. 712 (reference (f)). Training may occur in the conduct of ADOT.

E1.1.5. Active Guard and Reserve (AGR) Duty. AD performed by a member of an RC of the Army, Navy, Air Force, or Marine Corps, Coast Guard, or FTNGD performed by a member of the National Guard under an order to AD or FTNGD for a period of 180 consecutive days or more for organizing, administering, recruiting, instructing, or training the Reserve components. Personel performing such duty are included in the Full Time Support numbers for each RC under the collective title of AGR. This includes Navy Training and Administration of Reserves, Marine Corps Active Reserves, Reserves, and Coast Guard Reserve Program Administrators.

E1.1.6. Annual Training (AT). It is the minimum period of training that Reserve members must perform each year to satisfy the training requirements associated with their RC's assignment. The primary purpose of AT is to provide individual and/or unit readiness training, but AT may support AC missions and requirements; i.e., operational support, thereby adding substance to the Total Force.

E1.1.7. Contributory Support. Support to military operations or missions, other than war or contingency operations, provided by members or units of the RCs.

E.1.1.8. Full-Time National Guard Duty (FTNGD). Training or other duty, other than inactive duty, performed by a member of the ARNGUS or the ANGUS in a member's status as a member of the National Guard of a State territory, the Commonwealth or Puerto Rico, or the District of Columbia as described in 10 U.S.C. 101(d)(5) of reference (d). FTNGD is active service IAW Section 101(d)(3) of reference (d).

E1.1.9. Inactive Duty Training (IDT). Authorized training performed by members of an RC not on AD, and performed in connection with the prescribed activities of the RC, of which they are a member. It consists of regularly scheduled unit training periods, ATPs, and equivalent training as defined in DoD Instruction 1215.19 (reference (e)). The primary purpose of IDT is to provide individual and/or unit readiness training, but IDT may support AC missions and requirements, i.e., operational support, thereby adding substance to the Total Force. IDT also encompasses muster duty, in the performance of the annual screening program.

E1.1.10 Inital Active Duty Training (IADT). Training that provides basic military training and technical skill training required for all enlisted accessions. Provisions regarding IADT for non-prior Service persons, enlisted members receiving stipends under the Armed Forces Health Professions Stipend Program for Reserve Service, and all other enlistees and/or inductees are provided in reference(e).

E1.1.11. Involuntary Active Duty. Duty used in support of military operations when it is determined by the President or the Congress that RC forces are required to augment the AC. It is provided for within the provisions of Sections 12301 and 12302 of reference (d) for full and partial mobilization, respectively, Section 12304 of reference (d) for Presidential Selected Reserve Call-Up authority, and 14 U.S.C. 712 (reference (f)) for Secretary of Transportation Coast Guard Reserve call-ups for domestic emergencies. For other purposes, Secretaries concerned may order members involuntarily to AD IAW provisions of Section 12301(b) or 12303 of reference (d).

E1.1.12. Muster Duty (MD). A special category of IDT. Meets the continuous screening requirement established by Section 10149 of reference (d). A member of the Ready Reserve may be ordered without his consent to MD one time a year by an authority designated by the Secretary concerned IAW Section 12319 of reference (d).

E1.1.13. Other Training Duty (OTD). Training, other than IADT or AT, that provides all other structured training, to include on the job training, for individuals or units to enhance proficiency. OTD is authorized to provide for full-time attendance at organized and planned specialized skill training, refresher and proficiency training, and professional development education programs. It provides RC members with necessary skills and disciplines supporting RC missions. It should provide a primary training content to the recipient. The primary purpose of ODT is to provide individual and/or unit readiness training, but ODT may support AC missions and requirements; i.e., operational support, thereby adding substance to the Total Force.

E1.1.14. Reserve Component Categories (RCC). Categories identifying an individual's status in an RC. The three RCCs are Ready Reserve, Standby Reserve, and Retired Reserve. Each RC member is identified by a specific RCC designation.

E1.1.15. Training and Retired Categories (TRC). Categories identifying (by specific TRC designator) an RC member's training or retirement status in an RCC and an RC.

Madam Speaker, I reserve the balance of my time.

Mr. SMITH of New Jersey. Madam Speaker, I yield such time as he may consume to the distinguished gentleman from New York (Mr. GILMAN), the dean of the New York delegation.

Mr. GILMAN. Madam Speaker, I thank the gentleman from New Jersey (Mr. SMITH) for yielding me the time.

Madam Speaker, I rise in strong support of H.R. 3423, amending current eligibility requirements for certain veterans to be buried at Arlington National Cemetery, and I want to commend the gentleman from New Jersey (Mr. SMITH), our distinguished chairman of our Committee on Veterans' Affairs, who does so much for our veterans, and the gentleman from Illinois (Mr. EVANS), ranking minority member, for bringing this legislation before us this evening.

This legislation will make eligible for burial at Arlington Cemetery a member or former member of a reserve component of the Armed Forces who, at the time of death, was below the age of 60, who but for his or her age would have been eligible for military retired pay under U.S. Code Title X.

Moreover, the measure also extends eligibility to the member's dependents. This bill also makes eligible for burial at Arlington National Cemetery a member of a reserve component of the Armed Forces who dies in the line of duty while on active duty for training or inactive duty training.

H.R. 3423 further authorizes the Secretary of the Army to construct a memorial at Arlington National Cemetery honoring the victims of the terrorist attacks against the United States on September 11, and in this time when our courageous, dedicated, brave men and women are fighting for our Nation's freedom overseas, it is extremely important that we ensure those who have made the ultimate sacrifice are properly honored.

Accordingly, I urge my colleagues to support this vital veterans legislation.

Mr. EVANS. Madam Speaker, I yield as much time as she may consume to the gentlewoman from Indiana (Ms. CARSON) for any remarks she may make.

Ms. CARSON of Indiana. Madam Speaker, I thank the gentleman from New Jersey (Mr. SMITH), the honorable chairman, and certainly the gentleman from Illinois (Mr. EVANS), the ranking member, for doing a yeoman's job in behalf of those who are certainly deserving of congressional attention and support today bringing forth H.R. 3423, the Arlington National Cemetery bill.

□ 1830

Captain Burlingame, a former Navy pilot and reservist, served his time well on behalf of these United States. This legislation, like the Constitution when it was written, was amended on several occasions, once we realized as a Nation that something was awry and needed to be addressed. Such is the same case with the Arlington National Cemetery, which received its designation on June 15, 1864, as a military cemetery to hold the Civil War dead. Subsequent to that, Madam Speaker, there have been others who were not a part of the Civil War who have been allowed to be buried in Arlington National Cemetery.

This particular legislation, I would trust, as we give homage to Mr. Burlingame, and certainly embrace the family that he so tragically and suddenly left behind, to his widow and to his children, a special commendation would be in order here on behalf of Captain Burlingame. That is why we believe that it is imperative that we modify the age requirement for those whose remains rest at Arlington Cemetery. And I would encourage those of us who are still blessed to have an opportunity to speak here today would be enthusiastically supportive of this measure and to reiterate our strong prayers and sympathy for the family that Captain Burlingame left behind.

While we cannot remove the pain and the horror that emitted from September 11, this is one act that we can at least do as Members of Congress to ensure the rightful placement of Captain Burlingame's remains in the Arlington National Cemetery.

Madam Speaker, I encourage unanimous support of this measure and also commend the ranking member for his successful amendment in terms of a monument at Arlington National Cemetery in recognition of all of those who prematurely lost their lives on September 11.

Mr. SMITH of New Jersey. Madam Speaker, I reserve the balance of my time.

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

Mr. SMITH of New Jersey. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 3423, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SMITH of New Jersey. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

LIVING AMERICAN HERO APPRECIATION ACT

Mr. SMITH of New Jersey. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 2561) to increase the rate of special pension for recipients of the Medal of Honor, to authorize those recipients to be furnished an additional medal for display purposes, to increase the criminal penalties associated with misuse or fraud relating to the Medal of Honor, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2561

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Living American Hero Appreciation Act''.

SEC. 2. INCREASE IN RATE OF SPECIAL PENSION FOR MEDAL OF HONOR RECIPIENTS AND RETROACTIVITY OF PAYMENTS TO DATE OF ACTION.

(a) INCREASE IN SPECIAL PENSION.—Section 1562(a) of title 38, United States Code, is amended by striking ''a special pension at the rate of'' and all that follows through the period at the end and inserting ''a special pension, beginning as of the first day of the first month that begins after the date of the act for which that person was awarded the Medal of Honor. The special pension shall be at the rate of $1000, as increased from time to time under section 5312(a) of this title.''.

(b) COST OF LIVING ADJUSTMENT.—Section 5312(a) of such title is amended by inserting after ''children,'' the following: ''the rate of special pension paid under section 1562 of this title,''.

(c) LUMP SUM PAYMENT FOR EXISTING MEDAL OF HONOR RECIPIENTS.—The Secretary of Veterans Affairs shall, within 60 days after the date of the enactment of this Act, make a lump sum payment to each person who is, immediately before the date of the enactment of this Act, in receipt of the pension payable under section 1562 of title 38, United States Code (as amended by subsection (a)). Such payment shall be in the amount equal to the total amount of special pension that the person would have received had the person received special pension during the period beginning as of the first day of the first month that began after the date of the act for which that person was awarded the Medal of Honor and ending with the last day of the month preceding the month that such person's special pension in fact commenced. For each month of such period, the amount of special pension shall be determined using the rate of special pension that was in effect for that month.

SEC. 3. CRIMINAL PENALTY FOR UNAUTHORIZED PURCHASE OR POSSESSION OF MEDAL OF HONOR OR FOR FALSE PERSONATION AS A RECIPIENT OF MEDAL OF HONOR.

(a) UNAUTHORIZED PURCHASE OR POSSESSION.—Section 704 of title 18, United States Code, is amended—

(1) in subsection (a) by striking ''IN GENERAL.—Whoever'' and inserting ''IN GENERAL.—Except as provided in subsection (b), whoever''; and

(2) by amending subsection (b) to read as follows:

''(b) MEDAL OF HONOR.—

''(1) IN GENERAL.—Whoever knowingly wears, possesses, manufactures, purchases, or sells a Medal of Honor, or the ribbon, button, or rosette of a Medal of Honor, or any colorable imitation thereof, except when authorized under regulations made pursuant to law, shall be fined under this title or imprisoned not more than one year, or both.

''(2) DEFINITIONS.—As used in this subsection:

''(A) The term 'Medal of Honor' means—

''(i) a medal of honor awarded under section 3741, 6241, or 8741 of title 10 or under section 491 of title 14;

''(ii) a duplicate medal of honor issued under section 3754, 6256, or 8753 of title 10 or under section 504 of title 14; or

''(iii) a replacement of a medal of honor provided under section 3747, 6253, or 8751 of title 10 or under section 501 of title 14.

''(B) The term 'sells' includes trades, barters, or exchanges for anything of value.''.

(b) FALSE PERSONATION.—(1) Chapter 43 of such title is amended by adding at the end the following new section:

''§ 918. Medal of honor recipient

''(a) Whoever falsely or fraudulently holds himself out as having been, or represents or pretends himself to have been, awarded a medal of honor shall be fined under this title or imprisoned not more than one year, or both.

''(b) As used in this section, the term 'medal of honor' means a medal awarded under section 3741, 6241, or 8741 of title 10 or under section 491 of title 14.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''918. Medal of honor recipient.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SMITH) and the gentleman from Illinois (Mr. EVANS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise this afternoon in strong support of H.R. 2561, which increases to $1,000 per month the special pension payable to those veterans who have been awarded the Congressional Medal of Honor.

To date, 3,455 Medals of Honor have been awarded for 3,450 separate acts of heroism. There are today 149 living recipients of this highest of awards. Fifty-five percent of the living recipients earned their medals more than 50 years ago while serving in World War II or in Korea.

In April of 1916, Madam Speaker, monetary benefits were first established for Medal of Honor recipients in the amount of $10 per month. In 1961, the rate was increased to $100, and not increased again until 1978. Public Law 95–469 increased this pension to $200. The Medal of Honor pension remained at $200 until 1993, when it was increased to $400 in Public Law 103–161. Congress again increased the pension to $600 in 1998.

Madam Speaker, the Medal of Honor is the highest award for military valor that can be bestowed upon an individual serving in our Armed Forces. It is only fitting that living recipients, who are real heroes, be accorded this special recognition for the most supreme acts of bravery and sacrifice for our country.

Madam Speaker, I want to commend the gentleman from Pennsylvania (Mr. WELDON), the prime sponsor of this bill, for introducing it, for having the sensitivity to our great war heroes, and the great need that they have for this kind of recognition. It is a good bill.

Madam Speaker, I reserve the balance of my time

Mr. EVANS. Madam Speaker, I yield myself such time as I may consume; and I am pleased to support H.R. 2561, the Living American Hero Appreciation Act. The bill was crafted to demonstrate our unequivocal support for Medal of Honor recipients, and I urge my colleagues to join me in doing this today.

In the name of the Congress, the President presents the Medal of Honor. It is the highest honor that can be bestowed on any American citizen. Only 3,455 Americans have been awarded Medals of Honor, and today only 149 of them are still living.

As the ranking Democrat on the Committee on Veterans' Affairs, as a senior member of the Committee on Armed Services, and as a United States Marine, I feel strongly that these heroes represent a rare breed. Their vigilant contributions must be honored and supported by all Americans.

Accordingly, I am pleased that this measure would increase from $600 to $1,000 the monthly amount paid to the recipients of the Medal of Honor. In addition, the bill will provide an additional medal for use in display or exhibits to those recipients who desire one. The bill would also permit space-available travel for medal recipients and their accompanying spouses, and directs the Secretary of Veterans Affairs to grant appropriated amounts for the Congressional Medal of Honor Society in order to operate that society's primary office.

H.R. 2561 would also provide criminal penalties for the unauthorized purchase or possession of a medal and also for making a false representation as a medal recipient. This bill deserves the support of all our colleagues.

Madam Speaker, I reserve the balance of my time.

Mr. SMITH of New Jersey. Madam Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. WELDON), the author of the pending legislation.

Mr. WELDON of Pennsylvania. Madam Speaker, I thank my good friend and colleague and leader, the gentleman from New Jersey (Mr. SMITH), for his outstanding work on this bill, and my good friend and colleague, the gentleman from Illinois (Mr. EVANS), who is also a colleague on the Committee on Armed Services, for his great work on behalf of our veterans and on behalf of our military.

This is an important piece of legislation; and this Congress has really stood up, under the chairman and ranking member's leadership, to help out our veterans and our military. I am proud that this year, even though we had some terrible tragedies here in our country, that we are finally recognizing the true heroes in America. Because they are not in Hollywood, they are not on our ball fields, they are not in our State capitals, or even here in Washington. Our real heroes are the men and women who serve this country every day, either in the military or in our domestic support operations, our fire and EMS community.

When the defense bill passed this past week, we in fact authorized $900 million a year of new money to help our domestic heroes, our fire and EMS personnel. This bill completes the story by allowing us to finally provide the appropriate recognition for our Congressional Medal of Honor winners.

I was approached by the Society of the Congressional Medal of Honor recipients earlier this year with some frustrations they had had. One was that medals had in fact been stolen in the past, and there was not an appropriate level of jurisprudence for us to hold those people accountable who in fact had stolen medals. In fact, 5 years ago, we actually had a company produce false medals. This bill corrects that.

Second, there was a statement of a need to provide for a second medal so that Medal of Honor recipients can go out and tell their story. They can go to schools and speak on college campuses, to civic groups, and still have that medal back home. So they have two of the appropriate medals. This bill takes care of that.

Finally, it increases the stipend for the Medal of Honor recipients, because these are people that we should be encouraging to go out and speak to our young people. These are the real American heroes in this country. This bill provides an increase in their stipend and encourages them to go out and tell their story.

I am disappointed we could not get the approval from one of our committees to add a provision that would have allowed spouses to travel on space available on our military planes. But we will come back and fight that battle in another session. This bill does in fact show that our Congressional Medal of Honor recipients are the true heroes and that this Congress is responding to the work they have done on behalf of our country.

It is essential for me to acknowledge that without the persistent encouragement of two people, two patriotic Marines, Wally Nunn, my good friend, living in my sixth district, who is in fact the chairman of the board of the society, and Mike Linquist, the staff director, if they had not been involved, this bill would not be here today. And to all those who have received the Medal of Honor, and their families, we say, Job well done. We're proud of your work.

Madam Speaker, I will place into the RECORD the story of two great heroes, Secretary Barney Barnum and retired Major General Jim Livingston, and the actions that caused them to receive this highest award that America offers.

At a place called Ky Phu in the Quang Tin Province of Vietnam, the now Secretary Barney Barnum along with his company were engulfed in severe enemy fire and cut off from the remainder of the battalion. With his friends dying around him, then Lieutenant removed the radio from the dead operator and assumed command of the rifle company. Moving into the midst of heavy fire, he reorganized the replacement of lost personnel and led the successful counterattack on enemy positions. After clearing an area and ordering the landing of transport helicopters for the evacuation of the dead and wounded, he joined those remaining in securing the area and seizing the battalion's objective.

Three years later, Retired Major General Jim Livingston, the then commanding officer of E Company, led an assault on the heavily fortified village of Dai Do. The Captain maneuvered and encouraged his men to assault enemy positions across 500 meters of open rice paddy while under intense fire. Despite being wounded twice by grenade fragments, he led an attack that destroyed over 100 mutually supporting bunkers and emplacements around the village, but all was not done. After another company was suffering a damaging counterattack by the enemy, Jim Livingston and his men came to their support. Although wounded a third time and unable to walk, he remained in the not yet secure area to organize the safe evacuation of his men.

Mr. EVANS. Madam Speaker, I yield such time as she may consume to the gentlewoman from Nevada (Ms. BERKLEY).

Ms. BERKLEY. Madam Speaker, first I would like to thank the chairman and the ranking member of the Committee on Veterans' Affairs for bringing this bill to the floor for a vote.

I rise today in strong support of H.R. 2561, the Living American Hero Appreciation Act. This legislation pays tribute to some of our Nation's bravest veterans, Medal of Honor recipients, by increasing their monthly special pension. H.R. 2561 will ensure fair and equal treatment in payment of pensions to all Medal of Honor recipients.

These individuals served our country faithfully and engaged in extraordinary acts of courage and heroism. Many of them gave their lives in preservation of our ideals, our freedom, and our way of life. Each of their stories is unique.

According to Department of Defense records, one Medal of Honor recipient fought alone in the face of enemy fire to prevent a surprise attack against the United States troops. Another Medal of Honor recipient put himself directly in the line of sniper fire while attempting to rescue a downed helicopter pilot and his crew.

Today, there are 151 living Medal of Honor recipients, and they are all truly special individuals. They deserve our gratitude, and I am pleased that today this House is taking steps to ensure that they receive fair pension pay.

Mr. SMITH of New Jersey. Madam Speaker, I yield 2 minutes to the distinguished gentleman from New York (Mr. GILMAN).

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

I am pleased today to rise to urge support for H.R. 2561, the Living American Hero Appreciation Act, a bill which was introduced by the gentleman from Pennsylvania (Mr. WELDON), which I cosponsored, and which increases from $600 to $1,000 the monthly special pension for Congressional Medal of Honor recipients.

I commend the gentleman from Pennsylvania (Mr. WELDON) for working on this measure and bringing it before us, and I commend too the distinguished chairman of our Committee on Veterans' Affairs, the gentleman from New Jersey (Mr. SMITH), and the ranking committee member, the gentleman from Illinois (Mr. EVANS), for their support.

H.R. 2561 makes such increases in the monthly special pension retroactive from the date the medal was awarded, and makes such amounts subject to an annual cost-of-living adjustment. It

also directs the Secretary of Veterans Affairs to make a lump sum payment to existing medal recipients for any retroactive amounts due as a result of this increase.

□ 1845

Moreover, the measure requires an individual awarded a medal, upon request, be issued another medal for display. The measure also requires criminal penalties for any unauthorized purchase or possession of a medal or for false representation as a medal recipient.

It also directs the Secretary to grant to the Congressional Medal of Honor Society appropriated amounts for the operation of its principal office, and directs the Secretary of Defense in providing space-available transportation to a medal recipient for an official Department of Defense activity, and provide such transportation to an accompanying spouse.

Madam Speaker, this measure is long overdue and recognizes the contributions made by the Medal of Honor recipients to secure the freedoms which we cherish in this Nation. I urge my colleagues to fully support this measure.

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

Mr. SMITH of New Jersey. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 2561, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SMITH of New Jersey. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL SHELTON CONGRESSIONAL GOLD MEDAL ACT

Mr. KING. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 2751) to authorize the President to award a gold medal on behalf of the Congress to General Henry H. Shelton and to provide for the production of bronze duplicates of such medal for sale to the public, as amended.

The Clerk read as follows:

H.R. 2751

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''General Shelton Congressional Gold Medal Act''.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) General Henry H. Shelton, Chairman of the Joint Chiefs of Staff, the principal military adviser to the President, the National Security Council, and the Secretary of Defense, has displayed strong leadership, competence, and professionalism in fulfilling his statutory responsibilities throughout Operation Allied Force.

(2) General Shelton and his subordinates brilliantly planned and coordinated at the national level the successful air campaign in support of Operation Allied Force.

(3) General Shelton's leadership, foresight, and determination were directly responsible for ensuring a decisive military victory without a single allied combat casualty in Kosovo in 1999.

(4) As the principal military adviser to the President of the United States, the National Security Council, and the Secretary of Defense, General Shelton's assessments, judgments, recommendations, and determination were invaluable and instrumental in the unprecedented military victory against the forces of Slobodan Milosevic.

(5) General Shelton's distinction as a ''soldier's soldier'', as Chairman of the Joint Chiefs of Staff, and throughout his military service, including command of the Special Operations Command, the 18th Airborne Corps at Fort Bragg, North Carolina, helicopter forces in Operation Desert Storm, and special forces Green Berets in Vietnam, serves as an inspiration to the Congress and the people of the United States, a grateful Nation.

SEC. 3. CONGRESSIONAL GOLD MEDAL.

(a) PRESENTATION AUTHORIZED.—The President is authorized to present, on behalf of the Congress, to General Henry H. Shelton a gold medal of appropriate design in recognition of his performance as a military leader in coordinating the planning, strategy, and execution of the United States and NATO combat action and his invaluable contributions to the United States and to the successful return to peace in the Balkans as Chairman of the Joint Chiefs of Staff.

(b) DESIGN AND STRIKING.—For purposes of the presentation referred to in subsection (a), the Secretary of the Treasury (hereafter referred to in this Act as the ''Secretary'') shall strike a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary.

SEC. 4. DUPLICATE MEDALS.

The Secretary may strike bronze duplicates of the gold medal struck pursuant to section 3, under such regulations as the Secretary may prescribe, and may sell such bronze duplicates at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the cost of the gold medal.

SEC. 5. NATIONAL MEDALS.

Medals struck pursuant to this Act are national medals for purposes of chapter 51 of title 31, United States Code.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS; PROCEEDS OF SALE.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated not to exceed $30,000 to carry out section 3.

(b) PROCEEDS OF SALES.—Amounts received from sales of duplicate bronze medals under section 4 shall be credited to the appropriation made pursuant to the authorization provided in subsection (a).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. KING) and the gentlewoman from New York (Mrs. MALONEY) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. KING).

GENERAL LEAVE

Mr. KING. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation, and insert extraneous material on the bill.

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

There was no objection.

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

Madam Speaker, I rise this evening to urge all Members to support H.R. 2751, the General Shelton Congressional Gold Medal Act which would grant the Congressional Gold Medal to General Hugh Shelton, former chairman of the Joint Chiefs of Staff, in recognition of his long and distinguished service to the Nation.

Madam Speaker, General Shelton was a soldier's soldier throughout his military service, which included command of the Special Operations Command, the 18th Airborne Corps at Fort Bragg, North Carolina, helicopter forces in Operation Desert Storm, and special forces Green Berets in Vietnam.

I want to especially congratulate the gentleman from North Carolina (Mr. ETHERIDGE) for his efforts in bringing this bill to the floor this evening.

Madam Speaker, as chairman of the Joint Chiefs, General Shelton was the principal adviser to the President, the National Security Council, and the Secretary of Defense. In that role, he displayed an extraordinary degree of ability and professionalism. His leadership, foresight and determination were directly responsible for ensuring that proper military force was applied to bring about decisive military victory without a single allied combat casualty in the Kosovo campaign in 1999. General Shelton's career serves as inspiration to the Congress and the people of the United States, which is indeed a grateful Nation. Madam Speaker, I urge adoption of the legislation.

Madam Speaker, I reserve the balance of my time.

Mrs. MALONEY of New York. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in strong support of H.R. 2751, the General Shelton Congressional Gold Medal Act. This bill honors a truly great American hero and military leader.

In October of this year, General Hugh Shelton retired as Chairman of the Joint Chiefs of Staff. The General wore our Nation's uniform for 38 years, and America owes him a special debt of gratitude for his unsurpassed leadership as our senior military officer.

As the principal military adviser to the President and other civilian officials, General Shelton played a key

role in the historic success of Operation Allied Force in extracting the Serbian forces of Slobodan Milosevic from Kosovo. His leadership, foresight and determination were directly responsible for this decisive and historic military victory without a single allied combat casualty. Throughout his near four decades of service to our Nation's military, General Shelton has displayed an admirable dedication to duty and professionalism.

The General Shelton Congressional Gold Medal Act will bestow a fitting tribute to this superior warrior and great American. I urge my colleagues to support H.R. 2751.

Madam Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. ETHERIDGE), and commend the gentleman on his hard work in bringing this important bill to the floor this evening.

Mr. ETHERIDGE. Madam Speaker, I thank the gentlewoman for yielding me this time. I thank the chairman and the ranking member of the Committee on Financial Services for approving this important piece of legislation and getting it to the floor this evening.

Madam Speaker, the two previous bills really set the stage for this piece of legislation this evening because we really are talking about our heroes in this country. I am reminded as we start to talk about this legislation this evening, I remember when I presented General Shelton to the Members of Congress right after he was sworn in as chairman of the Joint Chiefs.

He grew up in what was then my congressional district. North Carolina changed districts in 1998, and his parents now live in the district of the gentlewoman from North Carolina (Mrs. CLAYTON), but I said that evening that General Shelton and I came from areas so small that we would use the adjoining town to determine where we were from, we were from crossroads communities, but that has nothing to do with a man that has risen to the heights of General Shelton.

Madam Speaker, as Members have heard, on October 1, U.S. Army General Henry H. ''Hugh'' Shelton retired as Joint Chiefs of Staff of the United States. General Shelton's retirement capped an extraordinary military career that brought him from the farm fields of eastern North Carolina to the jungles of Vietnam, to Desert Storm and the sands in the Middle East, to the top command of the most powerful military force on the face of the earth.

This bipartisan bill will bestow a fitting tribute to this superior warrior and great American who served our Nation with distinction for 38 years. Henry H. Shelton was born in 1942 in a small, rural crossroads community of Speed, North Carolina. He earned a Bachelor of Science degree from North Carolina State University in my congressional district before going on to earn a Master of Science degree from Auburn University. Having joined ROTC, the Reserve Officer Training Corps, while in college, Hugh Shelton was commissioned as a Second Lieutenant in the infantry in 1963.

General Shelton served two tours of duty in Vietnam, the first with the Fifth Special Forces Group, the second with the 173rd Airborne Brigade, before rising to command the 1st Brigade of the 82nd Airborne Division at Fort Bragg, North Carolina. After promotion to brigadier general, he served with the 101st Airborne Division during his 7-month deployment to Saudi Arabia for Operation Desert Shield and Desert Storm. He returned to Fort Bragg after the Persian Gulf War and commanded the legendary 82nd Airborne Division. He served as Commander-in-Chief of United States Special Forces Command prior to his two tours as Chairman of the Joint Chiefs of Staff. General Shelton's awards, decorations and medals are too numerous to list now, but I include them for the RECORD.

The text of the article is as follows:

GENERAL HENRY H. SHELTON

CHAIRMAN OF THE JOINT CHIEFS OF STAFF

General Henry H. Shelton became the fourteenth Chairman of the Joint Chiefs of Staff on Oct. 1, 1997, and was reconfirmed by the Senate for a second two-year term in 1999. In this capacity, he serves as the principal military advisor to the President, the Secretary of Defense, and the National Security Council. Prior to becoming Chairman, he served as Commander in Chief of the United States Special Operations Command.

Born in Tarboro, North Carolina in January, 1942, General Shelton earned a Bachelor of Science degree from North Carolina State University and a Master of Science degree from Auburn University. His military education includes completion of the Air Command and Staff College and the National War College.

Commissioned a second lieutenant in the Infantry in 1963 through the Reserve Officer Training Corps, General Shelton spent the next 24 years in a variety of command and staff positions in the continental United States, Hawaii, and Vietnam. He served two tours in Vietnam—the first with the 5th Special Forces Group, the second with the 173d Airborne Brigade. He also commanded the 3d Battalion, 60th Infantry in the 9th Infantry Division at Fort Lewis, Washington, served as the 9th Infantry Division's assistant chief of staff for operations, commanded the 1st Brigade of the 82d Airborne Division at Fort Bragg, North Carolina, and served as the Chief of Staff of the 10th Mountain Division at Fort Drum, New York.

Following selection for brigadier general in 1987, General Shelton served two years in the Operations Directorate of the Joint Staff. In 1989, he began a two-year assignment as Assistant Division Commander for Operations of the 101st Airborne Division (Air Assault), a tour that included the Division's seven-month deployment to Saudi Arabia for Operations Desert Shield and Desert Storm. Upon returning from the Gulf War, General Shelton was promoted to major general and assigned to Fort Bragg, North Carolina, where he assumed command of the 82d Airborne Division. In 1993, he was promoted to lieutenant general and assumed command of the XVIIIth Airborne Corps. In 1994, while serving as corps commander, General Shelton commanded the Joint Task Force that conducted Operation Uphold Democracy in Haiti. In March 1996, he was promoted to general and became Commander in Chief of the U.S. Special Operations Command.

General Shelton's awards and decorations include the Defense Distinguished Service Medal (with 2 oak leaf clusters), Distinguished Service Medal, Legion of Merit (with oak leaf cluster), Bronze Star Medal with V device (with 3 oak leaf clusters), and the Purple Heart. He has also been awarded the Combat Infantryman Badge, Joint Chiefs of Staff Identification Badge, Master Parachutist Badge, Pathfinder Badge, Air Assault Badge, Military Freefall Badge, and Special Forces and Ranger Tabs.

General Shelton is married and has three sons.

Madam Speaker, General Shelton's leadership helped transform our Nation's military into the versatile power projector the world has witnessed in Afghanistan. General Shelton is a genuine American hero, and Congress has the opportunity to act this evening on this appropriate honor. H.R. 2751 is virtually identical to the legislation I introduced earlier, and virtually identical to legislation that was passed almost a decade ago honoring another Chairman of the Joint Chiefs, General Colin Powell, who is now our Secretary of State, and later it was awarded to General Norman Schwarzkopf.

Madam Speaker, I want to thank my many colleagues on both sides of the aisle who have worked with me over the past 2 years to bring this bill to the floor. I urge this House to pass this piece of legislation this evening to honor a great American.

Mr. KING. Madam Speaker, I yield such time as he may consume to the gentleman from New York (Mr. GILMAN), the chairman emeritus of the Committee on International Relations.

Mr. GILMAN. Madam Speaker, I am pleased to rise in strong support of H.R. 2751 which authorizes the President to award the Congressional Gold Medal on behalf of the Congress to a good friend and an exceptional soldier, General Henry ''Hugh'' Shelton, the 14th Chairman of our Joint Chiefs of Staff.

On October 1, 2001, General Shelton concluded his second term as the principal military adviser to the President, the Secretary of Defense, and to the National Security Council. Madam Speaker, during his distinguished career, General Shelton served in a variety of command and staff positions in the United States and abroad, as a combat veteran of Vietnam and the Gulf War. During his two tours in Vietnam, he served with the 5th Special Forces Group and with the 173rd Airborne Brigade. It was during his service in Vietnam where he earned the Purple Heart.

A testament to General Shelton's exceptional leadership and his commitment to the Nation, was his meteoric

rise through the Army's general officer ranks from brigadier general through general in 9 years. Madam Speaker, General Shelton sought and received the largest across-the-board pay increases for the military in nearly 2 decades, pushed for greater salary increases for mid-grade noncommissioned officers, and instituted a retirement reform package that reinstated benefits for those who entered our Nation's military after 1986. He implemented an enhanced housing allowance that gradually eliminated out-of-pocket expenses for service members living off their post or base, and advocated for medical health care reform which made health care more responsive to the needs of our military and their families, and included military retirees over the age of 65.

During General Shelton's distinguished career, he was awarded numerous awards and decorations, including the Defense Distinguished Service Medal with two oak leaf clusters, and Distinguished Service Medal, the Legion of Merit, the Bronze Star with V device with three oak leaf clusters, and a Purple Heart for injuries received during combat in Vietnam.

During his tenure as the 14th Chairman of the Joint Chiefs of Staff, General Shelton served our Nation with honor and distinction. And while he may have served as a senior military officer and operated at the highest levels of government, he never lost touch with his men and women in uniform, and no matter how busy or overcommitted he was, he always made time to assist others.

While H.R. 2751 authorizes the President to confer the Congressional Gold Medal on General Shelton, it also is conferred on his family for their support. General Shelton's wife, Carolyn, deserves our recognition and thanks for her hard work, tireless efforts, her dedication and support of our military families during her service to our Nation. General and Mrs. Shelton's three sons, Jonathan, Jeffrey and Mark, deserve our thanks for supporting their father during his distinguished service.

Madam Speaker, I urge my colleagues to join in expressing our gratitude to General Henry ''Hugh'' Shelton, the 14th chairman of our Joint Chiefs of Staff by supporting this measure and authorizing the President to award the Congressional Gold Medal to a superb leader, a quiet, diplomat warrior, a gentleman in the truest sense of the word, and a true friend of our great Nation.

□ 1900

Mrs. MALONEY of New York. Madam Speaker, I reserve the balance of my time.

Mr. KING. Madam Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Madam Speaker, I thank the gentleman for yielding me this time. I want to say to my friend, the gentleman from North Carolina (Mr. ETHERIDGE), one of my colleagues, that I fully support his H.R. 2751.

Madam Speaker, I am from eastern North Carolina. I am from a small area in rural America. My county of Pitt County actually connects with the county where General Shelton was from, Edgecombe County, a little town called Speed. I think if I wanted to make my comment for the record tonight, which we all have talked about his outstanding military record, and it is outstanding, there is no question about it, but the fact is that Hugh Shelton came from rural America where they fully understand the values of family, church and patriotism and dedication to this great Nation known as the United States of America. General Shelton, quite frankly, takes great pride in the fact, and I am sure that the gentleman from North Carolina (Mr. ETHERIDGE) mentioned this, that he is a graduate of NC State University, and he distinguished himself there as a student and also as he was in the ROTC program.

As Chairman GILMAN said, I have been on the Committee on Armed Services for 7 years, going on my eighth year now. Most of us on the Committee on Armed Services, both parties, we fully work together in a very bipartisan way for the good of our military. When you look at the leadership that General Shelton brought to the Armed Forces, in particular the Army, and then when he became Chairman of the Joint Chiefs, that he could be the leader to remind the Congress, quite frankly, that our men and women in uniform deserve the very best. He was a strong advocate for the men and women in uniform.

As has been mentioned by the gentleman from North Carolina (Mr. ETHERIDGE) and the gentleman from New York (Mr. GILMAN), General Shelton fully understood the quality-of-life issues that many in this Nation take for granted when we talk about our military. We must do more. That is what General Shelton fought for, to make sure that the men and women in uniform had the very best housing and adequate housing possible. He also was one who led the fight here in the Congress when he appeared before the committees on pay increases, that our men and women in uniform need to have the very best pay possible, because these are the men and women when called upon that will give their life for this Nation, like they are doing now in Afghanistan and other parts of the world.

I really cannot add a whole lot to what has been said already. General Shelton is very deserving of this award, should the Congress, which I am sure we will 100 percent, decide that he should be recognized in this way. I want to say to General Shelton and his family that he has been a great soldier for the United States of America, he has been a great leader of our military for the United States of America, and his service to this Nation will be long remembered.

I would just like to say to General Shelton, thank you for your leadership in wartime; thank you for your leadership in peace. God bless General Shelton and his family and God bless America.

Mr. KING. Madam Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. HAYES).

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

Today we are honoring a great American. I am proud to support this legislation that will award General Shelton the Congressional Gold Medal.

General Henry H. Shelton was born and raised in Edgecombe County, North Carolina. As Chairman of the Joint Chiefs of Staff, General Henry H. Shelton advised President Clinton and was his principal military strategist. He also played a great role in the air war in Kosovo in 1999. As a North Carolinian, I am most proud to say that General Shelton commanded both the 18th Airborne Corps and Special Operations Command in my district at Fort Bragg, North Carolina. General Shelton is distinguished as a ''soldier's soldier'' and time and time again has displayed an extraordinary degree of leadership, competence, and professionalism.

While it is right and appropriate that we recognize the service to our Nation that the General has performed today in Congress, I have also been working on commemorating him down home in my district in North Carolina right at Fort Bragg. Folks at Fort Bragg think of him as one of their own. In order to properly keep his legacy alive, it is proper to recognize him at Fort Bragg. That is why I worked to include language in the defense authorization bill for the fiscal year 2002 that was passed just this past Thursday to name a soldier support center currently being renovated on post in General Shelton's honor. So today while we honor General Hugh Shelton with the Congressional Gold Medal, we can be certain that the troops he led and commanded at Fort Bragg will also remember this great American.

I am proud that today we are recognizing the accomplishments and service of General Hugh Shelton and commemorate General Shelton for his dedication and selfless contribution to our great Nation.

I thank the gentleman from North Carolina (Mr. ETHERIDGE) for bringing this forward.

Mrs. MALONEY of New York. Madam Speaker, I yield such time as he may

consume to the gentleman from North Carolina (Mr. MCINTYRE).

Mr. MCINTYRE. Madam Speaker, General Shelton is a man of concern, commitment, and courage. His concern for freedom and family and faith led him in his desire to join the ROTC when he was a young man at North Carolina State University. His commitment to God and to his country and to his fellow man led to his staying in the U.S. Army not only after college but, as we all know, for quite a long and distinguished career. His courage to withstand the assaults upon liberty and freedom as a general throughout serving all the ranks in the Army as well as ultimately serving as Chairman of the Joint Chiefs of Staff led him to serve the United States of America with character and integrity, a testimony both to his Christian faith and to his unselfish sense of public service.

We in the United States Congress should be pleased to have this opportunity to stand with a man who has stood for what America is all about through his concern, his commitment, and his courage.

May God bless us with more leaders like Hugh Shelton, and may we honor General Shelton here tonight with this legislation that is pending before us.

Mrs. MALONEY of New York. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

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

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from New York (Mr. KING) that the House suspend the rules and pass the bill, H.R. 2751, as amended.

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

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 2751, GENERAL SHELTON CONGRESSIONAL GOLD MEDAL ACT

Mr. KING. Madam Speaker, I ask unanimous consent that in the engrossment of the bill (H.R. 2751) the Clerk be authorized to correct section numbers, punctuation, and make such other technical and conforming changes as may be necessary to reflect the actions of the House.

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

There was no objection.

AMENDING PUBLIC HEALTH SERVICE ACT WITH RESPECT TO ORGAN PROCUREMENT ORGANIZATIONS

Mr. BILIRAKIS. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3504) to amend the Public Health Service Act with respect to qualified organ procurement organizations.

The Clerk read as follows:

H.R. 3504

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 371(b)(1) of the Public Health Service Act (42 U.S.C. 273(b)(1)) is amended by striking subparagraph (D) and all that follows and inserting the following:

''(D) notwithstanding any other provision of law, has met the other requirements of this section and has been certified or recertified by the Secretary as meeting the performance standards to be a qualified organ procurement organization through a process that granted certification or recertification with such certification or recertification in effect as of January 1, 2000, and remaining in effect through the completion of certification or recertification, no earlier than July 31, 2004, as is defined through regulations that are promulgated by the Secretary that—

''(i) require recertifications of qualified organ procurement organizations not more frequently than once every 4 years,

''(ii) rely on outcome and process performance measures that are based on empirical evidence, obtained through reasonable efforts, of organ donor potential and other related factors in each service area of qualified organ procurement organizations,

''(iii) use multiple outcome measures as part of the certification process, and

''(iv) provide for a qualified organ procurement organization to appeal a decertification to the Secretary on substantive and procedural grounds,

''(E) has procedures to obtain payment for non-renal organs provided to transplant centers,

''(F) has a defined service area that is of sufficient size to assure maximum effectiveness in the procurement and equitable distribution of organs, and that either includes an entire metropolitan statistical area (as specified by the Director of the Office of Management and Budget) or does not include any part of the area,

''(G) has a director and such other staff, including the organ donation coordinators and organ procurement specialists necessary to effectively obtain organs from donors in its service area, and

''(H) has a board of directors or an advisory board which—

''(i) is composed of—

''(I) members who represent hospital administrators, intensive care or emergency room personnel, tissue banks, and voluntary health associations in its service area,

''(II) members who represent the public residing in such area,

''(III) a physician with knowledge, experience, or skill in the field of histocompatibility or an individual with a doctorate degree in a biological science with knowledge, experience, or skill in the field of histocompatibility,

''(IV) a physician with knowledge or skill in the field of neurology, and

''(V) from each transplant center in its service area which has arrangements described in paragraph (3)(G) with the organization, a member who is a surgeon who has practicing privileges in such center and who performs organ transplant surgery,

''(ii) has the authority to recommend policies for the procurement of organs and the other functions described in paragraph (3), and

''(iii) has no authority over any other activity of the organization.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. BILIRAKIS) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. BILIRAKIS).

GENERAL LEAVE

Mr. BILIRAKIS. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material on the bill.

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

There was no objection.

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

Madam Speaker, today I rise in support of H.R. 3504, a bill to clarify certification requirements for organ procurement organizations, OPOs as we refer to them. Last Congress, the House of Representatives approved a bill to address concerns regarding our national organ transplant system. As we all know, we do not have enough organs in this country to satisfy the needs of those awaiting a transplant. This legislation recognized the importance of the vital network of organ procurement organizations which are responsible for developing, establishing, and maintaining medical criteria and standards for organ procurement and transplantation.

Today the House will consider legislation to clarify that important measure. Last year's legislation changed the 2-year organ procurement organization certification cycle to a 4-year cycle. Switching to a 4-year cycle allows the OPOs to focus on recovering donated organs. Today's legislation will make a technical change to define the start date for the 4-year OPO certification cycle adopted last year by Congress.

This legislation, Madam Speaker, is important for guaranteeing that the 4-year cycle is implemented as quickly as possible to allow for organ procurement organizations to concentrate on organ donation and on serving those Americans in need of organ transplants. Madam Speaker, this is a technical correction to a very important organ donation bill. I urge my colleagues to join me in supporting H.R. 3504.

Madam Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Madam Speaker, I yield myself such time as I may consume.

Last year Congress passed a bill sponsored by my friend and colleague from New Jersey (Mr. PALLONE), a valuable member of the Subcommittee on Health, to allow organ procurement organizations to better obtain their recertification. Current practice is causing OPOs to lose their certification due to an inaccurate way of assessing their performance. This process is disruptive to obtaining organs and tissue for transplant.

The gentleman from New Jersey's bill corrected the existing problems, ensuring the smooth recertification of these important organizations. But to implement the OPO organization language, the Centers for Medicare and Medicaid Services requested clarification from Congress.

This language, Madam Speaker, will ensure that OPO certification will be conducted fairly and will improve the system of procuring organs for transplant and tissue.

Madam Speaker, I reserve the balance of my time.

Mr. BILIRAKIS. Madam Speaker, I yield such time as he may consume to the gentleman from Louisiana (Mr. TAUZIN), chairman of the Committee on Energy and Commerce.

Mr. TAUZIN. Madam Speaker, I thank the chairman of the subcommittee, the gentleman from Florida (Mr. BILIRAKIS), for the excellent work he has done here and the gentleman from North Carolina (Mr. BURR) and the gentleman from New Jersey (Mr. PALLONE) for putting this important bill together, because this bill literally will protect the operations of the organ donor organizations and continue their certification through the year 2004 or 2005, which is extremely important if we are going to keep up the business by which Americans contribute organs to the ongoing living needs of those who need organ transplants in our society.

This is the season of giving; and while we pass this important bill to improve the organ transplant structure in this country by ensuring the certification of these organizations, I wanted to give you a good Christmas-giving story that is ongoing at this moment.

Just this afternoon, the children of my State in Louisiana, recognizing this incredible time of year when Americans care for one another and appreciate the coming of the Christ child with gifts to one another, the children of my State came together in a very loving and wonderful way. This afternoon at the White House, the Governor of my State, Governor Foster, arrived with the former Speaker of the House, Hunt Downer, who headed up the project, along with National Guardsmen and State troopers who accompanied them with a brand new fire truck that the children of Louisiana raised in the last several months with nickels and dimes and pennies they collected. They forgave the right to Christmas gifts this year, many of them, to contribute to this fund.

This all began when the Governor of our State, Governor Foster, in his weekly live network of talk on radio that he carries on with the citizens of my State was delivered with the suggestion that the State do this as a gesture of our support in Louisiana for the victims of the awful atrocities that occurred here in Washington and in Pennsylvania and, of course, most dramatically in New York where we saw the heroes, the firemen and the other rescue workers, who were killed in trying to save others' lives in that horrible tragedy.

□ 1915

So the children of my State, with their little nickels and dimes and quarters, and the other folks in our State, got together and contracted with Ferrara Industries in Louisiana, which is one of the largest manufacturers of fire engines, the workers of that plant gave up their overtime, free, to make sure that the project could be conducted under cost, and today they stopped by the White House with this brand new fire engine that the children of Louisiana are presenting to the people of New York and to the brave firemen of that great State who suffered such great losses on September 11.

Not only did they generously raise the money to build that fire engine, but it turns out that they raised twice as much as they expected, and it looks like they may be able to buy and deliver a second fire engine to the fire company in New York and to the citizens of that great State.

This is a beautiful Christmas story. It is a story that I wanted to tell when we took up this organ transplant bill, because it is all about giving. It is all about us remembering our obligations as citizens of this great land to care for one another, particularly when we find ourselves in trouble.

So, from one of the poorest states in America, the State that has some of the highest unemployment and the highest uninsured, one of the lowest per capita income States, the children of one of the poorest states in America, reacting generously at a time of need for fellow citizens in New York, I bring you the greetings of that great State, of our Governor, of our legislature, of our National Guard, of our workers, of our citizens, and, most importantly, of our children, who extend to the folks in New York our sincerest sorrow for what they have gone through, and our sense of bonding with them and this gift that our citizens and our children are making to that great State.

It is in that same spirit that Americans donate organs and that the organ donor organizations work. That is why this bill is so important.

In another minute we will take up another bill dealing with a nursing shortage in this country, a nursing shortage that is going to be felt in New York and was felt in this community when care personnel were unfortunately short and unavailable when so many people were in need. This nursing shortage has to be addressed, and I want to congratulate the gentlewoman from California (Mrs. CAPPS) and the gentleman from Florida (Mr. BILIRAKIS) again for the extraordinary work they did on that bill to begin addressing that great need in our country.

So as we get closer and closer to Christmas Day, when all of us will gather with our families and celebrate the coming of the Christ Child and the spirit of giving, these two bills come before us, one to make sure the organ transplant system continues to work, the second to beef up and to strengthen our nursing corps in America, and on this day the children of Louisiana make this gift to the citizens of New York.

This, unfortunately, while we are still in session waiting for Christmas to come, and hopefully we will get out in time for it, this is still a good day, and it is a good story, and bears repeating and bears mentioning on the floor of the House today. I am proud of my State and the children in Louisiana, as all of us in our delegation are, and we are equally proud of the people of New York and the heroes we saw in New York responding to the awful tragedy and atrocities of September 11. We stand together as one great people, and we stand together as a strong Nation that cares about one another. That is what this bill is about, and that is what the kids in Louisiana are about.

Madam Speaker, I rise in support of H.R. 3504, which makes technical corrections to organ procurement organization legislation the House passed in October 2000. Mr. BURR and Mr. PALLONE are to be commended for their hard work in drafting this bill.

Last year the House passed, and the President signed into law, the Public Health Improvement Act. Among other things, that legislation addressed a very important need in the area of organ donation and procurement. The law recognizes the importance of the vital network of organ procurement organizations, otherwise known as "O-P-O's", around the country and clarified in law the process the Department of Health and Human Services should use in certifying these OPO's and to measure their performance. Members on both sides of the aisle, and in both bodies, worked hard to ensure that HHS's process and procedures will keep pace with change and with technological improvements in the organ donation area.

Our intent last year was clear, Madam Speaker. We intended to create a four-year re-certification cycle for the OPO's. Now, however, we are told by the accrediting agency, CMS, that the statute is unclear on one of the most important provisions of law. Under their interpretation, CMS believes they may have the authority to de-certify OPO's even though

CMS has yet to develop the new criteria for judging OPO's.

Madam Speaker, this is a vitally important issue for our OPO's. They need clarity on the process by which they will be reviewed by HHS. Without this technical correction language, OPO's believe that ambiguity will once again dictate the circumstances under which they are certified and later recertified. This language will ensure all OPO's which were certified as of 2000 will be certified through mid-2004.

Let's let the OPO's do what they do best: increasing the supply of organs to meet our organ transplantation needs. Vote yes on this bill.

Mr. BROWN of Ohio. Madam Speaker, in the bipartisan spirit of the evening, I yield 3 minutes to my friend, the gentleman from North Carolina (Mr. BURR), who has helped write this bill with the gentleman from New Jersey (Mr. PALLONE).

Mr. BURR of North Carolina. Madam Speaker, I thank my good friend for the 3 minutes, and I give my 3 minutes that the subcommittee chairman was going to allow me back to him.

Madam Speaker, it is tough to get up after the chairman of my committee so eloquently told the story of the children in Louisiana, but, you know, I believe every Member of this body can tell a story about some group that reaches out to folks in New York or folks at the Pentagon, whether it is King Elementary School, where the kids just donated $16,000 to charities in New York, or Pinnacle Elementary, that wrote a check to people that they did not see, had never seen and will never know.

But the fact is that it tells us that we are doing something right in this country; that we are raising the next generation of leaders in the right way, where they are giving and not necessarily taking.

We are here today to make sure that the American people understand that there is a system to give life to individuals who need it. We are here to make sure that there is a 4-year certification for those organizations that make sure that organs are provided to individuals whose difference in life is the receipt of that organ, that their ability to continue a normal life, and sometimes to continue life, is the difference between whether they receive the organ or whether they do not.

As the chairman said, this is a technical change to make sure that these organizations have 4 years between certification. Four years makes a tremendous difference in their ability to function in the job that they carry out.

My only hope today, Madam Speaker, is that all Members will take the opportunity as we begin to fix this bill, that they will start a massive campaign in their districts and across this country to get more and more people to donate organs, to make sure that the organs are available for the individuals that need them today. The only way that we will let the American people down is if we cannot promote organ donation in a bigger and more effective way than we do today.

So I thank the gentleman from Florida (Mr. BILIRAKIS), the gentleman from New Jersey (Mr. PALLONE) and the gentleman from Ohio (Mr. BROWN). This is truly a bipartisan effort to make a technical change to a piece of legislation, but it will touch many, many lives.

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

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

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and pass the bill, H.R. 3504.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. BROWN of Ohio. Madam 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. Pursuant to clause 8, rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

NURSE REINVESTMENT ACT

Mr. BILIRAKIS. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3487) to amend the Public Health Service Act with respect to health professions programs regarding the field of nursing.

The Clerk read as follows:

H.R. 3487

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Nurse Reinvestment Act''.

SEC. 2. PUBLIC SERVICE ANNOUNCEMENTS REGARDING NURSING PROFESSION.

Title VIII of the Public Health Service Act (42 U.S.C. 296 et seq.) is amended by adding at the end the following:

''PART H—PUBLIC SERVICE ANNOUNCEMENTS

''SEC. 851. PUBLIC SERVICE ANNOUNCEMENTS.

''(a) IN GENERAL.—The Secretary shall develop and issue public service announcements that advertise and promote the nursing profession, highlight the advantages and rewards of nursing, and encourage individuals to enter the nursing profession.

''(b) METHOD.—The public service announcements described in subsection (a) shall be broadcast through appropriate media outlets, including television or radio, in a manner intended to reach as wide and diverse an audience as possible.

''SEC. 852. STATE AND LOCAL PUBLIC SERVICE ANNOUNCEMENTS.

''(a) IN GENERAL.—The Secretary shall award grants to eligible entities to support State and local advertising campaigns via appropriate media outlets to promote the nursing profession, highlight the advantages and rewards of nursing, and encourage individuals from disadvantaged backgrounds to enter the nursing profession.

''(b) USE OF FUNDS.—An eligible entity that receives a grant under subsection (a) shall use funds received through such grant to acquire local television and radio time, place advertisements in local newspapers, and post information on billboards or on the Internet, in order to—

''(1) advertise and promote the nursing profession;

''(2) promote nursing education programs;

''(3) inform the public of public assistance regarding such education programs;

''(4) highlight individuals in the community that are presently practicing nursing in order to recruit new nurses; and

''(5) provide any other information to recruit individuals for the nursing profession.

''(c) METHOD.—The campaigns described in subsection (a) shall be broadcast on television or radio, or placed in newspapers as advertisements, or posted on billboards or the Internet, in a manner intended to reach as wide and diverse an audience as possible.''.

SEC. 3. LOAN REPAYMENT PROGRAM; SCHOLARSHIPS.

(a) LOAN REPAYMENT PROGRAM; ADDITIONAL ASSIGNMENT AUTHORITIES.—Section 846(a) of the Public Health Service Act (42 U.S.C. 297n(a)) is amended—

(1) in paragraph (3)—

(A) by striking ''in a public hospital,'' and inserting ''in a public or private hospital (including a critical access hospital or a rural hospital),''; and

(B) by inserting after ''rural health clinic,'' the following: ''in a State or local department of public health, in a skilled nursing facility, in a home health agency, in a hospice program (including home settings), in an ambulatory surgical center,''; and

(2) by adding at the end the following: ''In the case of a private entity that is not a nonprofit entity and is pursuant to paragraph (3) eligible for an assignment of a nurse, the Secretary may not assign a nurse to such an entity after the expiration of the three-year period beginning on the date of the enactment of the Nurse Reinvestment Act.''.

(b) ESTABLISHMENT OF SCHOLARSHIP PROGRAM.—Section 846 of the Public Health Service Act (42 U.S.C. 297n) is amended—

(1) in the heading for the section, by striking ''PROGRAM'' and inserting ''AND SCHOLARSHIP PROGRAMS'';

(2) by redesignating subsections (d), (f), (g), and (h) as subsections (f), (h), (i), and (g), respectively;

(3) by transferring subsections (f) and (g) (as so redesignated) from their current placements, by inserting subsection (f) after subsection (e), and by inserting subsection (g) after subsection (f) (as so inserted); and

(4) by inserting after subsection (c) the following subsection:

''(d) SCHOLARSHIP PROGRAM.—

''(1) IN GENERAL.—The Secretary may carry out a program of entering into contracts with eligible individuals under which such individuals agree to serve as nurses in designated health facilities in consideration of

the Federal Government agreeing to provide to the individuals scholarships for attendance at schools of nursing.

''(2) ELIGIBLE INDIVIDUALS; DESIGNATED HEALTH FACILITIES.—For purposes of this subsection:

''(A) The term 'eligible individual' means an individual who is enrolled or accepted for enrollment as a full-time student in a school of nursing.

''(B) The term 'designated health facility' means any entity that is eligible under subsection (a) for an assignment of a nurse, subject to the provisions of such subsection relating to private entities that are not nonprofit entities.

''(3) APPLICABILITY OF CERTAIN PROVISIONS.—With respect to the National Health Service Corps Scholarship Repayment Program established in subpart III of part D of title III, the provisions of such subpart shall, except as inconsistent with this section, apply to the program established in paragraph (1) in the same manner and to the same extent as such provisions apply to the National Health Service Corps Scholarship Program established in such subpart.''.

(c) PREFERENCES REGARDING PARTICIPANTS.—Section 846(e) of the Public Health Service Act (42 U.S.C. 297n(e)) is amended in the matter preceding paragraph (1) by striking ''subsection (a)'' and inserting ''subsection (a) or (d)''.

(d) DEFINITIONS.—Section 846 of the Public Health Service Act (42 U.S.C. 297n) is amended in subsection (h) (as redesignated by subsection (b)(2) of this section) by amending the subsection to read as follows:

''(h) DEFINITIONS.—For purposes of this section:

''(1) The term 'ambulatory surgical center' has the meaning applicable to such term under title XVIII of the Social Security Act.

''(2) The term 'community health center' has the meaning applicable to such term under section 330.

''(3) The term 'home health agency' has the meaning given such term in section 1861(o) of the Social Security Act.

''(4) The term 'hospice program' has the meaning given such term in section 1861(dd)(2) of the Social Security Act.

''(5) The term 'migrant health center' has the meaning applicable to such term under section 330.

''(6) The term 'rural health clinic' has the meaning given such term in section 1861(aa)(2) of the Social Security Act.

''(7) The term 'rural hospital' means a hospital located in a rural area, as defined in section 1886(d)(2)(D) of the Social Security Act.

''(8) The term 'skilled nursing facility' has the meaning given such term in section 1819(a) of the Social Security Act.''.

(e) FUNDING.—Section 846 of the Public Health Service Act (42 U.S.C. 297n) is amended in subsection (i) (as redesignated by subsection (b)(2) of this section) by amending the subsection to read as follows:

''(i) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of payments under agreements entered into under subsection (a) or (d), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2002 through 2007.

''(2) ALLOCATIONS.—Of the amounts appropriated under paragraph (1), the Secretary may as determined appropriate by the Secretary allocate amounts between the program under subsection (a) and the program under subsection (d).''.

SEC. 4. STUDIES BY GENERAL ACCOUNTING OFFICE.

(a) HIRING DIFFERENCES AMONG CERTAIN PRIVATE ENTITIES.—The Comptroller General of the United States shall conduct a study to determine differences in the hiring of nurses by nonprofit private entities as compared to the hiring of nurses by private entities that are not nonprofit. In carrying out the study, the Comptroller General shall determine the effect of the inclusion of private entities that are not nonprofit in the program under section 846 of the Public Health Service Act. Not later than two years after the date of the enactment of this Act, the Comptroller General shall submit to the Congress a report describing the findings of the study.

(b) NURSE FACULTY.—

(1) DETERMINATION REGARDING SHORTAGE OF FACULTY.—The Comptroller General of the United States shall conduct a study to determine whether and to what extent there is a shortage of faculty for schools of nursing. Not later than June 30, 2002, the Comptroller General shall submit to the Congress a report describing the findings of the study.

(2) RECOMMENDATIONS.—If the Comptroller General determines pursuant to paragraph (1) that there is or will be a shortage of faculty for schools of nursing, the Comptroller General shall, not later than September 30, 2002, submit to the Congress a report providing the recommendations of the Comptroller General for developing scholarship programs, loan repayment programs, private-public partnerships, or other programs through the Department of Health and Human Services to provide for an increase in the number of such faculty, including recommendations on appropriate incentives for nurses to become such faculty.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. BILIRAKIS) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. BILIRAKIS).

GENERAL LEAVE

Mr. BILIRAKIS. Madam 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. 3487.

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

There was no objection.

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

Madam Speaker, I rise today in support of H.R. 3487, the Nurse Reinvestment Act. Recently we have all read about and heard about issues with recruitment and retention of nursing staff, including both nurses and nurse aides. Our health and long-term care systems rely heavily on the services of these health care professionals.

I would like to thank my colleague, the gentlewoman from California (Mrs. CAPPS), for being such a strong advocate in this field, and I mean strong advocate in this field. We worked together with the gentleman from Louisiana (Mr. TAUZIN); the ranking member, the gentleman from Michigan (Mr. DINGELL); the gentleman from Ohio (Mr. BROWN); the gentleman from Maryland (Mr. EHRLICH); the gentleman from Kentucky (Mr. WHITFIELD); and the gentlewoman from New York (Mrs. KELLY) to craft this bipartisan legislation that addresses the nursing shortage.

Nurses provide the critical medical services necessary to ensure comfortable quality health care. A nurse shortage could seriously diminish the level of medical care in health care facilities. Experts and providers are reporting a current shortage of nurses, partly as a result of patients' increasingly complex care needs.

Unfortunately, young Americans today are not entering the nursing profession. To encourage young people to choose this challenging and fulfilling career, this legislation directs the Secretary of Health and Human Services to create public service announcements, PSAs, designed to promote nursing and nursing education programs and to highlight the benefits and rewards of a career in nursing.

Furthermore, H.R. 3487 expands Title VIII of the Public Health Service Act to include scholarships for students entering the nursing profession. In exchange for a commitment to serve in a health care facility determined to have a critical shortage of nurses, students will receive scholarships to nursing schools.

This bill includes a sunset, to take place after 3 years, on the inclusion of private facilities in this scholarship and loan repayment program. A Government Accounting Office study required under the bill to examine the hiring practices of private and nonprofit facilities is due prior to this sunset. The goal of this legislation is to ensure a strong pool of talented nurses throughout the country for years to come.

Again, Madam Speaker, I would like to recognize the work of the gentlewoman from California (Mrs. CAPPS) in this legislation and thank her for her dedication and persistence on this issue. As a nurse, the gentlewoman from California (Mrs. CAPPS) understands the importance of nurses in our health care system and recognizes the dangers patients could encounter without proper nursing care.

I would also like to thank, in no little way, the gentlewoman from New York (Mrs. KELLY) for taking a leadership role on this issue, particularly on this side of the aisle. Many times, many times, she has talked to me about the need to do something to help solve this problem.

I would like to also mention legislative counsel, Pete Goodloe, for his efforts to work with the Committee on Energy and Commerce on this issue and so many others on the floor possibly today, but at other times. His dedication and service should be not

overlooked and certainly deserve more than a brief mention.

I would also like to thank staff who worked so hard on this issue, including Anne Esposito, Jeremy Sharp, John Ford, Katie Porter, and Erin Ockunzzi on our side.

Nurses are invaluable to the success and quality of our health care delivery system. This legislation helps ensure that the Nation will have a well-trained supply of nurses on which to rely. I urge my colleagues to join me and the gentlewoman from California (Mrs. CAPPS) and the gentlewoman from New York (Mrs. KELLY) in support of H.R. 3487, the Nurse Reinvestment Act.

Madam Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Madam Speaker, I yield myself 3 minutes.

Madam Speaker, I want to thank both the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Florida (Mr. BILIRAKIS) for their commitment to work with the gentleman from Michigan (Mr. DINGELL) and with the gentlewoman from California (Mrs. CAPPS), whose idea this bill was, and for the particularly good work she did, and to work with me on this modest but important legislation.

The gentlewoman from California (Mrs. CAPPS) has particularly led the charge on an omnibus, more comprehensive bill to deal with the nursing shortage, and this is a very important step we hope we can address in more detail later.

Special thanks to staff members Anne Esposito and Jeremy Sharp for their hard work on this legislation. Anne has been terrific to work with on this bill and many others. Jeremy's father I served with my first term in the legislature, and he was one of the most hard-working, decent people I have had the pleasure to know in my 9 years in this institution.

There is, Madam Speaker, a nursing shortage in this country. It is jeopardizing health care access and quality, and it is getting worse. It is not a theoretical problem; it is a fact.

We especially, as I said earlier, owe a debt of gratitude to the gentlewoman from California (Mrs. CAPPS), the top health care expert in Congress, a registered nurse, a valuable member of the Subcommittee on Health Care, for making sure that this body finally is doing something about it.

The problem is easy to define: There are not enough nurses in the workforce to replace those expected to retire in the next 10 years. But the problem is difficult to address. A host of factors, ranging from working conditions to competing professional opportunities, have contributed to the current shortage.

This bill is not intended to provide all the answers. Its modest but crucial purpose is to get the ball rolling. To alleviate the nursing shortage, we must jump-start recruitment and foster retention.

Key provisions of the bill would establish a nursing degree scholarship program and a major public awareness and recruitment campaign. These strategies make sense. They can be deployed quickly and they will make a difference.

I want to again thank my friend, the gentlewoman from California (Mrs. CAPPS) as well as the gentlewoman from New York (Mrs. KELLY) for raising the profile of the nursing shortage issue.

I urge my colleagues to support this legislation.

Madam Speaker, I ask unanimous consent to yield the balance of my time to the author of this bill, the gentlewoman from California (Mrs. CAPPS), and I ask that she be permitted to yield time.

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

There was no objection.

Mr. BILIRAKIS. Madam Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. EHRLICH), who, along with the gentleman from Kentucky (Mr. WHITFIELD), has really been just so very strongly in support of doing something regarding this shortage.

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Mr. EHRLICH. Mr. Speaker, I rise to commend this Congress for bringing to this floor important legislation to address the national nursing shortage.

This bill, which the gentlewoman from California (Mrs. CAPPS) has worked so hard to pass, will assist the Secretary of HHS in addressing the nursing shortage around the country.

As we have heard, the bill amends the Public Health Service act to empower the Secretary to develop and issue public service announcements to advertise and promote the nursing profession. The bill allows for national public service announcements, as well as authorizes the Secretary to provide grants to State and local communities to promote nursing, highlight the advantages and rewards of nursing, and encourage individuals from disadvantaged backgrounds to enter the profession.

Second, the legislation establishes a scholarship program to allow the Secretary to enter into contracts with individuals to serve in medically underserved areas. In return for service to those in need, sometimes in dire need, the Federal Government will provide to these nurses scholarships to pay for the cost of their education.

The third provision of the bill instructs the GAO to conduct a study of the shortage of highly trained nurse faculty who are charged with educating bedside nurses. The study has two parts: the first, due by June 30, 2002, will address whether and to what extent there is a shortage of nursing faculty; the second part, due by September 30, 2002, will report on recommendations to address a potential shortage of nursing faculty through the Department of Health and Human Services.

I have been pleased to work with many Members on this bill, and the names have been mentioned. Our terrific chairman, the gentleman from Florida (Mr. BILIRAKIS), his work speaks for itself. I really appreciate his willingness and his attitude and everything he has done to bring this bill to the floor. The gentlewoman from California (Mrs. CAPPS), we could not get it done without her. The gentleman from Kentucky (Mr. WHITFIELD) and the gentlewoman from New York (Mrs. KELLY), who I believe is going to speak, and the gentleman from Ohio (Mr. BROWN) as well. Finally, the gentleman from Louisiana (Mr. TAUZIN), of course. Everybody talks about staff, and the American public should know that these bills do not get done without bipartisan cooperation, not just between Members, but also with regard to staff as well. So I congratulate staff on both sides of the aisle. Also, the gentleman from Michigan (Mr. DINGELL), of course, the ranking member of the full committee and, as I said, the gentleman from Louisiana (Mr. TAUZIN), the full committee chairman.

Mr. Speaker, I thank the gentleman from Florida (Mr. BILIRAKIS) very much for bringing this bill to the floor. I mean that. I have bugged him time and time again, and I know it is a friendly bug and I was preaching to the choir; and the gentleman from Florida, in turn, went to the leadership and got this done. So I congratulate the gentleman.

This bipartisan legislation puts patients first by investing in high quality, highly trained nurses. I urge all of my colleagues to support it.

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

Mr. Speaker, I rise in strong support of the Nurse Reinvestment Act, and I urge my colleagues to vote for this important legislation, H.R. 3487. I want to thank the gentleman from Florida (Mr. BILIRAKIS) and the gentleman from Louisiana (Mr. TAUZIN) for their hard work on this issue and their willingness to help us get this legislation to the floor this year. The staff members Ann Esposito and Jeremy Sharp have been mentioned, and I want to add two others, John Ford and Katie Porter. I also particularly want to thank the gentleman from Michigan (Mr. DINGELL), the ranking member of the full committee, and the gentleman from Ohio (Mr. BROWN), the ranking member of the subcommittee, for their unswerving support for this effort. They have made this bill a priority, and I

doubt if we would have seen this action so quickly without their dedication. They and their staff have made the effort to see that this legislation could move in the waning days of this session.

This bill is based on legislation that I introduced in April, H.R. 1436. That bill was the product of a lot of hard work of the gentleman from Michigan (Mr. DINGELL) and the gentleman from Ohio (Mr. BROWN), and a variety of nursing and health care groups, including the American Nurses Association, the American Organization of Nurse Executives, and the American Association of Colleges of Nursing. H.R. 1436 now has 228 bipartisan cosponsors.

The bill before us will authorize new scholarships to help prospective nurses complete their education more quickly. These scholarships will help a broader range of people to find their way into a very rewarding career, one that will be in much great demand, no matter the strength or weaknesses of the economy. It will also authorize public service announcements to educate the public about the need for more nurses, the opportunities available for educational assistance, and the rewards of a care-giving career.

Our profession needs the positive and accurate description within this PR campaign. One of the major problems we face is the misperception that nursing is an unappealing career and that it is women's work. These PSAs will help us counter that impression and explain the value and benefits of a career in nursing. These benefits have been brought to sharp relief for us by the events of September 11.

The bill will direct the General Accounting Office to study the faculty needs of our nursing schools and education programs. As my colleagues know, I am one of three nurses currently serving in the Congress. Before I was elected to this House, I served the people of Santa Barbara County in California as a public health nurse for 20 years. I know firsthand the challenges facing our hospitals and our health care providers and the consequences if we fail to meet them.

One of the most important difficulties we face is a shortage of nurses, especially registered nurses. Current events, as I have said, have highlighted the importance of having a strong and effective public health system. September 11 and the recent spate of anthrax letters reminds us that our safety and our well-being depend on the ability of our hospitals to care for us and our loved ones, and having enough nurses is a critical component, both in the hospital and in many public health settings.

Nurses are the first line of defense in our health care system. They will be the ones treating victims of biological or conventional terror attacks; and right now, we do not have enough of them, not enough of them even for our daily needs.

Last week, we passed legislation to address many of our Nation's needs in terms of bioterrorism, and now it is time to make sure we have the workforce necessary to carry out that bill's provisions. Data on the nursing workforce show that staffing shortages are increasing, and recruiting new registered nurses is becoming progressively more difficult. We already need 125,000 registered nurses to fill the existing vacancies of today, according to the American Hospital Association; and by 2010, less than 9 years from now, 40 percent of the RN workforce will be over 50 years old. In contrast, the number of RNs under 35 has fallen to 18 percent. Simply put, there are not enough new nurses joining the workforce to replace those expected to retire in the next 10 years, and this problem will be compounded by the 78 million baby boomers retiring and needing more health care.

Congress needs to act on this problem quickly. We need to pass the Nurse Reinvestment Act. This bill represents several good steps toward a comprehensive solution to the nursing shortage and, to be sure, as has been mentioned, there is much more we will need to do, including increasing funding for nurse education programs; but this is an excellent start. I will be pleased if we can move it forward. I urge all of my colleagues to support nurses and vote for the Nurse Reinvestment Act.

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

Mr. BILIRAKIS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Mrs. KELLY).

Mrs. KELLY. Mr. Speaker, I rise in strong support of the Nurse Reinvestment Act, which is a substantial first step in addressing the growing shortage of nurses currently being experienced by health care facilities nationwide.

Today we are working on both short- and long-term solutions to the problem, and I thank the gentleman from Florida (Mr. BILIRAKIS) and the gentlewoman from California (Mrs. CAPPS) for their hard work in bringing the legislation to the floor. It is my hope that this is the first of many steps that Congress will take to make sure there are enough health care professionals to care for a growing number of patients.

Let us think about what nurses do for a minute. They are there at our birth; they are more than likely there at our death. And in between, nurses are apt to be there to support and care for us during every single serious medical crisis that we face, helping us through good news and bad. They care for patients, they advocate for patients, they are there for our long-term care, and those who are nurse anesthetists make us comfortable during surgery and during medical stress.

Now more than ever, attention needs to be focused on the ability of our health care personnel to respond to critical situations, and we have a crisis on our hands. The shortage of nurses in our Nation's hospitals and the pending retirement of many nurses should be worrisome to all of us. Hospitals cannot run without nurses. Without adequate nursing staff, hospitals are forced to close units, turn away patients, and redirect emergency cases. This results in long waits and reduced quality of care. In critical situations, time is everything; and when patients have to travel farther or wait longer for care, they are less likely to have a positive recovery.

So let us consider this bill. It focuses on attracting students to nursing by educating them about the benefits of a nursing career. Its outreach and public awareness campaigns should help ensure stronger registration at nursing schools so that we have a steady supply of well-trained nurses to replace the retiring RNs; and, believe me, they are retiring very rapidly. In New York, the average age of a nurse is 48 years old. We need to attract new people, people who may not traditionally have considered a career in health care. The bill expands loan repayment assistance to encourage nurses to serve after graduation in an area that is experiencing a shortage.

This bill will not only facilitate the entry of students into nursing schools, it also anticipates additional issues that we may encounter. It requires the GAO to evaluate the need for nursing faculty recruitment. In New York State, our faculty average age is somewhere around 52 to 53 years old. We need to raise the consciousness of nurses that they can enhance their skills and become a part of faculty.

This provision particularly is important, since we need qualified educators to train those who want to enter the field and seek to expand their expertise into the advanced practice of nursing specialties.

In short, the bill does a simple thing. It sets forth a method to get more nurses into the field. This should give relief to the nursing staff that are already stretched too thin and provide much-needed care to patients. It is a small step, but it is a necessary beginning. There is much more to be done.

Mr. Speaker, I look forward to the passage of this legislation and to continuing to explore new innovative solutions to relieve America's nursing shortage. I urge my colleagues to support America's nurses and support this bill and strengthen our Nation's health care in the workforce.

Mrs. CAPPS. Mr. Speaker, I am very pleased to yield 3 minutes to the distinguished gentleman from Michigan (Mr. DINGELL), the ranking member of the Committee on Commerce.

Mr. DINGELL. Mr. Speaker, I thank the distinguished gentlewoman from California for yielding me this time.

I rise in support of the Nurse Reinvestment Act, a solid piece of legislation, one which does great credit to the gentlewoman from California and one which is a solid down payment on our effort to address severe shortages in the nursing professions. We need to do more, and we must do more. But for a variety of reasons, this is about as good as we can do today. It is, however, a valuable bill.

As with any bill of importance, this is a very important bill and much of the credit goes to the colleagues of ours who are willing to do the hard work. No one has worked harder for the nursing profession than my distinguished friend and colleague from California (Mrs. CAPPS). She has been tireless and, today, that effort bears fruit. I congratulate her and salute her for a job well done. Of course, we would not be here without bipartisan support and cooperation; and I thank the gentleman from Florida (Mr. BILIRAKIS), the chairman of the Subcommittee on Health, and the gentleman from Ohio (Mr. BROWN), the subcommittee ranking member, and, of course, the gentleman from Louisiana (Mr. TAUZIN), the chairman of the full committee, for their support of this undertaking.

The bill will help us recruit more nurses through public service announcements and other educational programs. These will inform the public about the nursing profession as a career and will tell potential nurses about resources available to them if they choose to enter this wonderful, caring, and giving profession. This legislation mandates the study of the shortage in the nursing faculty and requests an analysis of the methods by which we may address effectively the faculty shortages and other shortages in the industry.

Finally, the bill has educational scholarships to the loan repayment program for nurse education. This is an important new tool, and it is a significant step in the right direction. Educational assistance in the form of scholarships reaches a new pool of applicants, and it also pays additional dividends in delivering quality health care to underserved areas as aspiring nurses work off their scholarship commitments.

The types of facilities that can accept nurses through this program have expanded, which will add to the appeal of the programs, both for nurses and for the health care facilities in which they serve.

Mr. Speaker, we are looking at a severe shortage of nurses which we can anticipate will get worse because of lack of adequate pay, because of lack of adequate responsibility, because of excessive hours, and a wide array of other things. This will be a small step forward towards ending those unfortunate situation; but we hope that we will shortly be moving forward on other legislation which will continue and in new ways address the concerns which we confront in this area of providing adequate nursing care to the people of this country.

□ 1945

I would note that the nurses are a wonderful group of public servants to whom we owe a great debt.

I again thank my distinguished colleague, the gentlewoman from California (Mrs. Capps), and my other colleagues who have brought us this far.

I urge my colleagues to join us in support of this bill.

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

Mrs. CAPPS. Mr. Speaker, I am very pleased to yield 2½ minutes to my colleague, the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, first of all, let me commend and congratulate all of the members of the Committee on Commerce, especially its leadership, the gentleman from Louisiana (Chairman TAUZIN); the dean of the House, the gentleman from Michigan (Mr. DINGELL); both the chairman and the ranking member of the subcommittee; and especially my colleague, the gentlewoman from California (Mrs. CAPPS).

They have all put their fingers on a most severe problem in our country, and I was just sitting there thinking how much of a Christmas present this is going to be for all of the hospitals.

I represent a district that has 23 hospitals, four university medical centers, nine nurses' training programs, 25 community health centers. Health for my district is one of the most important elements of it.

I just finished meeting with the deans of our nursing schools. Every one of them recognizes this shortage. I just finished meeting with the owners of nursing homes, and they all point out the problem that they have. As a matter of fact, we have even had hospitals seek waivers so that they could import nurses from other countries.

So we thank the gentleman for America, but especially do I want to thank this committee for the people of the Seventh Congressional District in Illinois. They have given us a tremendous Christmas present.

Mrs. CAPPS. Mr. Speaker, I am very pleased to yield 2½ minutes to my distinguished colleague, the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I rise in strong support of the bipartisan Nurse Reinvestment Act; and I thank the gentlewoman from California (Mrs. CAPPS), the gentleman from Ohio (Mr. Brown), the gentleman from Florida (Mr. BILIRAKIS), and the gentlewoman from New York (Mrs. KELLY) for their commitment to addressing our Nation's nursing shortage.

They have worked so hard to ensure this body could take the first steps in addressing the concerns of nurses and the issues which have plagued the nursing profession.

In Connecticut, more than 3,200 nurses have left the State or given up their licenses since 1996. Nurse vacancy rates are up 50 percent since 1996, and the number of newly licensed nurses is down 25 percent from 4 years ago.

Further, the average age of licensed nurses in my State is 45, compared to the national average of 42. There is a widening gap between the increasing need for nursing care and the number of women and men who will be there to provide the care that their patients need.

This year I sat down with a group of nurses in my district to discuss the shortage and the effect it is having on patient care. One nurse shared with me the critical nature of her work and the difficulty of providing care to all patients with so few nurses.

Another spoke to me of how difficult working conditions are, driving women and men away from the profession. If allowed to persist, the nursing shortage will have grave effects on the quality of life for America's nurses and the quality of care they are able to provide to their patients.

Substandard conditions must change. Nurses must feel valued, working conditions must improve, and we must recruit the next generation of nurses to care for our loved ones and ourselves. Nurses play a critical role and are often underappreciated in our health care system. Anyone who has spent time in any hospital knows how hard nurses work and the high quality of care that they provide.

I spent several months in the hospital a number of years ago; and while I applaud what the medical profession did for me and the wonderful doctors, it was the care, the feeding, the constant attention that I received from nurses that carried me through those months.

Congress needs to support nurses, just as they support us and our loved ones when we need it the most. The Nurse Reinvestment Act is that first step to achieve these goals. I am proud that nurses have been the driving force behind this bill. Together, they played a large role in developing the legislation and fighting for its passage. They were out on the front lines. They know better than anyone the challenges that nurses face day in and day out, and their experience and ideas informed this bipartisan effort and built a strong piece of legislation.

This much-needed legislation will provide for educational scholarships in exchange for a commitment to serve in health care facilities that are experiencing a critical shortage of nurses.

The bill provides for public service announcements to educate the public about the nursing profession and the rewards of a nursing career.

Finally, it would require the GAO to study the nursing faculty work force to determine if there is a shortage. I strongly support the Nurse Investment Act. I thank my colleagues who spent so many hours in making this a reality. It is an investment that will build a strong force of nurses and improve the quality of health care in America.

Mr. BILIRAKIS. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. MORAN).

Mr. MORAN of Kansas. Mr. Speaker, I rise tonight in strong support and admiration of the cosponsors, the lead sponsors of this legislation. There is perhaps no more important issue that we face than the one of health care, certainly in Kansas, with the demographics of an aging population and our desire to make certain that all of our citizens across the country have access to adequate and affordable health care.

As I talked to hospital administrators, hospital trustees across the State of Kansas, the greatest concern they have is the lack of health care professionals. At the top of the list is the front line providers of health care service, our nurses. That nursing profession is so important.

I recently visited the school of nursing at Emporia State University, where I met with students who wanted to be nurses. I asked them the question, Why do you want to be a nurse? The answers were wonderful. They were about, when I was a young girl my grandmother was ill, and in the hospital the nurse took care of her. I watched how she cared for my grandmother and our family, and all my life I wanted to be a nurse. Today I am in nursing school so I can fulfill that ambition.

They were the kind of stories about human care and alleviating human suffering, and it made me very proud to know that there were still people who want to enter a profession to care for others.

Unfortunately, we have had a number of nurses retire, we have had a number of nurses change professions, and we have a number of people who still want to meet the needs of other citizens, meet their health care needs.

I think it is so appropriate that we step forward tonight to create the incentives and the environment for our schools of nursing and for potential nursing students to fulfill their life ambition to help other people.

It is important that we do things in the long run to make the nursing profession one that is rewarding and enjoyable, and we have issues of reimbursement and salaries that come from concerns we all share about Medicare reimbursement to local health care providers.

We have certainly bureaucratic and paperwork issues that our nurses face. We want to make certain that our nurses do not spend their days charting results, filling out paperwork, and that they really are involved in patient care. While we work on those more long-term solutions to our health care challenges in our country, we must take the steps forward that this legislation represents in providing an opportunity for young men and women to move forward in their profession, to seek that opportunity to help other people, and to save lives.

I strongly support and encourage the enactment of this legislation and again commend our primary sponsors for their help in bringing this very critical issue to us. It is about saving lives, it is about fulfilling lifetime goals, and it is about taking the young person or even the middle-aged or elderly person who wants to change careers or move up the nursing ladder to a different aspect of nursing.

So tonight we have that opportunity, and I urge its passage.

Mrs. CAPPS. Mr. Speaker, I am pleased to yield 3 minutes to my colleague, the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentlewoman's courtesy in allowing me to speak on this legislation.

I am not going to join in the parade in acknowledging all the leaders who have stepped forward to make this possible. I will, however, say that I salute the gentlewoman from California (Mrs. CAPPS) for being the conscience of the House on this issue.

I think this would be a better institution if we had more nurses who were Members of this body. But frankly, we cannot afford them because they are needed in the field, and we really probably need the three that are here now out there caring for people.

Yes, it is true that nursing is a great profession, with caring, rewarding work that makes people really light up, which they really enjoy. It takes a special person, and they get special rewards. But we ought to acknowledge that it is also difficult work. It is demanding work, while it is more important than ever before, more critical, we have seen with actions that have taken place in recent months.

We are learning some hard lessons at home in my community with an unpleasant labor dispute that is taking place between a teaching hospital and a nurses' association.

It is not just the demographics that are working against us today. Frankly, I hear from friends of mine in the nursing profession and other health care professionals that the management of the health care system today is increasingly a negative factor. We are going to have to fight harder to keep these professionals, and we are going to have to work to make sure that the system works for them.

I think this legislation is a small step in the right direction. It is not quite the legislation that some of us signed onto. Frankly, I hope before it wends its way through the legislative process, as it comes back from the Senate, that we will have stronger legislation, because frankly, I like the provisions that expand the nurse education loan repayment program. That is great. But it is also going to take more than public service announcements and more studies. We know how important it is. We know that there is a need. We know that there needs to be a greater Federal commitment if we are going to have the nursing professionals we need when we need them.

I commend the members of the committee for bringing this legislation forward. I hope that it starts the momentum towards the Federal commitment that the public and the nursing profession demand.

Mr. BILIRAKIS. Mr. Speaker, in the spirit of bipartisanship, I am glad to yield 3 minutes to the gentleman from Ohio (Mr. STRICKLAND).

Mr. STRICKLAND. Mr. Speaker, I rise in support of the Nurse Reinvestment Act, and I thank my friend and colleague, the gentleman from Florida (Mr. BILIRAKIS), for yielding me the time.

Mr. Speaker, I am a cosponsor of this legislation, which will help to ensure that we have enough nurses to care for our increasingly older population. The nursing shortage hits my rural congressional district, where it is difficult to attract and retain almost all health care professionals.

Statistics indicate that my State of Ohio is licensing fewer and fewer nurses. According to the Ohio Hospital Association, in 1995, 6,875 new Ohio licenses were issued through the exam process. This number has dropped each year through the year 2000, when only 4,662 licenses were issued. And recently, the Ohio Bureau of Employment Services estimated that Ohio will have 2,800 openings for registered nurses by the year 2002 which will probably go unfilled.

Inadequate staffing that is the result of our nursing workforce shortage in our nursing homes and other long-term care facilities contributes to poor feeding, malnutrition, dehydration, and the hospitalization of nursing home residents. Studies show that there is a direct correlation between higher nurse staffing levels and better outcomes of nursing home care.

This bill addresses these problems by expanding the nurse education loan repayment program to include scholarships if a nurse is willing to commit to serving in an area with a critical shortage of nurses. Like the National Health Service Corps, this provision gives nurses the incentives they may need to

work in an area suffering from a critical workforce shortage, such as southern Ohio.

The provision also gives nurses a longer list of facilities at which a nurse can complete his or her service commitment, including departments of public health, home health agencies, and long-term care facilities.

□ 2000

In addition, the bill authorizes public service announcements to educate the public regarding the nursing profession. Ensuring a strong workforce of health professionals would be particularly important in the events of a bioterrorist attack, when trained nurses would be critical to our Nation's effective identification of and response to the dissemination of a biological or chemical weapon.

I want to thank my friend, the gentlewoman from California (Mrs. CAPPS). She is a nurse. I am a psychologist. Others in this body are physicians. There was a time when most of us who served here were attorneys. And I think what the gentlewoman from California (Mrs. CAPPS) and the other nurses in this body have accomplished with this legislation is a testament to the strength that we have and the current diversity of those of us who make up this wonderful House of Representatives.

Mrs. CAPPS. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. TOWNS).

Mr. TOWNS. Mr. Speaker, let me thank the gentlewoman from California (Mrs. CAPPS) for yielding me time. I would like to thank the gentleman from Florida (Mr. BILIRAKIS) and the gentlewoman from California (Mrs. CAPPS) for moving this legislation forward.

We have been doing a lot of talk about the nursing situation but we have not done very much. So I am happy to come tonight in terms of the fact and be supportive of the Nurse Investment Act. I think that the time is here to take action.

People are living longer now, so the fact that people are living longer we need more nursing personnel. We, right now, are 100,000 short nationwide in our nursing homes. And, of course, this is a small step in the right direction. Sure it is not a solution to the total problem, but it sure begins to move us in the right direction.

In my earlier life, I was on the administrative staff of Beth-Israel Hospital in New York and I had the opportunity to work very closely about nurses. And I know in terms of the kind of job that they do on behalf of patients. But then it became very close to me. On September 11, I had the opportunity to visit a few hospitals in New York during the crisis there. And to watch to see in terms of the functions, the way the nurses carried themselves, and I tell you it is very difficult work; but I want you to know that they were performing in grand style.

I think that we need to do everything that we can to encourage people to stay in nursing, encourage people to come into nursing. And I think this has to be a greater Federal commitment. I think that we have to begin to look at the salary scale, look at the kind of training they have and to see what we can do. Look at a situation that we might be able to provide scholarships in large way, a loan forgiveness. We need to find ways to make certain that we are being very friendly to that profession.

I think it has not been treated fairly. I think that this legislation helps us to begin to look at it in a way that we should look at it. But the point is do not think this legislation is a solution. Let us look at what we can do with this now and then come back and do more.

I want to thank my friend, the gentlewoman from California (Mrs. CAPPS) for staying there and working on this, and, of course, my friend, the gentleman from Florida (Mr. BILIRAKIS) and saying that we must stop talking about it and begin to do something. And now we are doing something.

Mr. BILIRAKIS. Mr. Speaker, I would say amen to that.

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

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

Mr. Speaker, I want to take a minute to again thank the chairman of the Subcommittee on Health, the gentleman from Florida (Mr. BILIRAKIS) for his excellent leadership in this legislation. I also keep in mind the many nurses across this country with whom I have worked closely and who have supported this legislation who know firsthand the importance of it and their patients who will benefit from it.

Ms. PELOSI. Mr. Speaker, I rise in support of H.R. 3487, the Nurse Reinvestment Act, and commend my colleague Representative CAPPS for her leadership in addressing the current nursing shortage.

Today, health care institutions across the nation are experiencing a crisis in nurse staffing. In my district, hospital emergency departments divert patients to other hospitals over 75 percent of the time because of inadequate nurses to staff the critical care units where most emergency admissions are transferred for care. In a recent meeting with San Francisco's emergency response leaders, the Director of Emergency Health Services cited inadequate nurse staffing for emergency departments, critical care units, and surgical units as a major problem.

The shortage of educated, licensed Registered Nurses poses a significant threat to our nation's health care system, and we must act. The Nurse Reinvestment Act responds to this shortage by advertising and promoting the nursing profession to young people making career choices, broadening critical loan repayment programs and increasing the number of scholarships available for nursing students.

Employers in hospitals, long-term care facilities are having difficulty finding experienced nurses, especially in emergency room and long term care. The safety and quality of care provided in the nation's health care facilities is directly related to the number and mix of direct care nursing staff. Studies show that when there are more nurses, there are lower mortality rates, shorter lengths of stay, lower costs, and fewer complications. The Institute of Medicine has documented that increased mortality and morbidity in long term facilities, where our most frail spend their final months, is directly related to inadequate nurse staffing.

This shortage is compounded by the lack of young people entering the nursing profession, the rapid aging of the nursing workforce, and the impending health care needs of the baby boom generation.

As new opportunities have opened up for young women and new stresses have been added to the profession of nursing, fewer people have opted to choose nursing as a career. For the past six years, new admissions into nursing schools have consistently dropped. Without sufficient numbers of young people entering nursing, the average age of nurses has increased steadily. As a result, the average working RN is over 43 years old and large numbers of nurses are expected to retire over the next decade. At the same time, the need for complex nursing services will only increase due to the aging of the population.

Now is the time to begin to address this impending public health crisis. I urge my colleagues to vote yes on the Nurse Reinvestment Act.

Mr. TAUZIN. Mr. Speaker, I rise in support of H.R. 3487, the Nurse Reinvestment Act. The United States health care system relies heavily on the services provided by nurses who are essential for ensuring comfortable and quality care for all patients. Unfortunately, health care providers and recent media reports have reported rising vacancy rates in the nursing profession.

Due to the lack of young people entering the nursing profession, the average age of the working nurse has increased to over 43 years old. If we do not encourage more young people to choose a career in nursing, the nursing workforce may reach dangerously low levels. This is taking place during a time when our demand for nursing services is growing, and will continue to grow into the future.

To combat this problem and encourage more young people to enter the nursing profession, this legislation provides for public service announcements that highlight the rewards of a career in nursing. Additionally, the bill expands Title 8 of the Public Health Service Act to provide scholarships for nursing students. Students receiving these loans and scholarships will be required to serve in a health care facility that has a shortage of nurses.

H.R. 3487 also provides for a study on nursing faculty. As more and more people enter nursing school, it is necessary to ensure there will be an adequate number of faculty to train them.

I commend Chairman BILIRAKIS and Mrs. CAPPS for working in a truly bipartisan manner

to craft this legislation to ensure our nation will have enough nursing professionals to ensure quality patient care. I urge my colleagues to join me in supporting the Nurse Reinvestment Act.

Mr. TOWNS. Mr. Speaker, I rise today in support of H.R. 3487, the Nurse Reinvestment Act.

While today's bill is a start toward the Nation's nursing shortage problems, we still have a series of outstanding issues which have not been addressed in this bill. Chief among them is the 100,000 nursing personnel shortage for long-term care facilities. The shortages include RNs, Licensed Practical Nurses (LPNs) and Certified Nurse Assistants (CNAs). Recent General Accounting Office (GAO) report indicates that "With the aging of the population, demand for nurse aides is expected to grow dramatically, with the supply of workers who have traditionally filled these jobs will remain virtually unchanged." Other reports suggest that the current nurse workforce issues are part of a larger healthcare workforce shortage that includes a shortage of Nurse Aides.

Additionally, we must address the lack of minority representation in the nursing profession as well as resources to ensure that we have sufficient Advance Practice Nurses to provide primary preventative care in underserved communities. I look forward to working with my colleagues to address these concerns as part of the Reauthorization of the Health Professions Act next session. None of the above issues can be solved simply by "Market Forces." If it was a question of simple economics, then we would not have a 100,000 personnel shortage. The Healthcare Industry needs our intervention to make sure that our Nation's patients have workers who are sufficiently trained to their health care needs. Let's support the Reinvestment Act today with the acknowledgement that much more remains to be done.

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

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and pass the bill, H.R. 3487.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mrs. CAPPS. 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. Pursuant to clause 8, rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

SUPPORTING THE GOALS OF THE YEAR OF THE ROSE

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 292) to support the goals of the Year of the Rose.

The Clerk read as follows:

H. CON. RES. 292

Whereas the study of fossils has shown that the rose has been a native wild flower in North America for over 35,000,000 years;

Whereas the rose is grown today in every State in the United States;

Whereas the rose has long been used to symbolize love, friendship, beauty, peace, and the devotion of the people of the United States to their Nation;

Whereas the rose has been cultivated and grown in gardens for over 5,000 years, and is referred to in both the Old and New Testaments;

Whereas the rose has for many years captivated the affection of humankind and it has been revered in art, music, and literature;

Whereas George Washington was a breeder of roses and one of his varieties, named after his mother, is still grown today;

Whereas in 1986 the rose was designated as the national floral emblem of the United States; and

Whereas the American Rose Society has designated 2002 as the Year of the Rose: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) supports the goals of the Year of the Rose; and

(2) encourages the President to issue a proclamation calling on the people of the United States to observe the year with appropriate ceremonies and activities.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Virginia (Mrs. JO ANN DAVIS) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Virginia (Mrs. JO ANN DAVIS).

GENERAL LEAVE

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Concurrent Resolution 292.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Concurrent Resolution 292. This resolutions supports the goals of the Year of the Rose and it encourages the President to issue a proclamation asking Americans to observe the year with appropriate ceremonies and activities.

I commend my distinguished colleague, the gentleman from Louisiana (Mr. MCCRERY) for his hard work to bring this resolution to the floor.

The rose has been an important symbol of love in our society for centuries. Its sheer beauty illuminates thousands of flower gardens across our great land, from the East to the West Coast and from North to South. The rose is grown and cultivated in every state of the Union.

Fossil studies have concluded that the rose has been a native wild flower in North America for some 35 million years. It is also referred to in passages of the Old and New Testaments in the Bible.

One of our great public servants, the first President of the United States, George Washington, was a breeder of roses. In fact, one of his varieties, named after his mother, Mary Ball Washington, is still grown today. For many years the rose has captivated the affection of humankind and has been revered in art, music and literature.

In 1986, the rose was designated as the national floral emblem of the United States. This is a distinct honor for a flower that has touched the hearts and lives of millions of Americans for many, many years. The American Rose Society has designated the year 2002 as the Year of the Rose.

Mr. Speaker, I urge all Members to support this important resolution.

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

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

As the ranking member of the Subcommittee on Civil Service and Agency Organization, I am pleased to join with my colleague in the House in consideration of H. Con. Res. 292, a resolution introduced by the gentleman from Louisiana (Mr. MCCRERY).

Roses are beautiful and have long been used to symbolize love, friendship, and peace. Indeed, four States in this country currently list some variation of rose as their official state flower: New York, Iowa, Georgia, North Dakota currently recognize this beautiful flower.

The resolution before us speaks to the fact that the rose was designated as the national emblem of the United States and that the American Rose Society has designated the year 2002, next year, as the Year of the Rose.

Of course, Mr. Speaker, we all know that individually in our own lives, roses have played serious roles. They are used by people to extend friendship. I can imagine that all of us who are males have, at some point in time, picked up a dozen roses or, if not a dozen, at least a half a dozen, to convey in some way, shape, form, or fashion an appreciation that we may have had.

So I think this is an excellent resolution. As a matter of fact, I even fondly remember my father teaching me how to date, and he told me that when I wanted to convey to whoever the date might be, that I ought to say to them, roses are red, violets are blue, sugar is sweet and so are you.

Well, Mr. Speaker, in a very serious way, roses do, in fact, convey not only a level of appreciation, but also a level

of respect, and I commend the gentleman for introducing this resolution.

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

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I am pleased to yield as much time as he may consume to the gentleman from Louisiana (Mr. MCCRERY).

Mr. MCCRERY. Mr. Speaker, I thank the gentlewoman from Virginia (Mrs. JO ANN DAVIS) for yielding me the time.

Mr. Speaker, I thank the gentlewoman from Virginia (Mrs. JO ANN DAVIS) and the gentleman from Illinois (Mr. DAVIS) for their eloquent statements on behalf of the support of this resolution for the Year of the Rose.

Mr. Speaker, the American Rose Society is headquartered in my hometown of Shreveport, Louisiana. The American Rose Society has designated 2002 as the Year of the Rose, and at a time in which images of violence and war are a constant reminder of the capacity of man to be cruel to its fellow man, the rose stands as a reminder of the beauty and the fragility of life.

It is my hope, Mr. Speaker, that this resolution will call public attention to the worthy goals of the Year of the Rose, and I urge its adoption.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, having no other speakers, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Virginia (Mrs. JO ANN DAVIS) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 292.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. DAVIS of Illinois. 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. Pursuant to clause 8, rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

REPORT ON NATION'S ACHIEVEMENTS IN AERONAUTICS AND SPACE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Science:

To the Congress of the United States:

I am pleased to transmit this report on the Nation's achievements in aeronautics and space during Fiscal Year (FY) 2000, as required under section 206 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2476). Aeronautics and space activities involved 11 contributing departments and agencies of the Federal Government, and the results of their ongoing research and development affect the Nation in many ways.

A wide variety of aeronautics and space developments took place during FY 2000. The National Aeronautic and Space Administration (NASA) successfully completed four Space shuttle flights. In terms of robotic space flights, there were 24 U.S. expendable launch vehicle launches in FY 2000. Five of these launches were NASA-managed missions, nine were Department of Defense (DoD)-managed missions, and eight were FAA-licensed commercial launches. In addition, NASA flew one payload as a secondary payload on one of the FAA-licensed commercial launches. This year, two new launch vehicles debuted: the Lockheed Martin Atlas IIIA and the Boeing Delta III, each serving as transition vehicles leading the way for the new generation of evolved expendable launch vehicles.

Scientists also made some dramatic new discoveries in various space-related fields such as space science, Earth science and remote sensing, and life and microgravity science. In aerospace, achievements included the demonstration of technologies that will reduce the environmental impact of aircraft operations, reinvigorate the general aviation industry, improve the safety and efficiency of U.S. commercial airlines and air traffic control system, and reduce the future cost of access to space.

The United States also entered into many new agreements for cooperation with its international partners around the world in many areas of space activity.

Thus, FY 2000 was a very successful one for U.S. aeronautics and space programs. Efforts in these areas have contributed significantly to the Nation's scientific and technical knowledge, international cooperation, a healthier environment, and a more competitive economy.

GEORGE W. BUSH.

THE WHITE HOUSE, *December 19, 2001*.

RECESS

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

Accordingly (at 8 o'clock and 12 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 2130

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. LATOURETTE) at 9 o'clock and 30 minutes p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3529, ECONOMIC SECURITY AND WORKER ASSISTANCE ACT OF 2001

Mr. REYNOLDS, from the Committee on Rules, submitted a privileged report (Rept. No. 107–348) on the resolution (H. Res. 320) providing for consideration of the bill (H.R. 3529) to provide tax incentives for economic recovery and assistance to displaced workers, which was referred to the House Calendar and ordered to be printed.

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

Mr. REYNOLDS, from the Committee on Rules, submitted a privileged report (Rept. No. 107–349) on the resolution (H. Res. 321) waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

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

Mr. REYNOLDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 319 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 319

Resolved, That the requirement of clause 6(a) of rule XIII for a two-thirds vote to consider a report from the Committee on Rules on the same day it is presented to the House is waived with respect to any resolution reported on the legislative day of Wednesday, December 19, 2001, providing for consideration or disposition of a bill to provide tax incentives for economic recovery, any amendment thereto, any conference report thereon, or any amendment reported in disagreement from a conference thereon.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from New York (Mr. REYNOLDS) is recognized for 1 hour.

Mr. REYNOLDS. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to my colleague, the gentleman from Texas (Mr. FROST), the ranking member of the Committee

on Rules, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for purposes of debate only.

Mr. Speaker, House Resolution 319 waives clause 6(a) of rule XIII requiring a two-thirds vote to consider a rule on the same day it is reported from the Committee on Rules.

The rule applies the waiver to a special rule reported on the legislative day of December 19, 2001, providing for consideration or disposition of the bill to provide tax incentives for economic recovery, any amendment thereto, any conference report thereon, or any amendment reported in disagreement from a conference thereon.

The rule also allows this body to once again take up stimulus legislation, making it possible for prompt consideration of this much-needed and long overdue measure to create jobs and promote long-term economic growth.

This body passed an economic stimulus bill nearly 2 months ago, but our colleagues in the other Chamber have not yet acted; and in failing to act, we put American jobs and the stability of our economy at risk. The downward trend we now face has been over a year in the making, and it has been compounded by the recent attacks on our Nation.

Americans deserve this relief, and not just because of September 11. We owe it to them to proceed without further delay. I can think of no better holiday gift for America than an economic stimulus bill. It is imperative that we move forward at once.

I strongly urge my colleagues to support this rule so we may proceed with debate on this time-sensitive legislation.

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

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

Mr. Speaker, I know we all want to finish the business of the House this week. I know we all have plans to be with our families in the days ahead.

But, Mr. Speaker, those plans and our desires to finish our business for the year should not serve as an excuse for Republican leaders to ram legislation through this body, legislation that is just plain dangerous to the U.S. economy and the Social Security and Medicare trust funds, and which they know will not be voted on in the United States Senate in the next day or two.

Mr. Speaker, the House has been kept in session all night long two nights in a row just to allow the Committee on Rules to meet at 8 o'clock in the morning to report martial law rules for a so-called stimulus package. Negotiations have been on and then they have been off and then on again.

But this morning, Republican leaders finally pulled the plug on bipartisanship. For Republican leaders, Mr. Speaker, it seems that ramming through another budget-busting wish list of Republican tax cuts, tax breaks for big corporations, and tax breaks for wealthier and presumably employed, individuals, is more important than the needs of real working Americans; a package, by the way, that will cost $250 billion over a 10-year period, much greater than anything ever proposed by the Democrats.

The Republican majority seems to be more interested in scoring partisan and ideological points than in helping unemployed Americans and their families make it through this recession.

Mr. Speaker, the Committee on Rules is indeed an arm of the leadership, and the Republican leadership of this House is showing its true colors tonight as we consider this rule, which allows a bill to come up on the floor without anyone, except perhaps a select few, having had the opportunity to look at it.

This is nothing more than political theater. This is nothing more than a cheap charade. The American people want and deserve better from their elected representatives, Mr. Speaker. It is a real shame that they will not be getting it here tonight.

I urge defeat of this rule and of the rule that will immediately follow, and of the so-called bipartisan and so-called economic stimulus package the Republicans are attempting to ram through this body today.

Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, I will congratulate my Republican colleagues on one thing: they have enough humanity left to be completely embarrassed by what they are now doing: leaving the gentleman from New York alone at his post to defend what is really the last step in what has been an ongoing Republican assault on the notion that in the House of Representatives of the United States Congress, democracy with a small ''d'' ought to be practiced.

I guess there is one other thing I can say in their defense: they understand that this is a wholly unserious effort. If this were in fact a serious legislative effort, it would be an outrage. But it is not an outrage; it is a farce.

The gentleman from New York talked about how urgent this was. It is so urgent that now, 9:35 at night on the day before we are probably going to adjourn, knowing that, they bring forward a bill which no one has seen; and, of course, the less one has seen of this bill, the more one thinks of it.

They bring forth the bill under very extraordinary procedures. It is going to take rules. First, they have to have a rule that suspends the rule that says we have to have enough time to read the bill. Then they bring forth a rule when they ram this through that says there will be no amendment in order, no substitute, no alternative.

Yes, the Democrats will be given, as the rules of the House minimally require, a motion to recommit. That allows for 10 minutes of debate on the substance of that motion. So we have got the Republicans completely dismantling democracy.

And one thing is predictable, Mr. Speaker: the Speaker and every Republican will vote for this. I do want to congratulate my Republican colleagues, as someone who has been a student of legislative bodies. When the Contract with America was promulgated many years ago, one aspect of it was a series of constitutional amendments, none of which, fortunately, passed. Never have so many constitutional amendments been proposed since the days immediately after the Civil War.

All of them were defeated, but the Republican Party has managed to achieve a de facto constitutional change. We used to believe in the separation of powers, and we used to believe that the House of Representatives was an independent body, independent of the executive, independent of other bodies, and it was a place where Members were elected and came and deliberated and made decisions.

By the extraordinary control they exercise over individual Members, the Republican Party has brought about a parliamentary revolution in America. We now have in the House of Representatives one large rubber stamp. Whatever the Republican leadership says is to be done is done.

I do not think ever before in American history we have seen such obedience. I do not know if we are allowed to pipe music in here, and I know C-SPAN pipes in music when we are voting sometimes. I want to suggest that what they ought to be playing is the March of the Siamese Children, because the monarch of the day gives his orders and down they march obediently. They are going to all vote for this bill.

We had an earlier stimulus. There is one other thing I can say about this stimulus: it is at least a repudiation of the earlier outrage they voted for. They voted for a stimulus very different in many ways previously, and they all voted for it, and they will all vote for this one.

As we said before, the way the Republican leadership gets obedience from its Members has wrought a constitutional change. We are in a parliamentary situation. The only place left on this side of the Capitol that Members can find checks and balances is in the bank accounts of the Members.

Now, what is it they are trying to do? Why did we not have a real stimulus package? Very simply, because the Republican Party has brought us back David Stockman. What we have had on the part of the Republican Party all

year is a deliberate effort to create deficits.

They pretend to dislike deficits, but they regard them as their saviors. They understand that if we were to continue the surpluses that were inherited from the previous administration of President Clinton, there would be a demand for a prescription drug program. There will not be one now if the Republican tax policy is followed. We will be told we cannot afford it.

There would have been a demand for a housing production program to deal with the terrible housing crisis we have. Every witness before the Republican hearings this year said we needed it, but we will not be able to afford it. We will pull cops off the streets. We will cut back on environmental programs. There will be no money to help with sewer and water or transit.

What we have had on the obedient Republican side is a deliberate effort to reduce government revenues, not to stimulate the economy; but because they understand that if we were fairly able to debate these with an adequate revenue base, the public would insist on meeting public needs, to the dislike of the ideologues who control the Republican Party, and who control it so thoroughly that they are able to compel the obedience of Members who will tell their voters something else, and then show up here and march down and vote the other way.

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

Mr. Speaker, I came to the Congress as a majority member only 3 years ago; but before that I spent 10 years in the State House, overwhelmingly Democratic, where I could not even get a name on a bill as a cosponsor. Or in the 6 years before that in the Erie County legislature where I served in the minority, and having the opportunity to serve in leadership in both of those, I could hear the frustration of many, many years of being in the minority.

As I sit here, I have to remember and remind my colleagues that in 1995, when the Republicans became a majority in this House, they said that they would guarantee a motion to recommit on every single bill; take it to the bank, one bite at the apple. No matter what bill it is, we will have a motion to recommit, as we have today.

I would remind the gentleman who spoke that that was not always the case when the Republicans were in the minority for 40 years before that. But it also looks at the fact that I see hope that this majority will be permanent, because I am listening to grousing on process. I am listening to the fact we are going to ram through, and only the first part of this year, with a majority of six, we were not going to be able to pass anything.

The reality is that this House time and time again as a Republican majority brought together an agenda of new ideas and vision for the American people on the mandates they were given by its President and by its Members in the Congress.

So when I listen to ''ram through'' tonight or listen to some of the other things, it was only so few months ago when it was said of this body that we will be stopped in our tracks as a majority, bringing new, fresh ideas, rather than the failed liberal policies of the past.

So I am optimistic that the minority and some of those who will speak tonight see it as the fact that they are in a permanent minority; they are in a permanent minority because of some of the failed policies they have had over the last 40 years.

I look forward to moving through the rule tonight on same-day, moving forward to the rule to bring forth the legislation on economic stimulus in a bipartisan, bicameral approach so that the debate can be held, not for a half hour, not for an hour; but for 2 full hours we will have that debate tonight.

We can let America judge for itself as we conclude our work on the economic stimulus if we are moving forward in order to help put people back to work and create private sector jobs and take care of displaced workers, or whether we are going to talk about it and try to dismantle it here in the Congress.

I have faith in my colleagues, and I have faith in the American people that we will get the job done tonight.

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

Mr. FROST. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. RANGEL), the ranking member of the Committee on Ways and Means.

□ 2145

Mr. RANGEL. Mr. Speaker, I remember when I was in law school, one of my professors said when the law is not on your side, raise your voice. Sometimes it works. Sometimes it does not. But these new, fresh ideas, I guess the best time to get them is in the middle of the night when people are sleeping. These new, fresh ideas cannot stand the light of scrutiny in the committee with hearings where people can come and testify. These new ideas we have to wait until 8:00 at night to find out what is going to happen at 9:00.

These new, exciting, fresh ideas are not bipartisan ideas. It is just a couple of Republicans going in the cloakroom coming out wondering what will sound great on television because it is abundantly clear there is not one Republican in this House that is so naive that he or she believes that what they are doing tonight is going to become law. The reporters know it. The television anchor people know it. So what are they doing?

Well, they do not like the word rammed through. But what they intend to do is put out a wish list of the things that they would like to do for corporate America, the things they would like to do for wealthy Americans, and then at the same time says, oh, yes, we promised to do something for the displaced workers.

What does displaced workers got to do with repugnant tax cuts? Did not the President and did not the leadership here say that when we were bailing out the airline industry that we would have compassion for the other people that got hit by the war, that got hit by the recession? Yes.

When did this new, fresh idea for Republicans come up that we should help those people who are not working? If I recall, they were trying to get a bill passed which they did by two votes or one vote. And they promised Republicans, if you vote for this bad bill, we will do something for the unemployed. Then all of the sudden, it became a part of the stimulus package for the first time.

Now, we were willing to give on a whole lot of these tax problems because no one likes to go home saying they did not give tax cuts, but we really thought that the Republicans would find the same type of fresh, new ideas for people who were not working as they found some fresh new ideas how to establish some loopholes in the tax code. But they did not do that. And I do hope those that come to the floor would start asking some questions.

Why could there not be a new, fresh idea that if somebody was not eligible under existing law for unemployment compensation that they would be covered? Why could Republicans not come up with some new, fresh idea that those people who were not getting an adequate amount of wages to keep their families together, to keep their kids in school, to pay the mortgage, that we would try to meet them half way.

Why did they not come up with a new, fresh idea that these people would be guaranteed coverage and not a block guarantee to be given to governors to do what they want but in health care. Why could we not get a dynamic, exciting, new, fresh idea that we only got to do this for a year? That is all the President has asked. Why cannot we take the existing health system that we have, where people who have been working and they are guaranteed that they would be getting health insurance as paid for in part by the employer, that if they lose their job, that the Federal Government would come in and pay 75 percent of it under COBRA, and if they could not pay the 25 percent, that Medicaid would come in. But oh, no.

If nothing is remembered tonight, I hope someone would ask the majority tonight what is the new Republican health plan? What is this refreshing new idea that they have to cancel the

care that we have now? The answer is the Secretary of the Treasury will tell them how to do this plan. They have not the slightest clue as to the provisions that they would have to provide health care for the unemployed. But as tonight goes on into the morning and as they have make this up as they go along, one thing I can say for my friends on the Republican side, at least they know it will never, never, never become law.

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

Mr. Speaker, I am reminded of the great President Ronald Reagan when he would have to say, ''There you go again.'' Because some of those new ideas we are talking about, I think that the distinguished ranking member of the Committee on Ways and Means was a co-sponsor of that with the Liberty Zones in New York and rebuilding the lower Manhattan and those 15 blocks that bring 15 percent of the revenue to the State of which we both hail.

That was a new idea. Maybe it worked a little different from some of the other ones going back to enterprise zones and other concepts. That was a new idea that was joined by many New Yorkers as a solution that the governor put forth and that many of us, including in my recollection, the gentleman from New York (Mr. RANGEL).

But when you look at the failed ideas, Mr. Speaker, the failed ideas, I have talked about the last 40 years of liberal Democratic vision, the recommit proposal that the gentleman from New York (Mr. RANGEL) has before us again, takes and raises taxes again. We spend our time trying to bring the tax rate down. We try to tell America that we want to have you invest your money, save your money but have you have control of it.

And about the time we take our eyes off it, we have the Democratic minority on a recommit bill that want to raise that top rate right back up and raise taxes. Make no mistake about it. This is not some slick or other type move around here. This is a move that if you vote to recommit, you are voting to raise taxes in America.

That is the same failed ideas that brought us a lot of problems. It is so difficult around here to look at tax cuts as part of the solution to get America moving again. And that is the problem we face here in our Congress is looking at philosophical differences from those who want to have a smaller, smarter government and let people have control of their own destinies and their own money, and those who want a large, bigger government that has more regulations and more control over the American viewpoint.

When I say with the Thomas legislation that is coming before us tonight, if we pass these rules, is a compromise. It is a compromise that not all Members in this House are going to want to look at. They are going to look at it as a compromise, a consensus. Not a Thomas bill, not a Rangel bill, a bipartisan bill that brings the solution of the best of those ideas before the House and to have it pass the House and move forward as it goes to the Senate and have the other body make its consideration and its will under what the President has brought in his leadership is the best bill possible to get America moving again to protect and create new jobs and protect displaced workers.

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

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, I can see the gentleman from New York (Mr. REYNOLDS) is right. To some extent we are trying to protect one of those ideas from 40 years ago that he so denigrates.

One in particular is called Medicare. It is about 36 years old. It is part of that 40-year history. It was when it was opposed by most Republican. They have grudgingly accepted its existence, but they continue to try to whittle it away, and one consequence of this tax cutting for the wealthy that the Republicans have indulged in is to endanger Medicare, and in fact, one casualty of their policy was that prescription drug program for the elderly.

The lock box to which they all pledged fealty long since went out the window, and we all now have clearly a policy which makes the prescription drug program for the elderly impossible. The President has instead offered them a card so they can go get some retail druggist to give a discount out of the retail druggist pocket.

Yes, the gentleman is right, some of us are defending some of the ideas that came during the previous 40 years, and Medicare is a prime example of one of those policies which resulted from Democrats beating Republicans over that 40 years and the Republicans trying to get their revenge on it today.

Mr. REYNOLDS. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, the gentleman from Texas (Mr. FROST) said this bill cost $250 billion and that no Democrat ever proposed such a thing or to that amount.

First of all, by definition, I understand why no Democrat called for $250 billion because they do not call for tax cuts or relief. They call for tax increases. No Democrat ever calls for tax decreases but tax increases, and by definition, the Democrats call cost giving working men and women their own money.

It does not belong to the Congress. It does not belong to the gentleman from Texas (Mr. FROST). It does not belong to the Democrats. It belongs to the people. It is not cost. It is a fact that they do not have to send it here in the first place. So, by definition.

Secondly, in 1993, when the Democrats controlled the White House, the House and the Senate, the gentleman from Missouri (Mr. GEPHARDT) claimed that they were going to have tax relief for the middle class, and they had control of the House, the Senate and the White House, and what did they do? They increased the tax on the middle class. They increased the tax on Social Security.

The gentleman from Texas (Mr. FROST) said, oh, look at the Social Security and Medicare trust fund; In that bill, they took every dime out of the Social Security and Medicare trust fund and used it for spending. They increased the Social Security tax. They increased taxes for Americans and increased spending forever. They also took every dime out of the Social Security trust fund, increased gas taxes and had deficits forever.

So, no, no Democrat ever proposed $250 billion worth of tax relief. They only asked for tax increases.

I would tell the gentleman, stimulus packages, why are big businesses laying off people today? Look across this country at the number of jobs, not just from September 11, but across the country because businesses are failing, and they need that stimulus package to go.

The Democrats call it tax break for the rich. The socialistic jargon that goes on here and the class warfare on tax breaks for the rich go over and over and over again on this side. Quit talking about Karl Marx and talk about stimulus package.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from California, Mr. SHERMAN.

Mr. SHERMAN. Mr. Speaker, let me tell my colleagues a Christmas story. It is the dead of night. Congress is anxious to adjourn. Members can hear Christmas carols in their heads. Some are so anxious to leave town that they are willing to vote for a so-called stimulus bill, even though it was revealed just an hour ago—a quarter trillion dollar program that virtually none of us, or any of our staffs, have had a chance to fully analyze.

Ah, but the tale goes on. One party, acting alone, ignoring Democrats even at a time when national crisis demands bipartisan and bicameral consultation. One party reveals a $250 billion program that they are understandably reluctant to debate under the regular rules, or to reveal in the light of day. Because, Mr. Speaker, two-thirds of the cost of this program, two-thirds of the transfers from the U.S. Treasury to the private sector, occur in fiscal years 2003 and 2004 and 2005 and 2006. Long after there is any perceived need for stimulus, we will be stimulating an

economy which at that time may already be overstimulated.

For this is not a stimulus bill, designed to deal with a short term economic downturn. Rather, it is a permanent transfer of enormous wealth to giant corporations, cynically disguised as an attempt to help the victims of September 11.

Thank God for the United States Senate.

Mr. REYNOLDS. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentleman from New York (Mr. REYNOLDS) for yielding me the time, and I think tonight we are faced with a fundamental difference between Democrats and the Republican. The question is simply this: Would someone rather have an unemployment check or would someone rather have a job. It is very simple.

The Republican party stands on the side of jobs. The Democrats have the old kind of socialistic government knows best how to spend your money approach to economic problems, just like the country of Japan, just like the country of France, just like the country of Switzerland. When they got in their recession, they wanted to spend their way out of it, and as a result of such approach, Japan is now in its 12th year of recession.

□ 2200

They have gone from a 4 percent growth rate to a 1 percent growth rate.

Take the country of Ireland, on the other hand. It said, cut government spending, return the money to the wage earners, who made the money, and let them spend it. So they did, and now Ireland has one of the strongest economies in Europe.

Economic security is not about tax cuts or spending more money. It is about jobs, and the Republican Party is working to create jobs, jobs for real people with real problems. These are people that I know.

There is Bob, who worked in an airplane factory, up until around September, and then he was laid off. Now he is the father of three kids and does not have a job.

Or Ed, who has a small electrical contracting business in Savannah, Georgia. He does not have any work right now, so he is looking at his eight employees and deciding which one of those guys he has to lay off and how he should tell them that at Christmas time.

Then there is my friend Mark, who works for the International Paper Company, as did his dad. My friend Mark, who is in his mid-40s, had put in 18 years on the clock and was a good union man. Now he does not have a job. Thank goodness his wife, on the side, makes birthday cakes for people. They decided, well, maybe we could start a bakery. It is not going to be as good a job, it will not be as high paying, but we cannot just sit around.

Mr. Speaker, that is what this package is about. My colleagues know this is about jobs. It is about real people. It is not about this wage here and this little Tax Code change there. It is about people in Savannah, Georgia, people in New York City, people in Arizona.

This House has come together after the 9–11 tragedy, but time and time again the Democrats in the Senate and some of the Democrats over here have held up the progress. They have dilly-dallied on airport security, they dilly-dallied on bioterrorism, they have dilly-dallied on the energy package. It is almost Christmas Eve. Why not give the people of America a Christmas present they would really like, and that would be an opportunity to get back to work. Give the American people a paycheck, not an unemployment check.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURETTE). The Chair would remind all Members that Members should avoid characterizing Senate action or nonaction.

Mr. FROST. Mr. Speaker, I yield myself 1 minute.

The gentleman from Georgia made some interesting observations about delay and about not bringing matters to the floor. It was, of course, the majority whip, who hopes to be majority leader, who delayed and prevented the airport security bill from being passed for weeks. It was not the Democrats.

Mr. Speaker, I yield 3 minutes to the gentleman from Indiana (Mr. VISCLOSKY).

Mr. VISCLOSKY. Mr. Speaker, I thank the gentleman for yielding me this time, and I would follow up on the comments of the gentleman from Texas (Mr. FROST) regarding the previous gentleman's comments, my good friend from Georgia. He also mentioned that we are very close to Christmas Eve. I would point out to my colleagues that we are on the final evening, the last day of this session of the 107th Congress, but I have in my hand a copy of a headline from one of my local newspapers talking about ''The Last Shift,'' and the death of a steel mill.

I am not so interested tonight, I must tell my colleagues, about stimulating anyone. I am trying to save people's economic lives. In October of this year, many of us sought to be allowed to offer an amendment to the last stimulus package to provide relief for legacy costs, to remove a liability facing the domestic steel industry so it could save itself after the International Trade Commission, pursuant to an investigation initiated gratefully by President Bush, that serious injury had occurred because of violations of our international trade law. We were denied that opportunity.

In November, a similar attempt was made by myself and others, who joined together because we felt this was also an issue not only of saving economic lives but of our national defense, to attach this relief to the national security appropriations bill for people who are losing their economic life every day. We were denied.

It is my understanding that some of my colleagues, as late as this evening, attempted to try to provide relief for guaranteed loans that are set aside for companies such as that enumerated in ''The Last Shift,'' and they were denied.

The fact is, we ought to act in a responsible fashion to preserve the economic and industrial base of this country, our national security, and our jobs. From my observations, the underlying bill that is being debated because of the rule that is before us, does not do that. For that reason I adamantly am opposed to that. I am adamantly opposed to these bills.

I implore my colleagues to understand that if we do not act and act now we will lose the integrated steel industry in the United States of America. They cannot wait until March because they have already had their last shift.

Mr. REYNOLDS. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from New York for yielding me this time.

Mr. Speaker, tonight one can only imagine the response of the American people as they listen to their holiday songs and Christmas carols. One can almost see in their mind's eye, based on the unfortunate but predictable reaction of my friends on the left, that it is the ''most cynical time of the year.''

If we want to go back and engage in instant revisionism of history, I suppose that can feed the hour's time; to pose for sufficient outrage, to concentrate on ingenious insults, to try to claim what has gone before. But the fact is tonight, and this point I will agree with my colleague from Indiana who preceded me in the well, people are hurting. People need help.

We have reached out in a sense of compromise and consensus to offer health plans now for people who are hurting. So let me see if I follow the logic. No, we are not going to vote for the rule. No, we are not going to vote for the bill. We will do nothing, and that way we will help our constituents. We will do nothing to expand health benefits. We will do nothing to reinvigorate the economy. We will stand here with our arms crossed and affect poses of outrage, but in fact be apathetic, disinterested, and play a game of power rather than putting people ahead of politics.

That is basically the choice tonight. When we strip away all the rhetoric and strip away all the revisionist history and take the finger that points

and curl it back and put it into our pockets, the question remains: Are my Democrat colleagues willing to meet us halfway; or is this a give-and-take where we give and give and give and you take and take and take?

We have a chance to move forward. We have a chance this evening, Mr. Speaker, to get something done for the American people. It will require special rules, but the time grows late and the need is real. And to say we will respond with nothing at all, or name calling, or inaccurate, deliberately inaccurate, representations of the consensus plan that has been drafted, small wonder, Mr. Speaker, that those who look in will call this ''the most cynical time of the year.''

For once, Mr. Speaker, let me appeal to my friends on the left. I understand what happens in terms of the pursuit of power. I understand the frustrations. But tonight cast a vote on behalf of constituents who are out of work. Let us get this economy moving again. The American people face challenges, but they are not insurmountable if we work together. Support the rule, support the legislation. Let us get people back to work, and let us help those who are hurting.

Mr. FROST. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, the Committee on Rules tonight denied Democrats, denied the minority party, the opportunity to offer a substitute; and that is why we oppose this bill. We have a substitute that is paid for, that does not add $250 billion to the deficit. We have a substitute that provides health insurance now rather than much later; a substitute that provides real unemployment benefits, rather than what the Republicans offered. They denied us the opportunity to offer a meaningful substitute, and that is why we are against the bill.

We would love to vote tonight, and we would love to vote on a real piece of legislation that does not take $250 billion out of the Social Security trust fund, as is being proposed by the majority.

Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, I think some of our colleagues at this special time of the year need to get a smile on their face and feel a little better about things.

And, really, we need to give credit where credit is due. The House Republican leadership here got in the Christmas spirit ahead of a lot of other folks. Indeed, almost from the moment that they were sworn in last January. There are some Christmas sales underway, some pre-Christmas clearances underway by some stores I see here in town, but our Republican colleagues here in the House got into the business of giveaways long before any of these stores: giving away public lands to be mined on for practically nothing; rolling back health and safety rules; and tax breaks, lots of tax breaks, one after another for every special interest that lined up with a limousine at the Capitol.

It is the season of red and green. Well, red ink has been in favor here in the House all year long. This surplus is being used up by Republican borrowing to finance more corporate tax breaks. And green, well, that is the long green of special interest campaign contributions. And we have seen a lot of that this year too.

Even the Wall Street Journal this week labeled what is going on tonight as ''a feeding frenzy among corporate tax lobbyists.'' Not to worry, though. They say there is enough for everyone. Well, not quite. Yes, Virginia, there may be a Santa Claus, but this year we are having a Republican Christmas. That is where Santa just stuffs the silk stockings. And for the working families of this country, they have a hole in their sock. They have heard of the story of Scrooge and of the Grinch, and their relief is slipping out the bottom of the stocking.

Federal Reserve Chairman Alan Greenspan warned us that ''it is far more important to be right than to be quick.'' Well, this bill manages to fail both. It prefers to be wrong and to be late, very late into the evening. Who would want to do this in the light of day?

The stimulus stalled because the Republicans insisted on putting billions of dollars into tax breaks to set up various Christmas trees, as we call them around here, loaded with favors for well-heeled lobbyists. Enron, for example, from my State of Texas, which has had its problems of late, under the original Republican bill would get $254 million, getting its taxes rebated to 1986.

But only a lump of coal is left for working families who are out there wondering, ''this Christmas do we buy presents for the kids or will we have enough to pay our health insurance premium next month?'' ''Who is going to pay the mortgage or pay the rent when the unemployment runs out?'' I think it is time to dump the corporate lobbyists from Santa's knee and make room for those folks who have been working hard to build this great country and are now facing the problems created by this economic downturn.

Our Republican colleagues can wrap up this package tonight, they can slap a bow on it, they can call it a stimulus. But a pretty box that for most Americans is empty is not any present at all. This stimulus package, I believe, is a hollow Republican plan. That is why it is being rushed through under this martial law provision.

There is only one gift that our Republican colleagues are equal opportunity on, and they are going to spread that around to every citizen in this country, whatever their rank, philosophy, or party, and that is more debt. And we are going to get a heck of a lot of additional debt. We have got the Bush administration planning to come in here in a few weeks and ask us to raise the public debt ceiling because of schemes and shenanigans just like those going on tonight.

So I wish them well for the Christmas spirit. I know they have lots of it. But it would be nice if everybody in America could share a little more than packages wrapped up that only mean more public debt for them, their children, and their grandchildren.

Mr. REYNOLDS. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. WELLER).

Mr. WELLER. Mr. Speaker, I thank the gentleman from New York for yielding me this time.

As I listen here very patiently to some of the partisan political rhetoric and excuses of why not to do something, I would like to ask this House to come back to why we are here. And the question is, Do we want to save the jobs of working Americans? Do we want to give working Americans the opportunity to go back to work?

□ 2215

I know I do. I know my Republican colleagues on the Republican side do. My hope is some of our Democratic colleagues will join with us in saving American jobs tonight.

Let us remember when President Bush was sworn in, he inherited a weakening economy. The September 11 attack on America had a psychological impact on our Nation, causing consumers and business investors to step back from decisions to invest and decisions to buy. It has come at a terrible cost, a cost where we have now seen, on average, 8,000 Americans lose their jobs every week.

Today in the Chicago area it was announced that Motorola was going to lay off 9,400 more employees. Think about that. 9,400 moms and dads are going home this week to tell their children that they no longer have a job. I want to do something about that. I want those citizens and constituents of mine in Illinois to get their jobs back. We have to remember that it was investment and creation of jobs that drove this economy in the past decade.

The Economic Security and Recovery Act provides that opportunity to invest in the creation of new jobs. I would point to two provisions. Technology created one-third of the jobs in the economy in the last decade, according to the Federal Reserve, and it was investment in technology that created those jobs in companies like Motorola. I note that two provisions in this package can make a difference, a 30 percent expensing, rewarding investment in computers and pickup trucks or automobiles. Somebody has to make and

operate them. The 30 percent expensing will reward investment and creation of those jobs, giving someone an opportunity to make that product; and, of course, the worker hired to operate that product. We also have to recognize there are companies losing money this year, particularly as a result of the consequences of September 11.

While the net operating loss, the NOL carry-back allowing companies to go back 5 years against a profitable year, essentially get a little bit of a tax refund, which will free up capital so they can invest back in their company and protect current jobs.

Mr. Speaker, let us remember what this is all about. I want to go home at the end of this year, before Christmas, having done something for the people that work and raise families in the district that I represent. There is always an excuse not to do something. We are hearing those excuses from the other side. Let us pass this legislation. It is bipartisan legislation with bipartisan support here in the House, as well as bipartisan support in the Senate. Our job here in the House of Representatives is to pass this legislation and get America working again.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Speaker, normally I do not stand on the floor and talk about the tax cuts; but after listening to the debate tonight and seeing where we are at, and my frustration with this process, I do not know what part of reality my colleagues on the Republican side do not understand. America needs a stimulus plan that includes tax cuts, but not every half-thought-out scheme to shut down the vital functions of government that we need. The reality is that we are at war, and we have layoffs. We must pay for the defense of the Nation, and corporate give-backs will not pay for an increase for our troops or better equipment.

A laid-off worker cannot use a tax credit to pay this month's health insurance premium or to buy Christmas gifts for their family. They cannot use a tax credit that will come up next year, but all the other side of the aisle wants to do is give a tax credit. They have a one-size-fits-all. One answer for every problem. American workers out of a job, we will give a tax cut. A Nation at war, we will give a tax cut.

Mr. Speaker, how do we pay for the war or assistance to the employed? It will come out of the Social Security trust fund and further prolong the prescription drug benefit needed by our Nation's seniors.

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

Mr. Speaker, in the remarks of the gentleman on the other side, I just want to correct the gentleman, it is a refundable tax credit for the purchase of health insurance, contrary to what the gentleman's remarks were according to our information.

I think it might be a good time to talk about the fact that health care is something that the Thomas legislation reaches out to all Americans affected as they are displaced workers, not just a select few under COBRA, and there are an outline of a number of those.

When I think about middle America, the fact of reducing the current 27.5 percent tax rate to 25 percent effective January 2002 will strengthen working families across this country. There are a number of extensions of important pieces of legislation that are incorporated in this bill that are time sensitive, 2 years and 1 year, and permanent extensions of others.

When we look at this, not only have we looked across America, but the 2 months that the New York stimulus package has been kicking around that authorizes $15 billion of tax exempt bonds and bonus depreciation deductions, reduce the recovery period for leasehold improvements, increasing small business expensing and increasing time periods for reinvesting gains, many of those are right in the aspect of revitalizing New York City and the lower Manhattan area which has been so devastated.

Also in this legislation is victims' tax relief. That is going to the Oklahoma bombing and the anthrax attacks that have occurred in this country.

I also remind Members before when we listened that this was not enough and this was a Republican plan, we look at the Thomas plan which is a consensus, a bicameral approach of reaching consensus, in many aspects supported by the President of the United States, bringing forth solutions of compromise that is not just one fashion. It is a consensus of the best ideas. If we pass this rule, we will bring this legislation before the House and then see the will of this body as we consider this legislation tonight.

Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. PENCE).

Mr. PENCE. Mr. Speaker, I rise in strong support of the same day rule and the underlying economic recovery bill.

The familiar sounds of the season, Mr. Speaker, silk stockings hanging by the chimney, Republicans as Grinch. The demagoguery of the day. But, Mr. Speaker, I offer that this rhetoric does nothing for the 1 million families facing this holiday with the uncertainty, the embarrassment and the despair of being out of work at Christmas.

I know whereof I speak, Mr. Speaker. In 1993, with my wife expecting our third, with Michael, my son, age 2, and Charlotte, my daughter, age 1, I was out of work. I endured going to the family parties with the uncertainty of where the next paycheck would be from. I can tell, Mr. Speaker, it is a grievous time.

Yet some even on the floor tonight complaining of the lateness of the hour say we should not act on this economic recovery bill, they say we should only help the wage earner, but not the wage payer. But the truth is always somewhere in between, as it is in this compromise bill, a bill that provides 6 times the unemployment relief of the original legislation that passed out of the House, and also recognizes that the best welfare program is a good job, and we help to create and stimulate the wage earner by bringing those loyal employees back into the fold.

Let us not think about the demagoguery and the political advantage of the day, let us think of the moms and dads stretching to make this Christmas special, and trusting us in this Congress in both parties to pursue policies that will lead them and our Nation out of this present recession.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I want to throw another category in the debate tonight that has not been mentioned, and that is the grandkids. We can all agree tonight that we need to do something for the workers. I certainly agree with most of the components of the tax cut, that it does something to provide jobs. But I hope the enthusiasm that I hear tonight from this side of the aisle will be here in February and March when we have to increase the debt ceiling from $5.95 trillion to $6.7 trillion. I look for the same enthusiasm as Members are showing tonight for spending this money, I look for it in February and March when we have to increase the debt ceiling.

I agree with the gentleman from New York (Mr. REYNOLDS), it is not much fun being in the minority. I agree that the majority can do anything that it wishes to do, and the majority are doing it again tonight, as the majority has done time and time again this year, and then claim to have bipartisanship; but that dog will not hunt. The majority can do it, and I respect their right to do it. But I also expect the majority to come to the floor and be just as enthusiastic when they raise the debt ceiling. I want the majority to be just as responsible when they say to the people out there that we are trying to help tonight, the Social Security trust fund dollars are being spent for these purposes.

What I ask for, and the Blue Dogs have asked for, is to please pay for it. What happened to the conservative principles of this body when we used to stand on this floor and argue, pay for government, pay as we go. There is not one word about that, but we are going to have to pay next year. We ought to think about the grandkids as well as the unemployed, as well as those who need the incentive to provide the jobs.

We are completely ignoring that. The chickens are going to come home to roost next year, and I hope the enthusiasm will be there.

Mr. Speaker, I hope Members are ready to increase the debt ceiling and borrow the money in order to return it for the purposes. I pray that the gentleman is right; I disagree with the gentleman, but the majority has every right to do what they are doing. Ramp it through, and then pay the consequences next year.

Mr. REYNOLDS. Mr. Speaker, I yield to the gentleman from Florida (Mr. WELDON) for 3 minutes.

Mr. WELDON of Florida. Mr. Speaker, this Nation suffered a great tragedy on September 11. Our economy was slowing down. The statistical analysis tells us we probably went into a recession some time in the spring, and we have suffered tremendous numbers of layoffs, unemployment is way up. The best way to make sure Social Security is solvent in the future is to get the economy going. I think we all agree the thing that brings prosperity to this country allows us to have programs like Medicare and Social Security.

What allows us to have a strong military is the fact that we have a very, very strong and robust economy. But right now the economy is not good. We have got hundreds of thousands of people who have lost their job. The most important thing that we can do to get those people back to work is to make it profitable for the corporations that previously employed them to hire them back.

Now, I think the product that the gentleman from California (Mr. THOMAS) and the White House and the leadership have put together is a good product that has, I think, some real potential to help get our economy going again; and, indeed, bring more money into the treasury to allow us to continue to fund all of the important things that we do.

Now there are some Members who are fond of calling this corporate welfare and just a big payout to business, but I would assert that we cannot create any prosperity here in this House, that we do not create jobs, that the private sector creates jobs. And the private sector right now is not creating any jobs. The private sector right now is laying people off. The best thing we can do is pass, at this time, an economic stimulus package that helps American business create more jobs.

□ 2230

To characterize this as some kind of big payoff to big business, in my opinion, is just demagoguery. Our stock markets have gone down in value. The NASDAQ has lost more than half of its value over the past year and a half. Millions of Americans who we all claim to represent have seen their retirement portfolios devastated by what is going on. This is the exact kind of package we need to help get this economy going again and put people back to work. And, yes, ultimately in the end achieve security for programs like Medicare and Social Security.

I encourage all my colleagues to vote for this.

Mr. FROST. Mr. Speaker, I yield 2¼ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, tonight at about 10:30 I think what we can all ask for is a focus on priorities. I would like to be going home and presenting to the constituents that I represent some relief. Houston has been hard hit by unemployment over the last couple of weeks. We have certainly been well known in the news for the ups and downs in our economy that we have been facing. But what we have here tonight as I oppose the martial law rule and certainly will oppose the rule that has been promoted is that we do not have an establishment of priorities. And frankly what we have is a letting down of the American people and certainly those who are facing unemployment.

It is a terrible shame in this time of unemployment that we cannot provide a greater relief than what this stimulus package provides. I might acknowledge that there has been a lot of work. We also realize that the other body will not be doing any work on this, and so we will have nothing to give to the American people.

I noted with the good work that was done by the gentleman from Wisconsin (Mr. OBEY) and the gentleman from Ohio (Mr. REGULA) on the Labor-HHS bill, they still could not pass a parity proposal for mental health. I do not know if it was about no money, but I do believe that we can throw this particular legislation to the wind because it is too much money. It is too much money in the AMT prospectively giving away tax dollars that the Federal Government can ill afford; not providing the bridge for health insurance that these unemployed persons definitely need; giving to the individuals who are unemployed a tax credit that they cannot afford. My State alone on the 30 percent depreciation amendment that I offered in the Committee on Rules that was not accepted will lose $340 million every single year for 3 years. That is in this bill. They cannot afford to lose $340 million in revenue for 3 years. I offered an amendment to add $5 billion to the bill to provide for the loss of revenues that the State would be losing. It was not accepted.

Giving 13 weeks of unemployment is not acceptable, Mr. Speaker. We need 26 weeks to be able to provide for those who are unemployed. We could do better. This bill gives away money out of Social Security that we do not have, and again taking money away from the States that they do not have. Our State of Texas faced Tropical Storm Allison. We are still paying for that, even with the FEMA moneys, and here we are taking $340 million for 3 years with no relief in sight.

Mr. Speaker, again I believe that we can do better. I would ask my colleagues to reject this legislation. Let us go back to the drawing board and do better for the American people.

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

Mr. Speaker, this is a very clear choice. We have a responsible bill that we would like to vote on tonight, a substitute put together by the gentleman from New York (Mr. RANGEL), the ranking member on the committee. The Republicans have refused to make that in order. I assume they fear that our substitute is sufficiently attractive that it might actually pass. Let me repeat. They have refused to give us a straight up or down vote on the substitute put together by the gentleman from New York (Mr. Rangel). If they really wanted to act in a bipartisan way and if they really wanted to bring this matter to a conclusion so we could all help the unemployed people who need health insurance and who need unemployment benefits, why did they not permit a simple vote on our substitute? They know that the bill that they have proposed does not have the support of the United States Senate, so they are engaging in an empty act tonight. If they had permitted us to have a vote on our substitute, and if our substitute were to pass, that is quite possibly a bill that the Senate would take up and pass tomorrow. So the Republican leadership has guaranteed by the way they have structured the debate tonight that we will all go home without having passed a stimulus package.

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

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

I would like to just bring the debate back to perspective where we are. We are on a rule for same day consideration. If that rule passes, it will allow us to consider a rule which will bring the economic stimulus package before this House tonight. I would like to remind not only the Members, but for those who might be observing the Congress, we have been here all year. We have had a stimulus package before Congress for 2 months that has been stalled in the other body. We are now approaching the holidays. We are now getting ready to conclude our year's work and go back to our families and our States. So time is of the essence as we consider this legislation before us tonight and have the will of the House speak as we conclude.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the distinguished chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding me this time, and I would like to congratulate him on his management of this rule and the next rule he is going to manage after we pass this one.

Mr. Speaker, I woke up this morning to National Public Radio. Yes, I am one of those Republicans who listens to ''Morning Edition'' on National Public Radio. There was a story about three of the most prominent tacticians of the Democratic Party: Mr. Greenberg, Mr. Carville, and Mr. Schrum. Those three have authored a memorandum in which they talk about the need for Democrats to praise President Bush's superb handling of this extraordinary war that we are facing, and the American people are behind him, 90 percent of them, and the world has united behind the President. But in this memorandum, Mr. Speaker, they talk about the need for Democrats to attack George Bush on the economy, to attack Republicans in the House of Representatives on the issue of the economy.

Mr. Speaker, as I have listened to the outrage demonstrated by so many of my colleagues here, I wonder whether or not they have read the Schrum-Greenberg-Carville memorandum. I can only assume that they must have, because the attempts that they have made to block this legislation are really unprecedented.

They are unprecedented because this morning we saw the President of the United States do something that I have never known of before. He came not only to meet with Republican Members of the House of Representatives and Republican Members of the United States Senate, but he went that extra mile to meet with the Democratic Caucus. He is trying so hard, having met with the leaders of this body, Mr. GEPHARDT, the leader of the other body, Mr. DASCHLE and the Speaker of the House and the Senate minority leader. Mr. Speaker, the President has done everything that he possibly can to put together a very decent bill.

The gentleman from Texas (Mr. FROST) has just talked about the need for the minority to have an opportunity to offer a substitute proposal. Mr. Speaker, while the gentleman from Texas (Mr. FROST) said we have denied the minority the opportunity to offer that, we in 1994, when we won the majority, guaranteed the minority the right to offer a recommittal motion. Members of the minority will be able to put together that substitute, and we will be able to have an up or down vote on it with the motion to recommit.

There are, in fact, Americans out there who are hurting. There are people who have been devastated by what took place economically here following the tragedy of September 11. I believe that it is absolutely essential that we move this legislation to the United States Senate, that we do everything that we can to recognize that this is a bipartisan package. It is one in which we have tried to build support from the other side of the aisle on. I am convinced that as we move through this very fair rule and consider the next one and have consideration of it, we will be able to provide that much needed assistance to the American people.

I urge support of this rule, the next rule, and this compromise package.

Mr. REYNOLDS. 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 SPEAKER pro tempore (Mr. LATOURETTE). The question is on the resolution.

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

Mr. FROST. 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 214, nays 206, not voting 14, as follows:

[Roll No. 506]

YEAS—214

Abercrombie
Aderholt
Akin
Armey
Bachus
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schrock
Sensenbrenner
Sessions
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf

NAYS—206

Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Clay
Clayton
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Flake
Ford
Frank
Frost
Gonzalez
Gordon
Green (TX)
Gutierrez
Gutknecht
Harman
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schaffer
Schakowsky
Schiff
Scott
Serrano
Shadegg
Sherman
Shows
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Woolsey
Wu
Wynn

NOT VOTING—14

Baker	Hastings (FL)	Stark
Clement	Luther	Wexler
Cubin	Meek (FL)	Young (AK)
Gephardt	Owens	Young (FL)
Hall (OH)	Rangel	

□ 2303

Messrs. BOYD, INSLEE, JACKSON of Illinois, FLAKE, NADLER, and SCHAFFER changed their vote from ''yea'' to ''nay.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 3338, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2002

Mr. LEWIS of California (during the debate on H. Res. 320) submitted the following conference report and statement on the bill (H.R. 3338) making appropriations for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes.

CONFERENCE REPORT (H. REPT. NO. 107–350)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3338) ''making appropriations for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes'', having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2002, for military functions administered by the Department of Defense, and for other purposes, namely:

DIVISION A—DEPARTMENT OF DEFENSE APPROPRIATIONS, 2002

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, $23,752,384,000.

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, $19,551,484,000.

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, $7,345,340,000.

MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, $19,724,014,000.

RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 10211, 10302, and 3038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, $2,670,197,000.

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Navy Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, $1,654,523,000.

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, $471,200,000.

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 10211, 10305, and 8038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Air Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, $1,061,160,000.

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under section 10211, 10302, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, $4,041,695,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under section 10211, 10305, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, $1,784,654,000.

TITLE II

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed $10,794,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes, $22,335,074,000: Provided, That of the funds made available under this heading, $1,000,000, to remain available until expended, shall be transferred to ''National Park Service—Construction'' within 30 days of the enactment of this Act, only for necessary infrastructure repair improvements at Fort Baker, under the management of the Golden Gate Recreation Area: Provided further, That of the funds appropriated in this paragraph, not less than $355,000,000 shall be made available only for conventional ammunition care and maintenance.

OPERATION AND MAINTENANCE, NAVY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed $6,000,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes, $26,876,636,000.

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law, $2,931,934,000.

OPERATION AND MAINTENANCE, AIR FORCE

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law; and not to exceed $7,998,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes, $26,026,789,000: Provided, That notwithstanding any other provision of law, that of the funds available under this heading, $750,000 shall only be available to the Secretary of the Air Force for a grant to Florida Memorial College for the purpose of funding minority aviation training.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law, $12,773,270,000, of which not to exceed $25,000,000 may be available for the CINC initiative fund account; and of which not to exceed $33,500,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes: Provided, That notwithstanding any other provision of law, of the funds provided in this Act for Civil Military programs under this heading, $750,000 shall be available for a grant for Outdoor Odyssey, Roaring Run, Pennsylvania, to support the Youth Development and Leadership program and Department of Defense STARBASE program: Provided further, That of the funds made available in this paragraph, $1,000,000 shall be available only for continuation of the Middle East Regional Security Issues program: Provided further, That none of the funds appropriated or otherwise made available by this Act may be used to plan or implement the consolidation of a budget or appropriations liaison office of the Office of the Secretary of Defense, the office of the Secretary of a military department, or the service headquarters of one of the Armed Forces into a legislative affairs or legislative liaison office.

OPERATION AND MAINTENANCE, ARMY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, $1,771,246,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, $1,003,690,000.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, $144,023,000.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, $2,024,866,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft), $3,768,058,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things, hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau, $3,988,961,000.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

(INCLUDING TRANSFER OF FUNDS)

For expenses directly relating to Overseas Contingency Operations by United States military forces, $50,000,000, to remain available until expended: Provided, That the Secretary of Defense may transfer these funds only to military personnel accounts; operation and maintenance accounts within this title; the Defense Health Program appropriation; procurement accounts; research, development, test and evaluation accounts; and to working capital funds: Provided further, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: Provided further, That the transfer authority provided in this paragraph is in addition to any other transfer authority contained elsewhere in this Act.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

For salaries and expenses necessary for the United States Court of Appeals for the Armed Forces, $9,096,000, of which not to exceed $2,500 can be used for official representation purposes.

ENVIRONMENTAL RESTORATION, ARMY

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, $389,800,000, to remain available until transferred: Provided, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Army, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, NAVY

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Navy, $257,517,000, to remain available until transferred: Provided, That the Secretary of the Navy shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Navy, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Navy, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Air Force, $385,437,000, to remain available until transferred: Provided, That the Secretary of the Air Force shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Air Force, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Air Force, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For the Department of Defense, $23,492,000, to remain available until transferred: Provided, That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of Defense, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of Defense, to be merged with and to be available for the same purposes and for the same time period

as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, $222,255,000, to remain available until transferred: Provided, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris at sites formerly used by the Department of Defense, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For expenses relating to the Overseas Humanitarian, Disaster, and Civic Aid programs of the Department of Defense (consisting of the programs provided under sections 401, 402, 404, 2547, and 2551 of title 10, United States Code), $49,700,000, to remain available until September 30, 2003.

SUPPORT FOR INTERNATIONAL SPORTING COMPETITIONS, DEFENSE

For logistical and security support for international sporting competitions (including pay and non-travel related allowances only for members of the Reserve Components of the Armed Forces of the United States called or ordered to active duty in connection with providing such support), $15,800,000, to remain available until expended.

TITLE III

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $1,984,391,000, to remain available for obligation until September 30, 2004.

MISSILE PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $1,079,330,000, to remain available for obligation until September 30, 2004.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $2,193,746,000, to remain available for obligation until September 30, 2004.

PROCUREMENT OF AMMUNITION, ARMY

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $1,200,465,000, to remain available for obligation until September 30, 2004.

OTHER PROCUREMENT, ARMY

For construction, procurement, production, and modification of vehicles, including tactical, support, and non-tracked combat vehicles; the purchase of not to exceed 29 passenger motor vehicles for replacement only; and the purchase of 3 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed $200,000 per vehicle; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $4,183,736,000, to remain available for obligation until September 30, 2004.

AIRCRAFT PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, $7,938,143,000, to remain available for obligation until September 30, 2004.

WEAPONS PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, $1,429,592,000, to remain available for obligation until September 30, 2004.

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $461,399,000, to remain available for obligation until September 30, 2004.

SHIPBUILDING AND CONVERSION, NAVY

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, as follows:

Carrier Replacement Program (AP), $138,890,000;

SSGN (AP), $365,440,000;

NSSN, $1,578,914,000;

NSSN (AP), $684,288,000;

CVN Refuelings, $1,148,124,000;

CVN Refuelings (AP), $73,707,000;

Submarine Refuelings, $382,265,000;

Submarine Refuelings (AP), $77,750,000;

DDG–51 destroyer program, $2,966,036,000;

DDG–51 (AP), $125,000,000;

Cruiser conversion (AP), $75,000,000;

LPD–17 (AP), $155,000,000;

T–AKE, $370,818,000;

LHD–8, $267,238,000;

LCAC landing craft air cushion program, $46,091,000;

Prior year shipbuilding costs, $729,248,000;

Mine Hunter SWATH, $1,000,000;

Yard Oilers, $3,000,000; and

For craft, outfitting, post delivery, conversions, and first destination transformation transportation, $302,230,000;

In all: $9,490,039,000, to remain available for obligation until September 30, 2006: Provided, That additional obligations may be incurred after September 30, 2006, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction: Provided further, That none of the funds provided under this heading for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign facilities for the construction of major components of such vessel: Provided further, That none of

the funds provided under this heading shall be used for the construction of any naval vessel in foreign shipyards.

OTHER PROCUREMENT, NAVY

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance (except ordnance for new aircraft, new ships, and ships authorized for conversion); the purchase of not to exceed 152 passenger motor vehicles for replacement only, and the purchase of five vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed $200,000 per unit for two units and not to exceed $115,000 per unit for the remaining three units; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, $4,270,976,000, to remain available for obligation until September 30, 2004.

PROCUREMENT, MARINE CORPS

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including the purchase of not to exceed 25 passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, $995,442,000, to remain available for obligation until September 30, 2004.

AIRCRAFT PROCUREMENT, AIR FORCE

For construction, procurement, lease, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things, $10,567,038,000, to remain available for obligation until September 30, 2004.

MISSILE PROCUREMENT, AIR FORCE

For construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things, $2,989,524,000, to remain available for obligation until September 30, 2004.

PROCUREMENT OF AMMUNITION, AIR FORCE

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $866,644,000, to remain available for obligation until September 30, 2004.

OTHER PROCUREMENT, AIR FORCE

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed 216 passenger motor vehicles for replacement only, and the purchase of three vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed $200,000 per vehicle; lease of passenger motor vehicles; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway, $8,085,863,000, to remain available for obligation until September 30, 2004.

PROCUREMENT, DEFENSE-WIDE

For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed 65 passenger motor vehicles for replacement only; the purchase of 4 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed $250,000 per vehicle; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway, $2,389,490,000, to remain available for obligation until September 30, 2004: Provided, That funds provided under this heading for Patriot Advanced Capability 3 (PAC–3) missiles may be used for procurement of critical parts for PAC–3 missiles to support production of such missiles in future fiscal years.

DEFENSE PRODUCTION ACT PURCHASES

For activities by the Department of Defense pursuant to sections 108, 301, 302, and 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2078, 2091, 2092, and 2093), $40,000,000 to remain available until expended, of which, $2,000,000 may be used for a Processible Rigid-Rod Polymeric Material Supplier Initiative under title III of the Defense Production Act of 1950 (50 U.S.C. App. 2091 et seq.) to develop affordable production methods and a domestic supplier for military and commercial processible rigid-rod materials.

NATIONAL GUARD AND RESERVE EQUIPMENT

For procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurement for the reserve components of the Armed Forces, $699,130,000, to remain available for obligation until September 30, 2004: Provided, That the Chiefs of the Reserve and National Guard components shall, not later than 30 days after the enactment of this Act, individually submit to the congressional defense committees the modernization priority assessment for their respective Reserve or National Guard component: Provided further, That of the funds appropriated under this heading, $148,430,000 shall be available only for the procurement of C–130J aircraft to be used solely for western states firefighting.

TITLE IV

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, $7,106,074,000, to remain available for obligation until September 30, 2003.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, $11,498,506,000, to remain available for obligation until September 30, 2003.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, $14,669,931,000, to remain available for obligation until September 30, 2003.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, $15,415,275,000, to remain available for obligation until September 30, 2003: Provided, That for funds provided under this heading for ballistic missile defense programs, the minimum amount applicable under section 9(f)(1)(C) of the Small Business Act (15 U.S.C. 638(f)(1)(C)) shall be $75,000,000 (in lieu of the amount otherwise applicable for those programs under that section).

OPERATIONAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, necessary for the independent activities of the Director, Operational Test and Evaluation in the direction and supervision of operational test and evaluation, including initial operational test and evaluation which is conducted prior to, and in support of, production decisions; joint operational testing and evaluation; and administrative expenses in connection therewith, $231,855,000, to remain available for obligation until September 30, 2003.

TITLE V

REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS

For the Defense Working Capital Funds, $1,312,986,000: Provided, That during fiscal year 2002, funds in the Defense Working Capital Funds may be used for the purchase of not to exceed 330 passenger carrying motor vehicles for replacement only for the Defense Security Service.

NATIONAL DEFENSE SEALIFT FUND

For National Defense Sealift Fund programs, projects, and activities, and for expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744), and for the necessary expenses to maintain and preserve a U.S.-flag merchant fleet to serve the national security needs of the United States, $432,408,000, to remain available until expended: Provided, That none of the funds provided in this paragraph shall be used to award a new contract that provides for the acquisition of any of the following major components unless such components are manufactured in the United States: auxiliary equipment, including pumps, for all shipboard services; propulsion system components (that is; engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes: Provided further, That the exercise of an option in a contract awarded through the obligation of previously appropriated funds shall not be considered to be the award of a new contract: Provided further, That the Secretary of the military department responsible for such procurement may waive the restrictions in the first proviso on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: Provided further, That, notwithstanding any other provision of law, $25,000,000 of the funds available under this heading shall be available only to finance the cost of constructing additional sealift capacity.

TITLE VI

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For expenses, not otherwise provided for, for medical and health care programs of the Department of Defense, as authorized by law, $18,391,194,000, of which $17,659,475,000 shall be for Operation and maintenance, of which not to exceed 2 percent shall remain available until September 30, 2003; of which $267,915,000, to remain available for obligation until September 30, 2004, shall be for Procurement; of which $463,804,000, to remain available for obligation until September 30, 2003, shall be for Research, development, test and evaluation, and of which $14,000,000 shall be available for HIV prevention educational activities undertaken in connection with U.S. military training, exercises, and humanitarian assistance activities conducted in African nations.

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, ARMY

For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521), and for the destruction of other chemical warfare materials that are not in the chemical weapon stockpile, $1,105,557,000, of which $739,020,000 shall be for Operation and maintenance to remain available until September 30, 2003, $164,158,000 shall be for Procurement to remain available until September 30, 2004, and $202,379,000 shall be for Research, development, test and evaluation to remain available until September 30, 2003.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For drug interdiction and counter-drug activities of the Department of Defense, for transfer to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code; for Operation and maintenance; for Procurement; and for Research, development, test and evaluation, $842,581,000: Provided, That the funds appropriated under this heading shall be available for obligation for the same time period and for the same purpose as the appropriation to which transferred: Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority contained elsewhere in this Act.

OFFICE OF THE INSPECTOR GENERAL

For expenses and activities of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $152,021,000, of which $150,221,000 shall be for Operation and maintenance, of which not to exceed $700,000 is available for emergencies and extraordinary expenses to be expended on the approval or authority of the Inspector General, and payments may be made on the Inspector General's certificate of necessity for confidential military purposes; and of which $1,800,000 to remain available until September 30, 2004, shall be for Procurement.

TITLE VII

RELATED AGENCIES

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain the proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System, $212,000,000.

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Intelligence Community Management Account, $160,429,000, of which $28,003,000 for the Advanced Research and Development Committee shall remain available until September 30, 2003: Provided, That of the funds appropriated under this heading, $42,752,000 shall be transferred to the Department of Justice for the National Drug Intelligence Center to support the Department of Defense's counter-drug intelligence responsibilities, and of the said amount, $1,500,000 for Procurement shall remain available until September 30, 2004, and $1,000,000 for Research, development, test and evaluation shall remain available until September 30, 2003: Provided further, That the National Drug Intelligence Center shall maintain the personnel and technical resources to provide timely support to law enforcement authorities to conduct document exploitation of materials collected in Federal, State, and local law enforcement activity.

PAYMENT TO KAHO'OLAWE ISLAND CONVEYANCE, REMEDIATION, AND ENVIRONMENTAL RESTORATION FUND

For payment to Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund, as authorized by law, $67,500,000, to remain available until expended.

NATIONAL SECURITY EDUCATION TRUST FUND

For the purposes of title VIII of Public Law 102–183, $8,000,000, to be derived from the National Security Education Trust Fund, to remain available until expended.

TITLE VIII

GENERAL PROVISIONS—DEPARTMENT OF DEFENSE

SEC. 8001. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 8002. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense: Provided, That salary increases granted to direct and indirect hire foreign national employees of the Department of Defense funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for civilian employees of the Department of Defense whose pay is computed under the provisions of section 5332 of title 5, United States Code, or at a rate in excess of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher: Provided further, That this section shall not apply to Department of Defense foreign service national employees serving at United States diplomatic missions whose pay is set by the Department of State under the Foreign Service Act of 1980: Provided further, That the limitations of this provision shall not apply to foreign national employees of the Department of Defense in the Republic of Turkey.

SEC. 8003. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year, unless expressly so provided herein.

SEC. 8004. No more than 20 percent of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last 2 months of the fiscal year: Provided, That this section shall not apply to obligations for support of active duty training of reserve components or summer camp training of the Reserve Officers' Training Corps.

(TRANSFER OF FUNDS)

SEC. 8005. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed $2,000,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: Provided, That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by the Congress: Provided further, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority or any other authority in this Act: Provided further, That no part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress: Provided further, That a request for multiple reprogrammings of funds using authority provided in this section must be made prior to May 1, 2002.

(TRANSFER OF FUNDS)

SEC. 8006. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: Provided, That transfers may be made between such funds: Provided further, That transfers may be made between working capital funds and the ''Foreign Currency Fluctuations, Defense'' appropriation and the

''Operation and Maintenance'' appropriation accounts in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that such transfers may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. Except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure or increase the value of war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

SEC. 8007. Funds appropriated by this Act may not be used to initiate a special access program without prior notification 30 calendar days in session in advance to the congressional defense committees.

SEC. 8008. None of the funds provided in this Act shall be available to initiate: (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any 1 year of the contract or that includes an unfunded contingent liability in excess of $20,000,000; or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any 1 year, unless the congressional defense committees have been notified at least 30 days in advance of the proposed contract award: Provided, That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: Provided further, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed $500,000,000 unless specifically provided in this Act: Provided further, That no multiyear procurement contract can be terminated without 10-day prior notification to the congressional defense committees: Provided further, That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

Funds appropriated in title III of this Act may be used for multiyear procurement contracts as follows:

UH–60/CH–60 aircraft;

C–17; and

F/A–18E and F engine.

SEC. 8009. Within the funds appropriated for the operation and maintenance of the Armed Forces, funds are hereby appropriated pursuant to section 401 of title 10, United States Code, for humanitarian and civic assistance costs under chapter 20 of title 10, United States Code. Such funds may also be obligated for humanitarian and civic assistance costs incidental to authorized operations and pursuant to authority granted in section 401 of chapter 20 of title 10, United States Code, and these obligations shall be reported to the Congress as of September 30 of each year: Provided, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the Trust Territories of the Pacific Islands and freely associated states of Micronesia, pursuant to the Compact of Free Association as authorized by Public Law 99–239: Provided further, That upon a determination by the Secretary of the Army that such action is beneficial for graduate medical education programs conducted at Army medical facilities located in Hawaii, the Secretary of the Army may authorize the provision of medical services at such facilities and transportation to such facilities, on a nonreimbursable basis, for civilian patients from American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, Palau, and Guam.

SEC. 8010. (a) During fiscal year 2002, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(b) The fiscal year 2003 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 2003 Department of Defense budget request shall be prepared and submitted to the Congress as if subsections (a) and (b) of this provision were effective with regard to fiscal year 2003.

(c) Nothing in this section shall be construed to apply to military (civilian) technicians.

SEC. 8011. Notwithstanding any other provision of law, none of the funds made available by this Act shall be used by the Department of Defense to exceed, outside the 50 United States, its territories, and the District of Columbia, 125,000 civilian workyears: Provided, That workyears shall be applied as defined in the Federal Personnel Manual: Provided further, That workyears expended in dependent student hiring programs for disadvantaged youths shall not be included in this workyear limitation.

SEC. 8012. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

SEC. 8013. None of the funds appropriated by this Act shall be available for the basic pay and allowances of any member of the Army participating as a full-time student and receiving benefits paid by the Secretary of Veterans Affairs from the Department of Defense Education Benefits Fund when time spent as a full-time student is credited toward completion of a service commitment: Provided, That this subsection shall not apply to those members who have reenlisted with this option prior to October 1, 1987: Provided further, That this subsection applies only to active components of the Army.

SEC. 8014. None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of the enactment of this Act, is performed by more than 10 Department of Defense civilian employees until a most efficient and cost-effective organization analysis is completed on such activity or function and certification of the analysis is made to the Committees on Appropriations of the House of Representatives and the Senate: Provided, That this section and subsections (a), (b), and (c) of 10 U.S.C. 2461 shall not apply to a commercial or industrial type function of the Department of Defense that: (1) is included on the procurement list established pursuant to section 2 of the Act of June 25, 1938 (41 U.S.C. 47), popularly referred to as the Javits-Wagner-O'Day Act; (2) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or (3) is planned to be converted to performance by a qualified firm under 51 percent ownership by an Indian tribe, as defined in section 450b(e) of title 25, United States Code, or a Native Hawaiian organization, as defined in section 637(a)(15) of title 15, United States Code.

(TRANSFER OF FUNDS)

SEC. 8015. Funds appropriated in title III of this Act for the Department of Defense Pilot Mentor-Protege Program may be transferred to any other appropriation contained in this Act solely for the purpose of implementing a Mentor-Protege Program developmental assistance agreement pursuant to section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2301 note), as amended, under the authority of this provision or any other transfer authority contained in this Act.

SEC. 8016. None of the funds in this Act may be available for the purchase by the Department of Defense (and its departments and agencies) of welded shipboard anchor and mooring chain 4 inches in diameter and under unless the anchor and mooring chain are manufactured in the United States from components which are substantially manufactured in the United States: Provided, That for the purpose of this section manufactured will include cutting, heat treating, quality control, testing of chain and welding (including the forging and shot blasting process): Provided further, That for the purpose of this section substantially all of the components of anchor and mooring chain shall be considered to be produced or manufactured in the United States if the aggregate cost of the components produced or manufactured in the United States exceeds the aggregate cost of the components produced or manufactured outside the United States: Provided further, That when adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis, the Secretary of the service responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations that such an acquisition must be made in order to acquire capability for national security purposes.

SEC. 8017. None of the funds appropriated by this Act available for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) or TRICARE shall be available for the reimbursement of any health care provider for inpatient mental health service for care received when a patient is referred to a provider of inpatient mental health care or residential treatment care by a medical or health care professional having an economic interest in the facility to which the patient is referred: Provided, That this limitation does not apply in the case of inpatient mental health services provided under the program for persons with disabilities under subsection (d) of section 1079 of title 10, United States Code, provided as partial hospital care, or provided pursuant to a waiver authorized by the Secretary of Defense because of medical or psychological circumstances of the patient that are confirmed by a health professional who is not a Federal employee after a review, pursuant to rules prescribed by the Secretary, which takes into account the appropriate level of care for the patient, the intensity of services required by the patient, and the availability of that care.

SEC. 8018. Funds available in this Act and hereafter may be used to provide transportation for the next-of-kin of individuals who have been prisoners of war or missing in action from the Vietnam era to an annual meeting in the United States, under such regulations as the Secretary of Defense may prescribe.

SEC. 8019. Notwithstanding any other provision of law, during the current fiscal year, the Secretary of Defense may, by executive agreement, establish with host nation governments in NATO member states a separate account into which such residual value amounts negotiated in the return of United States military installations in NATO member states may be deposited, in the currency of the host nation, in lieu of direct monetary transfers to the United States Treasury: Provided, That such credits may be utilized only for the construction of facilities to support United States military forces in that

host nation, or such real property maintenance and base operating costs that are currently executed through monetary transfers to such host nations: Provided further, That the Department of Defense's budget submission for fiscal year 2003 shall identify such sums anticipated in residual value settlements, and identify such construction, real property maintenance or base operating costs that shall be funded by the host nation through such credits: Provided further, That all military construction projects to be executed from such accounts must be previously approved in a prior Act of Congress: Provided further, That each such executive agreement with a NATO member host nation shall be reported to the congressional defense committees, the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate 30 days prior to the conclusion and endorsement of any such agreement established under this provision.

SEC. 8020. None of the funds available to the Department of Defense may be used to demilitarize or dispose of M–1 Carbines, M–1 Garand rifles, M–14 rifles, .22 caliber rifles, .30 caliber rifles, or M–1911 pistols.

SEC. 8021. No more than $500,000 of the funds appropriated or made available in this Act shall be used during a single fiscal year for any single relocation of an organization, unit, activity or function of the Department of Defense into or within the National Capital Region: Provided, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the congressional defense committees that such a relocation is required in the best interest of the Government.

SEC. 8022. In addition to the funds provided elsewhere in this Act, $8,000,000 is appropriated only for incentive payments authorized by section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544): Provided, That a subcontractor at any tier shall be considered a contractor for the purposes of being allowed additional compensation under section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544).

SEC. 8023. During the current fiscal year and hereafter, funds appropriated or otherwise available for any Federal agency, the Congress, the judicial branch, or the District of Columbia may be used for the pay, allowances, and benefits of an employee as defined by section 2105 of title 5, United States Code, or an individual employed by the government of the District of Columbia, permanent or temporary indefinite, who—

(1) is a member of a Reserve component of the Armed Forces, as described in section 10101 of title 10, United States Code, or the National Guard, as described in section 101 of title 32, United States Code;

(2) performs, for the purpose of providing military aid to enforce the law or providing assistance to civil authorities in the protection or saving of life or property or prevention of injury—

(A) Federal service under sections 331, 332, 333, or 12406 of title 10, United States Code, or other provision of law, as applicable; or

(B) full-time military service for his or her State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory of the United States; and

(3) requests and is granted—

(A) leave under the authority of this section; or

(B) annual leave, which may be granted without regard to the provisions of sections 5519 and 6323(b) of title 5, United States Code, if such employee is otherwise entitled to such annual leave:

Provided, That any employee who requests leave under subsection (3)(A) for service described in subsection (2) of this section is entitled to such leave, subject to the provisions of this section and of the last sentence of section 6323(b) of title 5, United States Code, and such leave shall be considered leave under section 6323(b) of title 5, United States Code.

SEC. 8024. None of the funds appropriated by this Act shall be available to perform any cost study pursuant to the provisions of OMB Circular A–76 if the study being performed exceeds a period of 24 months after initiation of such study with respect to a single function activity or 48 months after initiation of such study for a multi-function activity.

SEC. 8025. Funds appropriated by this Act for the American Forces Information Service shall not be used for any national or international political or psychological activities.

SEC. 8026. Notwithstanding any other provision of law or regulation, the Secretary of Defense may adjust wage rates for civilian employees hired for certain health care occupations as authorized for the Secretary of Veterans Affairs by section 7455 of title 38, United States Code.

SEC. 8027. Of the funds made available in this Act, not less than $55,000,000 shall be available to maintain an attrition reserve force of 18 B–52 aircraft, of which $3,300,000 shall be available from ''Military Personnel, Air Force'', $37,400,000 shall be available from ''Operation and Maintenance, Air Force'', and $14,300,000 shall be available from ''Aircraft Procurement, Air Force'': Provided, That the Secretary of the Air Force shall maintain a total force of 94 B–52 aircraft, including 18 attrition reserve aircraft, during fiscal year 2002: Provided further, That the Secretary of Defense shall include in the Air Force budget request for fiscal year 2003 amounts sufficient to maintain a B–52 force totaling 94 aircraft.

SEC. 8028. (a) Of the funds for the procurement of supplies or services appropriated by this Act, qualified nonprofit agencies for the blind or other severely handicapped shall be afforded the maximum practicable opportunity to participate as subcontractors and suppliers in the performance of contracts let by the Department of Defense.

(b) During the current fiscal year, a business concern which has negotiated with a military service or defense agency a subcontracting plan for the participation by small business concerns pursuant to section 8(d) of the Small Business Act (15 U.S.C. 637(d)) shall be given credit toward meeting that subcontracting goal for any purchases made from qualified nonprofit agencies for the blind or other severely handicapped.

(c) For the purpose of this section, the phrase ''qualified nonprofit agency for the blind or other severely handicapped'' means a nonprofit agency for the blind or other severely handicapped that has been approved by the Committee for the Purchase from the Blind and Other Severely Handicapped under the Javits-Wagner-O'Day Act (41 U.S.C. 46–48).

SEC. 8029. During the current fiscal year, net receipts pursuant to collections from third party payers pursuant to section 1095 of title 10, United States Code, shall be made available to the local facility of the uniformed services responsible for the collections and shall be over and above the facility's direct budget amount.

SEC. 8030. During the current fiscal year, the Department of Defense is authorized to incur obligations of not to exceed $350,000,000 for purposes specified in section 2350j(c) of title 10, United States Code, in anticipation of receipt of contributions, only from the Government of Kuwait, under that section: Provided, That upon receipt, such contributions from the Government of Kuwait shall be credited to the appropriations or fund which incurred such obligations.

SEC. 8031. Of the funds made available in this Act, not less than $23,003,000 shall be available for the Civil Air Patrol Corporation, of which $21,503,000 shall be available for Civil Air Patrol Corporation operation and maintenance to support readiness activities which includes $1,500,000 for the Civil Air Patrol counterdrug program: Provided, That funds identified for ''Civil Air Patrol'' under this section are intended for and shall be for the exclusive use of the Civil Air Patrol Corporation and not for the Air Force or any unit thereof.

SEC. 8032. (a) None of the funds appropriated in this Act are available to establish a new Department of Defense (department) federally funded research and development center (FFRDC), either as a new entity, or as a separate entity administrated by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other non-profit entities.

(b) No member of a Board of Directors, Trustees, Overseers, Advisory Group, Special Issues Panel, Visiting Committee, or any similar entity of a defense FFRDC, and no paid consultant to any defense FFRDC, except when acting in a technical advisory capacity, may be compensated for his or her services as a member of such entity, or as a paid consultant by more than one FFRDC in a fiscal year: Provided, That a member of any such entity referred to previously in this subsection shall be allowed travel expenses and per diem as authorized under the Federal Joint Travel Regulations, when engaged in the performance of membership duties.

(c) Notwithstanding any other provision of law, none of the funds available to the department from any source during fiscal year 2002 may be used by a defense FFRDC, through a fee or other payment mechanism, for construction of new buildings, for payment of cost sharing for projects funded by Government grants, for absorption of contract overruns, or for certain charitable contributions, not to include employee participation in community service and/or development.

(d) Notwithstanding any other provision of law, of the funds available to the department during fiscal year 2002, not more than 6,227 staff years of technical effort (staff years) may be funded for defense FFRDCs: Provided, That of the specific amount referred to previously in this subsection, not more than 1,029 staff years may be funded for the defense studies and analysis FFRDCs.

(e) The Secretary of Defense shall, with the submission of the department's fiscal year 2003 budget request, submit a report presenting the specific amounts of staff years of technical effort to be allocated for each defense FFRDC during that fiscal year.

(f) Notwithstanding any other provision of this Act, the total amount appropriated in this Act for FFRDCs is hereby reduced by $40,000,000.

SEC. 8033. None of the funds appropriated or made available in this Act shall be used to procure carbon, alloy or armor steel plate for use in any Government-owned facility or property under the control of the Department of Defense which were not melted and rolled in the United States or Canada: Provided, That these procurement restrictions shall apply to any and all Federal Supply Class 9515, American Society of Testing and Materials (ASTM) or American Iron and Steel Institute (AISI) specifications of carbon, alloy or armor steel plate: Provided further, That the Secretary of the military department responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: Provided

further, That these restrictions shall not apply to contracts which are in being as of the date of the enactment of this Act.

SEC. 8034. For the purposes of this Act, the term ''congressional defense committees'' means the Armed Services Committee of the House of Representatives, the Armed Services Committee of the Senate, the Subcommittee on Defense of the Committee on Appropriations of the Senate, and the Subcommittee on Defense of the Committee on Appropriations of the House of Representatives.

SEC. 8035. During the current fiscal year, the Department of Defense may acquire the modification, depot maintenance and repair of aircraft, vehicles and vessels as well as the production of components and other Defense-related articles, through competition between Department of Defense depot maintenance activities and private firms: Provided, That the Senior Acquisition Executive of the military department or defense agency concerned, with power of delegation, shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private bids: Provided further, That Office of Management and Budget Circular A–76 shall not apply to competitions conducted under this section.

SEC. 8036. (a)(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary's blanket waiver of the Buy American Act with respect to such types of products produced in that foreign country.

(2) An agreement referred to in paragraph (1) is any reciprocal defense procurement memorandum of understanding, between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country.

(b) The Secretary of Defense shall submit to the Congress a report on the amount of Department of Defense purchases from foreign entities in fiscal year 2002. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.), or any international agreement to which the United States is a party.

(c) For purposes of this section, the term ''Buy American Act'' means title III of the Act entitled ''An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes'', approved March 3, 1933 (41 U.S.C. 10a et seq.).

SEC. 8037. Appropriations contained in this Act that remain available at the end of the current fiscal year as a result of energy cost savings realized by the Department of Defense shall remain available for obligation for the next fiscal year to the extent, and for the purposes, provided in section 2865 of title 10, United States Code.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8038. Amounts deposited during the current fiscal year to the special account established under 40 U.S.C. 485(h)(2) and to the special account established under 10 U.S.C. 2667(d)(1) are appropriated and shall be available until transferred by the Secretary of Defense to current applicable appropriations or funds of the Department of Defense under the terms and conditions specified by 40 U.S.C. 485(h)(2)(A) and (B) and 10 U.S.C. 2667(d)(1)(B), to be merged with and to be available for the same time period and the same purposes as the appropriation to which transferred.

SEC. 8039. The President shall include with each budget for a fiscal year submitted to the Congress under section 1105 of title 31, United States Code, materials that shall identify clearly and separately the amounts requested in the budget for appropriation for that fiscal year for salaries and expenses related to administrative activities of the Department of Defense, the military departments, and the defense agencies.

SEC. 8040. Notwithstanding any other provision of law, funds available for ''Drug Interdiction and Counter-Drug Activities, Defense'' may be obligated for the Young Marines program.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8041. During the current fiscal year, amounts contained in the Department of Defense Overseas Military Facility Investment Recovery Account established by section 2921(c)(1) of the National Defense Authorization Act of 1991 (Public Law 101–510; 10 U.S.C. 2687 note) shall be available until expended for the payments specified by section 2921(c)(2) of that Act.

SEC. 8042. (a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary of the Air Force may convey at no cost to the Air Force, without consideration, to Indian tribes located in the States of North Dakota, South Dakota, Montana, and Minnesota relocatable military housing units located at Grand Forks Air Force Base and Minot Air Force Base that are excess to the needs of the Air Force.

(b) PROCESSING OF REQUESTS.—The Secretary of the Air Force shall convey, at no cost to the Air Force, military housing units under subsection (a) in accordance with the request for such units that are submitted to the Secretary by the Operation Walking Shield Program on behalf of Indian tribes located in the States of North Dakota, South Dakota, Montana, and Minnesota.

(c) RESOLUTION OF HOUSING UNIT CONFLICTS.—The Operation Walking Shield program shall resolve any conflicts among requests of Indian tribes for housing units under subsection (a) before submitting requests to the Secretary of the Air Force under subsection (b).

(d) INDIAN TRIBE DEFINED.—In this section, the term ''Indian tribe'' means any recognized Indian tribe included on the current list published by the Secretary of the Interior under section 104 of the Federally Recognized Indian Tribe Act of 1994 (Public Law 103–454; 108 Stat. 4792; 25 U.S.C. 479a–1).

SEC. 8043. During the current fiscal year, appropriations which are available to the Department of Defense for operation and maintenance may be used to purchase items having an investment item unit cost of not more than $100,000: Provided, That the $100,000 limitation shall not apply to amounts appropriated in this Act under the heading ''Operation and Maintenance, Defense-Wide'' for expenses related to certain classified activities.

SEC. 8044. (a) During the current fiscal year, none of the appropriations or funds available to the Department of Defense Working Capital Funds shall be used for the purchase of an investment item for the purpose of acquiring a new inventory item for sale or anticipated sale during the current fiscal year or a subsequent fiscal year to customers of the Department of Defense Working Capital Funds if such an item would not have been chargeable to the Department of Defense Business Operations Fund during fiscal year 1994 and if the purchase of such an investment item would be chargeable during the current fiscal year to appropriations made to the Department of Defense for procurement.

(b) The fiscal year 2003 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 2003 Department of Defense budget shall be prepared and submitted to the Congress on the basis that any equipment which was classified as an end item and funded in a procurement appropriation contained in this Act shall be budgeted for in a proposed fiscal year 2003 procurement appropriation and not in the supply management business area or any other area or category of the Department of Defense Working Capital Funds.

SEC. 8045. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 2003: Provided, That funds appropriated, transferred, or otherwise credited to the Central Intelligence Agency Central Services Working Capital Fund during this or any prior or subsequent fiscal year shall remain available until expended: Provided further, That any funds appropriated or transferred to the Central Intelligence Agency for agent operations and for covert action programs authorized by the President under section 503 of the National Security Act of 1947, as amended, shall remain available until September 30, 2003.

SEC. 8046. Notwithstanding any other provision of law, funds made available in this Act for the Defense Intelligence Agency may be used for the design, development, and deployment of General Defense Intelligence Program intelligence communications and intelligence information systems for the Services, the Unified and Specified Commands, and the component commands.

SEC. 8047. Of the funds appropriated to the Department of Defense under the heading ''Operation and Maintenance, Defense-Wide'', not less than $10,000,000 shall be made available only for the mitigation of environmental impacts, including training and technical assistance to tribes, related administrative support, the gathering of information, documenting of environmental damage, and developing a system for prioritization of mitigation and cost to complete estimates for mitigation, on Indian lands resulting from Department of Defense activities.

SEC. 8048. Amounts collected for the use of the facilities of the National Science Center for Communications and Electronics during the current fiscal year and hereafter pursuant to section 1459(g) of the Department of Defense Authorization Act, 1986, and deposited to the special account established under subsection 1459(g)(2) of that Act are appropriated and shall be available until expended for the operation and maintenance of the Center as provided for in subsection 1459(g)(2).

(TRANSFER OF FUNDS)

SEC. 8049. In addition to the amounts appropriated elsewhere in this Act, $10,000,000 is hereby appropriated to the Department of Defense: Provided, That at the direction of the Assistant Secretary of Defense for Reserve Affairs, these funds shall be transferred to the Reserve component personnel accounts in Title I of this Act: Provided further, That these funds shall be used for incentive and bonus programs that address the most pressing recruitment and retention issues in the Reserve components.

SEC. 8050. (a) None of the funds appropriated in this Act may be expended by an entity of the Department of Defense unless the entity, in expending the funds, complies with the Buy American Act. For purposes of this subsection, the term ''Buy American Act'' means title III of the Act entitled ''An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes'', approved March 3, 1933 (41 U.S.C. 10a et seq.).

(b) If the Secretary of Defense determines that a person has been convicted of intentionally

affixing a label bearing a ''Made in America'' inscription to any product sold in or shipped to the United States that is not made in America, the Secretary shall determine, in accordance with section 2410f of title 10, United States Code, whether the person should be debarred from contracting with the Department of Defense.

(c) In the case of any equipment or products purchased with appropriations provided under this Act, it is the sense of the Congress that any entity of the Department of Defense, in expending the appropriation, purchase only American-made equipment and products, provided that American-made equipment and products are cost-competitive, quality-competitive, and available in a timely fashion.

SEC. 8051. None of the funds appropriated by this Act shall be available for a contract for studies, analysis, or consulting services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines—

(1) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work;

(2) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source; or

(3) the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support:

Provided, That this limitation shall not apply to contracts in an amount of less than $25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

SEC. 8052. (a) Except as provided in subsections (b) and (c), none of the funds made available by this Act may be used—

(1) to establish a field operating agency; or

(2) to pay the basic pay of a member of the Armed Forces or civilian employee of the department who is transferred or reassigned from a headquarters activity if the member or employee's place of duty remains at the location of that headquarters.

(b) The Secretary of Defense or Secretary of a military department may waive the limitations in subsection (a), on a case-by-case basis, if the Secretary determines, and certifies to the Committees on Appropriations of the House of Representatives and Senate that the granting of the waiver will reduce the personnel requirements or the financial requirements of the department.

(c) This section does not apply to field operating agencies funded within the National Foreign Intelligence Program.

SEC. 8053. Notwithstanding section 303 of Public Law 96–487 or any other provision of law, the Secretary of the Navy is authorized to lease real and personal property at Naval Air Facility, Adak, Alaska, pursuant to 10 U.S.C. 2667(f), for commercial, industrial or other purposes: Provided, That notwithstanding any other provision of law, the Secretary of the Navy may remove hazardous materials from facilities, buildings, and structures at Adak, Alaska, and may demolish or otherwise dispose of such facilities, buildings, and structures.

(RESCISSIONS)

SEC. 8054. Of the funds provided in Department of Defense Appropriations Acts, the following funds are hereby rescinded from the following accounts and programs in the specified amounts:

''Former Soviet Union Threat Reduction, 2000/2002'', $32,000,000;

''Other Procurement, Navy, 2000/2002'', $15,300,000;

''Aircraft Procurement, Air Force, 2000/2002'', $8,500,000;

''Other Procurement, Air Force, 2000/2002'', $20,000,000;

''Aircraft Procurement, Army, 2001/2003'', $16,000,000;

''Procurement of Ammunition, Army, 2001/2003'', $27,400,000;

''Other Procurement, Army, 2001/2003'', $28,745,000;

''Aircraft Procurement, Navy, 2001/2003'', $8,600,000;

''Weapons Procurement, Navy, 2001/2003'', $20,000,000;

''Other Procurement, Navy, 2001/2003'', $7,600,000;

''Procurement, Marine Corps, 2001/2003'', $1,000,000;

''Aircraft Procurement, Air Force, 2001/2003'', $63,283,000;

''Missile Procurement, Air Force, 2001/2003'', $58,450,000;

''Procurement of Ammunition, Air Force, 2001/2003'', $5,800,000;

''Other Procurement, Air Force, 2001/2003'', $10,200,000;

''Procurement, Defense-Wide, 2001/2003'', $113,434,000;

''Research, Development, Test and Evaluation, Army, 2001/2002'', $6,300,000;

''Research, Development, Test and Evaluation, Navy, 2001/2002'', $18,800,000;

''Research, Development, Test and Evaluation, Air Force, 2001/2002'', $69,283,000; and

''Research, Development, Test and Evaluation, Defense-Wide, 2001/2002'', $780,000.

SEC. 8055. None of the funds available in this Act may be used to reduce the authorized positions for military (civilian) technicians of the Army National Guard, the Air National Guard, Army Reserve and Air Force Reserve for the purpose of applying any administratively imposed civilian personnel ceiling, freeze, or reduction on military (civilian) technicians, unless such reductions are a direct result of a reduction in military force structure.

SEC. 8056. None of the funds appropriated or otherwise made available in this Act may be obligated or expended for assistance to the Democratic People's Republic of North Korea unless specifically appropriated for that purpose.

SEC. 8057. During the current fiscal year, funds appropriated in this Act are available to compensate members of the National Guard for duty performed pursuant to a plan submitted by a Governor of a State and approved by the Secretary of Defense under section 112 of title 32, United States Code: Provided, That during the performance of such duty, the members of the National Guard shall be under State command and control: Provided further, That such duty shall be treated as full-time National Guard duty for purposes of sections 12602(a)(2) and (b)(2) of title 10, United States Code.

SEC. 8058. Funds appropriated in this Act for operation and maintenance of the Military Departments, Combatant Commands and Defense Agencies shall be available for reimbursement of pay, allowances and other expenses which would otherwise be incurred against appropriations for the National Guard and Reserve when members of the National Guard and Reserve provide intelligence or counterintelligence support to Combatant Commands, Defense Agencies and Joint Intelligence Activities, including the activities and programs included within the National Foreign Intelligence Program (NFIP), the Joint Military Intelligence Program (JMIP), and the Tactical Intelligence and Related Activities (TIARA) aggregate: Provided, That nothing in this section authorizes deviation from established Reserve and National Guard personnel and training procedures.

SEC. 8059. During the current fiscal year, none of the funds appropriated in this Act may be used to reduce the civilian medical and medical support personnel assigned to military treatment facilities below the September 30, 2001 level: Provided, That the Service Surgeons General may waive this section by certifying to the congressional defense committees that the beneficiary population is declining in some catchment areas and civilian strength reductions may be consistent with responsible resource stewardship and capitation-based budgeting.

SEC. 8060. (a) LIMITATION ON PENTAGON RENOVATION COSTS.—Not later than the date each year on which the President submits to Congress the budget under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to Congress a certification that the total cost for the planning, design, construction, and installation of equipment for the renovation of wedges 2 through 5 of the Pentagon Reservation, cumulatively, will not exceed four times the total cost for the planning, design, construction, and installation of equipment for the renovation of wedge 1.

(b) ANNUAL ADJUSTMENT.—For purposes of applying the limitation in subsection (a), the Secretary shall adjust the cost for the renovation of wedge 1 by any increase or decrease in costs attributable to economic inflation, based on the most recent economic assumptions issued by the Office of Management and Budget for use in preparation of the budget of the United States under section 1104 of title 31, United States Code.

(c) EXCLUSION OF CERTAIN COSTS.—For purposes of calculating the limitation in subsection (a), the total cost for wedges 2 through 5 shall not include—

(1) any repair or reconstruction cost incurred as a result of the terrorist attack on the Pentagon that occurred on September 11, 2001;

(2) any increase in costs for wedges 2 through 5 attributable to compliance with new requirements of Federal, State, or local laws; and

(3) any increase in costs attributable to additional security requirements that the Secretary of Defense considers essential to provide a safe and secure working environment.

(d) CERTIFICATION COST REPORTS.—As part of the annual certification under subsection (a), the Secretary shall report the projected cost (as of the time of the certification) for—

(1) the renovation of each wedge, including the amount adjusted or otherwise excluded for such wedge under the authority of paragraphs (2) and (3) of subsection (c) for the period covered by the certification; and

(2) the repair and reconstruction of wedges 1 and 2 in response to the terrorist attack on the Pentagon that occurred on September 11, 2001.

(e) DURATION OF CERTIFICATION REQUIREMENT.—The requirement to make an annual certification under subsection (a) shall apply until the Secretary certifies to Congress that the renovation of the Pentagon Reservation is completed.

SEC. 8061. Notwithstanding any other provision of law, that not more than 35 percent of funds provided in this Act, for environmental remediation may be obligated under indefinite delivery/indefinite quantity contracts with a total contract value of $130,000,000 or higher.

SEC. 8062. Of the funds made available under the heading ''Operation and Maintenance, Air Force'', $10,200,000 shall be available to realign railroad track on Elmendorf Air Force Base and Fort Richardson.

SEC. 8063. (a) None of the funds available to the Department of Defense for any fiscal year for drug interdiction or counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(b) None of the funds available to the Central Intelligence Agency for any fiscal year for drug interdiction and counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(TRANSFER OF FUNDS)

SEC. 8064. Appropriations available in this Act under the heading ''Operation and Maintenance, Defense-Wide'' for increasing energy and water efficiency in Federal buildings may, during their period of availability, be transferred to other appropriations or funds of the Department of Defense for projects related to increasing energy and water efficiency, to be merged with and to be available for the same general purposes, and for the same time period, as the appropriation or fund to which transferred.

SEC. 8065. None of the funds appropriated by this Act may be used for the procurement of ball and roller bearings other than those produced by a domestic source and of domestic origin: Provided, That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: Provided further, That this restriction shall not apply to the purchase of ''commercial items'', as defined by section 4(12) of the Office of Federal Procurement Policy Act, except that the restriction shall apply to ball or roller bearings purchased as end items.

SEC. 8066. Notwithstanding any other provision of law, funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to American Samoa, and funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to the Indian Health Service when it is in conjunction with a civil-military project.

SEC. 8067. None of the funds in this Act may be used to purchase any supercomputer which is not manufactured in the United States, unless the Secretary of Defense certifies to the congressional defense committees that such an acquisition must be made in order to acquire capability for national security purposes that is not available from United States manufacturers.

SEC. 8068. Notwithstanding any other provision of law, the Naval shipyards of the United States shall be eligible to participate in any manufacturing extension program financed by funds appropriated in this or any other Act.

SEC. 8069. Notwithstanding any other provision of law, each contract awarded by the Department of Defense during the current fiscal year for construction or service performed in whole or in part in a State (as defined in section 381(d) of title 10, United States Code) which is not contiguous with another State and has an unemployment rate in excess of the national average rate of unemployment as determined by the Secretary of Labor, shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract in such State that is not contiguous with another State, individuals who are residents of such State and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills: Provided, That the Secretary of Defense may waive the requirements of this section, on a case-by-case basis, in the interest of national security.

SEC. 8070. None of the funds made available in this or any other Act may be used to pay the salary of any officer or employee of the Department of Defense who approves or implements the transfer of administrative responsibilities or budgetary resources of any program, project, or activity financed by this Act to the jurisdiction of another Federal agency not financed by this Act without the express authorization of Congress: Provided, That this limitation shall not apply to transfers of funds expressly provided for in Defense Appropriations Acts, or provisions of Acts providing supplemental appropriations for the Department of Defense.

SEC. 8071. Of the funds made available in this Act under the heading ''Operation and Maintenance, Defense-Wide'', up to $5,000,000 shall be available to provide assistance, by grant or otherwise, to public school systems that have unusually high concentrations of special needs military dependents enrolled: Provided, That in selecting school systems to receive such assistance, special consideration shall be given to school systems in States that are considered overseas assignments: Provided further, That up to $2,000,000 shall be available for DOD to establish a non-profit trust fund to assist in the public-private funding of public school repair and maintenance projects, or provide directly to non-profit organizations who in return will use these monies to provide assistance in the form of repair, maintenance, or renovation to public school systems that have high concentrations of special needs military dependents and are located in States that are considered overseas assignments: Provided further, That to the extent a federal agency provides this assistance, by contract, grant or otherwise, it may accept and expend non-federal funds in combination with these federal funds to provide assistance for the authorized purpose, if the non-federal entity requests such assistance and the non-federal funds are provided on a reimbursable basis.

SEC. 8072. (a) LIMITATION ON TRANSFER OF DEFENSE ARTICLES AND SERVICES.—Notwithstanding any other provision of law, none of the funds available to the Department of Defense for the current fiscal year may be obligated or expended to transfer to another nation or an international organization any defense articles or services (other than intelligence services) for use in the activities described in subsection (b) unless the congressional defense committees, the Committee on International Relations of the House of Representatives, and the Committee on Foreign Relations of the Senate are notified 15 days in advance of such transfer.

(b) COVERED ACTIVITIES.—This section applies to—

(1) any international peacekeeping or peace-enforcement operation under the authority of chapter VI or chapter VII of the United Nations Charter under the authority of a United Nations Security Council resolution; and

(2) any other international peacekeeping, peace-enforcement, or humanitarian assistance operation.

(c) REQUIRED NOTICE.—A notice under subsection (a) shall include the following:

(1) A description of the equipment, supplies, or services to be transferred.

(2) A statement of the value of the equipment, supplies, or services to be transferred.

(3) In the case of a proposed transfer of equipment or supplies—

(A) a statement of whether the inventory requirements of all elements of the Armed Forces (including the reserve components) for the type of equipment or supplies to be transferred have been met; and

(B) a statement of whether the items proposed to be transferred will have to be replaced and, if so, how the President proposes to provide funds for such replacement.

SEC. 8073. To the extent authorized by subchapter VI of chapter 148 of title 10, United States Code, the Secretary of Defense may issue loan guarantees in support of United States defense exports not otherwise provided for: Provided, That the total contingent liability of the United States for guarantees issued under the authority of this section may not exceed $15,000,000,000: Provided further, That the exposure fees charged and collected by the Secretary for each guarantee shall be paid by the country involved and shall not be financed as part of a loan guaranteed by the United States: Provided further, That the Secretary shall provide quarterly reports to the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate and the Committees on Appropriations, Armed Services, and International Relations in the House of Representatives on the implementation of this program: Provided further, That amounts charged for administrative fees and deposited to the special account provided for under section 2540c(d) of title 10, shall be available for paying the costs of administrative expenses of the Department of Defense that are attributable to the loan guarantee program under subchapter VI of chapter 148 of title 10, United States Code.

SEC. 8074. None of the funds available to the Department of Defense under this Act shall be obligated or expended to pay a contractor under a contract with the Department of Defense for costs of any amount paid by the contractor to an employee when—

(1) such costs are for a bonus or otherwise in excess of the normal salary paid by the contractor to the employee; and

(2) such bonus is part of restructuring costs associated with a business combination.

SEC. 8075. (a) None of the funds appropriated or otherwise made available in this Act may be used to transport or provide for the transportation of chemical munitions or agents to the Johnston Atoll for the purpose of storing or demilitarizing such munitions or agents.

(b) The prohibition in subsection (a) shall not apply to any obsolete World War II chemical munition or agent of the United States found in the World War II Pacific Theater of Operations.

(c) The President may suspend the application of subsection (a) during a period of war in which the United States is a party.

SEC. 8076. Up to $3,000,000 of the funds appropriated under the heading ''Operation and Maintenance, Navy'' in this Act for the Pacific Missile Range Facility may be made available to contract for the repair, maintenance, and operation of adjacent off-base water, drainage, and flood control systems critical to base operations.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8077. During the current fiscal year, no more than $30,000,000 of appropriations made in this Act under the heading ''Operation and Maintenance, Defense-Wide'' may be transferred to appropriations available for the pay of military personnel, to be merged with, and to be available for the same time period as the appropriations to which transferred, to be used in support of such personnel in connection with support and services for eligible organizations and activities outside the Department of Defense pursuant to section 2012 of title 10, United States Code.

SEC. 8078. For purposes of section 1553(b) of title 31, United States Code, any subdivision of appropriations made in this Act under the heading ''Shipbuilding and Conversion, Navy'' shall be considered to be for the same purpose as any subdivision under the heading ''Shipbuilding and Conversion, Navy'' appropriations in any prior year, and the 1 percent limitation shall apply to the total amount of the appropriation.

SEC. 8079. During the current fiscal year, in the case of an appropriation account of the Department of Defense for which the period of availability for obligation has expired or which

has closed under the provisions of section 1552 of title 31, United States Code, and which has a negative unliquidated or unexpended balance, an obligation or an adjustment of an obligation may be charged to any current appropriation account for the same purpose as the expired or closed account if—

(1) the obligation would have been properly chargeable (except as to amount) to the expired or closed account before the end of the period of availability or closing of that account;

(2) the obligation is not otherwise properly chargeable to any current appropriation account of the Department of Defense; and

(3) in the case of an expired account, the obligation is not chargeable to a current appropriation of the Department of Defense under the provisions of section 1405(b)(8) of the National Defense Authorization Act for Fiscal Year 1991, Public Law 101–510, as amended (31 U.S.C. 1551 note): Provided, That in the case of an expired account, if subsequent review or investigation discloses that there was not in fact a negative unliquidated or unexpended balance in the account, any charge to a current account under the authority of this section shall be reversed and recorded against the expired account: Provided further, That the total amount charged to a current appropriation under this section may not exceed an amount equal to 1 percent of the total appropriation for that account.

SEC. 8080. Funds appropriated in title II of this Act and for the Defense Health Program in title VI of this Act for supervision and administration costs for facilities maintenance and repair, minor construction, or design projects may be obligated at the time the reimbursable order is accepted by the performing activity: Provided, That for the purpose of this section, supervision and administration costs includes all in-house Government cost.

SEC. 8081. During the current fiscal year, the Secretary of Defense may waive reimbursement of the cost of conferences, seminars, courses of instruction, or similar educational activities of the Asia-Pacific Center for Security Studies for military officers and civilian officials of foreign nations if the Secretary determines that attendance by such personnel, without reimbursement, is in the national security interest of the United States: Provided, That costs for which reimbursement is waived pursuant to this section shall be paid from appropriations available for the Asia-Pacific Center.

SEC. 8082. (a) Notwithstanding any other provision of law, the Chief of the National Guard Bureau may permit the use of equipment of the National Guard Distance Learning Project by any person or entity on a space-available, reimbursable basis. The Chief of the National Guard Bureau shall establish the amount of reimbursement for such use on a case-by-case basis.

(b) Amounts collected under subsection (a) shall be credited to funds available for the National Guard Distance Learning Project and be available to defray the costs associated with the use of equipment of the project under that subsection. Such funds shall be available for such purposes without fiscal year limitation.

SEC. 8083. Using funds available by this Act or any other Act, the Secretary of the Air Force, pursuant to a determination under section 2690 of title 10, United States Code, may implement cost-effective agreements for required heating facility modernization in the Kaiserslautern Military Community in the Federal Republic of Germany: Provided, That in the City of Kaiserslautern such agreements will include the use of United States anthracite as the base load energy for municipal district heat to the United States Defense installations: Provided further, That at Landstuhl Army Regional Medical Center and Ramstein Air Base, furnished heat may be obtained from private, regional or municipal services, if provisions are included for the consideration of United States coal as an energy source.

SEC. 8084. Notwithstanding 31 U.S.C. 3902, during the current fiscal year and hereafter, interest penalties may be paid by the Department of Defense from funds financing the operation of the military department or defense agency with which the invoice or contract payment is associated.

SEC. 8085. None of the funds appropriated in title IV of this Act may be used to procure end-items for delivery to military forces for operational training, operational use or inventory requirements: Provided, That this restriction does not apply to end-items used in development, prototyping, and test activities preceding and leading to acceptance for operational use: Provided further, That this restriction does not apply to programs funded within the National Foreign Intelligence Program: Provided further, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that it is in the national security interest to do so.

SEC. 8086. Of the funds made available under the heading ''Operation and Maintenance, Air Force'', not less than $1,500,000 shall be made available by grant or otherwise, to the Council of Athabascan Tribal Governments, to provide assistance for health care, monitoring and related issues associated with research conducted from 1955 to 1957 by the former Arctic Aeromedical Laboratory.

SEC. 8087. In addition to the amounts appropriated or otherwise made available in this Act, $3,500,000, to remain available until September 30, 2002, is hereby appropriated to the Department of Defense: Provided, That the Secretary of Defense shall make a grant in the amount of $3,500,000 to the American Red Cross for Armed Forces Emergency Services.

SEC. 8088. None of the funds made available in this Act may be used to approve or license the sale of the F–22 advanced tactical fighter to any foreign government.

SEC. 8089. (a) The Secretary of Defense may, on a case-by-case basis, waive with respect to a foreign country each limitation on the procurement of defense items from foreign sources provided in law if the Secretary determines that the application of the limitation with respect to that country would invalidate cooperative programs entered into between the Department of Defense and the foreign country, or would invalidate reciprocal trade agreements for the procurement of defense items entered into under section 2531 of title 10, United States Code, and the country does not discriminate against the same or similar defense items produced in the United States for that country.

(b) Subsection (a) applies with respect to—

(1) contracts and subcontracts entered into on or after the date of the enactment of this Act; and

(2) options for the procurement of items that are exercised after such date under contracts that are entered into before such date if the option prices are adjusted for any reason other than the application of a waiver granted under subsection (a).

(c) Subsection (a) does not apply to a limitation regarding construction of public vessels, ball and roller bearings, food, and clothing or textile materials as defined by section 11 (chapters 50–65) of the Harmonized Tariff Schedule and products classified under headings 4010, 4202, 4203, 6401 through 6406, 6505, 7019, 7218 through 7229, 7304.41 through 7304.49, 7306.40, 7502 through 7508, 8105, 8108, 8109, 8211, 8215, and 9404.

SEC. 8090. Funds made available to the Civil Air Patrol in this Act under the heading ''Drug Interdiction and Counter-Drug Activities, Defense'' may be used for the Civil Air Patrol Corporation's counterdrug program, including its demand reduction program involving youth programs, as well as operational and training drug reconnaissance missions for Federal, State, and local government agencies; and for equipment needed for mission support or performance: Provided, That the Department of the Air Force should waive reimbursement from the Federal, State, and local government agencies for the use of these funds.

SEC. 8091. Section 8125 of the Department of Defense Appropriations Act, 2001 (Public Law 106–259), is hereby repealed.

SEC. 8092. Of the funds appropriated in this Act under the heading ''Research, Development, Test and Evaluation, Navy'', up to $2,600,000 may be made available for a Maritime Fire Training Center at Barbers Point, including provision for laboratories, construction, and other efforts associated with research, development, and other programs of major importance to the Department of Defense.

SEC. 8093. (a) PROHIBITION.—None of the funds made available by this Act may be used to support any training program involving a unit of the security forces of a foreign country if the Secretary of Defense has received credible information from the Department of State that the unit has committed a gross violation of human rights, unless all necessary corrective steps have been taken.

(b) MONITORING.—The Secretary of Defense, in consultation with the Secretary of State, shall ensure that prior to a decision to conduct any training program referred to in subsection (a), full consideration is given to all credible information available to the Department of State relating to human rights violations by foreign security forces.

(c) WAIVER.—The Secretary of Defense, after consultation with the Secretary of State, may waive the prohibition in subsection (a) if he determines that such waiver is required by extraordinary circumstances.

(d) REPORT.—Not more than 15 days after the exercise of any waiver under subsection (c), the Secretary of Defense shall submit a report to the congressional defense committees describing the extraordinary circumstances, the purpose and duration of the training program, the United States forces and the foreign security forces involved in the training program, and the information relating to human rights violations that necessitates the waiver.

SEC. 8094. The Secretary of Defense, in coordination with the Secretary of Health and Human Services, may carry out a program to distribute surplus dental equipment of the Department of Defense, at no cost to the Department of Defense, to Indian health service facilities and to federally-qualified health centers (within the meaning of section 1905(l)(2)(B) of the Social Security Act (42 U.S.C. 1396d(l)(2)(B))).

SEC. 8095. The total amount appropriated in this Act is hereby reduced by $240,000,000 to reflect savings from favorable foreign currency fluctuations, to be derived as follows:

''Military Personnel, Army'', $39,400,000;

''Military Personnel, Navy'', $800,000;

''Military Personnel, Marine Corps'', $9,900,000;

''Military Personnel, Air Force'', $19,500,000;

''Operation and Maintenance, Army'', $87,600,000;

''Operation and Maintenance, Navy'', $18,300,000;

''Operation and Maintenance, Marine Corps'', $1,300,000;

''Operation and Maintenance, Air Force'', $33,800,000; and

''Operation and Maintenance, Defense-Wide'', $29,400,000.

SEC. 8096. None of the funds appropriated or made available in this Act to the Department of the Navy shall be used to develop, lease or procure the T–AKE class of ships unless the main propulsion diesel engines and propulsors are manufactured in the United States by a domestically operated entity: Provided, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes or there exists a significant cost or quality difference.

SEC. 8097. The budget of the President for fiscal year 2003 submitted to the Congress pursuant to section 1105 of title 31, United States Code, and each annual budget request thereafter, shall include separate budget justification documents for costs of United States Armed Forces' participation in contingency operations for the Military Personnel accounts, the Overseas Contingency Operations Transfer Fund, the Operation and Maintenance accounts, and the Procurement accounts: Provided, That these budget justification documents shall include a description of the funding requested for each anticipated contingency operation, for each military service, to include active duty and Guard and Reserve components, and for each appropriation account: Provided further, That these documents shall include estimated costs for each element of expense or object class, a reconciliation of increases and decreases for ongoing contingency operations, and programmatic data including, but not limited to troop strength for each active duty and Guard and Reserve component, and estimates of the major weapons systems deployed in support of each contingency: Provided further, That these documents shall include budget exhibits OP–5 and OP–32, as defined in the Department of Defense Financial Management Regulation, for the Overseas Contingency Operations Transfer Fund for fiscal years 2001 and 2002.

SEC. 8098. Notwithstanding any other provision of law, the total amount appropriated in this Act under Title I and Title II is hereby reduced by $50,000,000: Provided, That during the current fiscal year, not more than 250 military and civilian personnel of the Department of Defense shall be assigned to legislative affairs or legislative liaison functions: Provided further, That of the 250 personnel assigned to legislative liaison or legislative affairs functions, 20 percent shall be assigned to the Office of the Secretary of Defense and the Office of the Chairman of the Joint Chiefs of Staff, 20 percent shall be assigned to the Department of the Army, 20 percent shall be assigned to the Department of the Navy, 20 percent shall be assigned to the Department of the Air Force, and 20 percent shall be assigned to the combatant commands: Provided further, That of the personnel assigned to legislative liaison and legislative affairs functions, no fewer than 20 percent shall be assigned to the Under Secretary of Defense (Comptroller), the Assistant Secretary of the Army (Financial Management and Comptroller), the Assistant Secretary of the Navy (Financial Management and Comptroller), and the Assistant Secretary of the Air Force (Financial Management and Comptroller).

SEC. 8099. None of the funds appropriated or otherwise made available by this or other Department of Defense Appropriations Acts may be obligated or expended for the purpose of performing repairs or maintenance to military family housing units of the Department of Defense, including areas in such military family housing units that may be used for the purpose of conducting official Department of Defense business.

SEC. 8100. Notwithstanding any other provision of law, funds appropriated in this Act under the heading ''Research, Development, Test and Evaluation, Defense-Wide'' for any advanced concept technology demonstration project may only be obligated 30 days after a report, including a description of the project and its estimated annual and total cost, has been provided in writing to the congressional defense committees: Provided, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying to the congressional defense committees that it is in the national interest to do so.

SEC. 8101. Notwithstanding any other provision of law, for the purpose of establishing all Department of Defense policies governing the provision of care provided by and financed under the military health care system's case management program under 10 U.S.C. 1079(a)(17), the term ''custodial care'' shall be defined as care designed essentially to assist an individual in meeting the activities of daily living and which does not require the supervision of trained medical, nursing, paramedical or other specially trained individuals: Provided, That the case management program shall provide that members and retired members of the military services, and their dependents and survivors, have access to all medically necessary health care through the health care delivery system of the military services regardless of the health care status of the person seeking the health care: Provided further, That the case management program shall be the primary obligor for payment of medically necessary services and shall not be considered as secondarily liable to title XIX of the Social Security Act, other welfare programs or charity based care.

SEC. 8102. Notwithstanding any other provision in this Act, the total amount appropriated in this Act is hereby reduced by $262,000,000, to reduce cost growth in travel, to be distributed as follows:

''Operation and Maintenance, Army'', $21,000,000;

''Operation and Maintenance, Navy'', $14,000,000;

''Operation and Maintenance, Marine Corps'', $4,000,000;

''Operation and Maintenance, Air Force'', $180,000,000;

''Operation and Maintenance, Defense-wide'', $20,000,000;

''Operation and Maintenance, Army Reserve'', $4,000,000;

''Operation and Maintenance, Navy Reserve'', 2,000,000;

''Operation and Maintenance, Air Force Reserve'', $5,000,000;

''Operation and Maintenance, Army National Guard'', $6,000,000; and

''Operation and Maintenance, Air National Guard'', $6,000,000.

SEC. 8103. During the current fiscal year, refunds attributable to the use of the Government travel card, refunds attributable to the use of the Government Purchase Card and refunds attributable to official Government travel arranged by Government Contracted Travel Management Centers may be credited to operation and maintenance accounts of the Department of Defense which are current when the refunds are received.

SEC. 8104. (a) REGISTERING FINANCIAL MANAGEMENT INFORMATION TECHNOLOGY SYSTEMS WITH DOD CHIEF INFORMATION OFFICER.—None of the funds appropriated in this Act may be used for a mission critical or mission essential financial management information technology system (including a system funded by the defense working capital fund) that is not registered with the Chief Information Officer of the Department of Defense. A system shall be considered to be registered with that officer upon the furnishing to that officer of notice of the system, together with such information concerning the system as the Secretary of Defense may prescribe. A financial management information technology system shall be considered a mission critical or mission essential information technology system as defined by the Under Secretary of Defense (Comptroller).

(b) CERTIFICATIONS AS TO COMPLIANCE WITH FINANCIAL MANAGEMENT MODERNIZATION PLAN.—(1) During the current fiscal year, a financial management major automated information system may not receive Milestone I approval, Milestone II approval, or Milestone III approval, or their equivalent, within the Department of Defense until the Under Secretary of Defense (Comptroller) certifies, with respect to that milestone, that the system is being developed in accordance with the Department's Financial Management Modernization Plan. The Under Secretary of Defense (Comptroller) may require additional certifications, as appropriate, with respect to any such system.

(2) The Chief Information Officer shall provide the congressional defense committees timely notification of certifications under paragraph (1).

(c) DEFINITIONS.—For purposes of this section:

(1) The term ''Chief Information Officer'' means the senior official of the Department of Defense designated by the Secretary of Defense pursuant to section 3506 of title 44, United States Code.

(2) The term ''information technology system'' has the meaning given the term ''information technology'' in section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

(3) The term ''major automated information system'' has the meaning given that term in Department of Defense Directive 5000.1.

SEC. 8105. During the current fiscal year, none of the funds available to the Department of Defense may be used to provide support to another department or agency of the United States if such department or agency is more than 90 days in arrears in making payment to the Department of Defense for goods or services previously provided to such department or agency on a reimbursable basis: Provided, That this restriction shall not apply if the department is authorized by law to provide support to such department or agency on a nonreimbursable basis, and is providing the requested support pursuant to such authority: Provided further, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that it is in the national security interest to do so.

SEC. 8106. None of the funds provided in this Act may be used to transfer to any nongovernmental entity ammunition held by the Department of Defense that has a center-fire cartridge and a United States military nomenclature designation of ''armor penetrator'', ''armor piercing (AP)'', ''armor piercing incendiary (API)'', or ''armor-piercing incendiary-tracer (API–T)'', except to an entity performing demilitarization services for the Department of Defense under a contract that requires the entity to demonstrate to the satisfaction of the Department of Defense that armor piercing projectiles are either: (1) rendered incapable of reuse by the demilitarization process; or (2) used to manufacture ammunition pursuant to a contract with the Department of Defense or the manufacture of ammunition for export pursuant to a License for Permanent Export of Unclassified Military Articles issued by the Department of State.

SEC. 8107. Notwithstanding any other provision of law, the Chief of the National Guard Bureau, or his designee, may waive payment of all or part of the consideration that otherwise

would be required under 10 U.S.C. 2667, in the case of a lease of personal property for a period not in excess of 1 year to any organization specified in 32 U.S.C. 508(d), or any other youth, social, or fraternal non-profit organization as may be approved by the Chief of the National Guard Bureau, or his designee, on a case-by-case basis.

SEC. 8108. None of the funds appropriated by this Act shall be used for the support of any nonappropriated funds activity of the Department of Defense that procures malt beverages and wine with nonappropriated funds for resale (including such alcoholic beverages sold by the drink) on a military installation located in the United States unless such malt beverages and wine are procured within that State, or in the case of the District of Columbia, within the District of Columbia, in which the military installation is located: Provided, That in a case in which the military installation is located in more than one State, purchases may be made in any State in which the installation is located: Provided further, That such local procurement requirements for malt beverages and wine shall apply to all alcoholic beverages only for military installations in States which are not contiguous with another State: Provided further, That alcoholic beverages other than wine and malt beverages, in contiguous States and the District of Columbia shall be procured from the most competitive source, price and other factors considered.

SEC. 8109. During the current fiscal year, under regulations prescribed by the Secretary of Defense, the Center of Excellence for Disaster Management and Humanitarian Assistance may also pay, or authorize payment for, the expenses of providing or facilitating education and training for appropriate military and civilian personnel of foreign countries in disaster management, peace operations, and humanitarian assistance.

SEC. 8110. (a) The Department of Defense is authorized to enter into agreements with the Veterans Administration and federally-funded health agencies providing services to Native Hawaiians for the purpose of establishing a partnership similar to the Alaska Federal Health Care Partnership, in order to maximize Federal resources in the provision of health care services by federally-funded health agencies, applying telemedicine technologies. For the purpose of this partnership, Native Hawaiians shall have the same status as other Native Americans who are eligible for the health care services provided by the Indian Health Service.

(b) The Department of Defense is authorized to develop a consultation policy, consistent with Executive Order No. 13084 (issued May 14, 1998), with Native Hawaiians for the purpose of assuring maximum Native Hawaiian participation in the direction and administration of governmental services so as to render those services more responsive to the needs of the Native Hawaiian community.

(c) For purposes of this section, the term ''Native Hawaiian'' means any individual who is a descendant of the aboriginal people who, prior to 1778, occupied and exercised sovereignty in the area that now comprises the State of Hawaii.

SEC. 8111. In addition to the amounts provided elsewhere in this Act, the amount of $8,500,000 is hereby appropriated for ''Operation and Maintenance, Defense-Wide'', to be available, notwithstanding any other provision of law, only for a grant to the United Service Organizations Incorporated, a federally chartered corporation under chapter 2201 of title 36, United States Code. The grant provided under authority of this section is in addition to any grant provided for under any other provision of law.

SEC. 8112. Of the amounts appropriated in this Act under the heading ''Research, Development, Test and Evaluation, Defense-Wide'', $131,700,000 shall be made available for the Arrow missile defense program: Provided, That of this amount, $97,700,000 shall be made available for the purpose of continuing the Arrow System Improvement Program (ASIP), continuing ballistic missile defense interoperability with Israel, and establishing an Arrow production capability in the United States: Provided further, That the remainder, $34,000,000, shall be available for the purpose of adjusting the cost-share of the parties under the Agreement between the Department of Defense and the Ministry of Defense of Israel for the Arrow Deployability Program.

SEC. 8113. Funds available to the Department of Defense for the Global Positioning System during the current fiscal year may be used to fund civil requirements associated with the satellite and ground control segments of such system's modernization program.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8114. Of the amounts appropriated in this Act under the heading, ''Operation and Maintenance, Defense-Wide'', $115,000,000 shall remain available until expended: Provided, That notwithstanding any other provision of law, the Secretary of Defense is authorized to transfer such funds to other activities of the Federal Government.

SEC. 8115. None of the funds appropriated in this Act under the heading ''Overseas Contingency Operations Transfer Fund'' may be transferred or obligated for Department of Defense expenses not directly related to the conduct of overseas contingencies: Provided, That the Secretary of Defense shall submit a report no later than 30 days after the end of each fiscal quarter to the Committees on Appropriations of the Senate and House of Representatives that details any transfer of funds from the ''Overseas Contingency Operations Transfer Fund'': Provided further, That the report shall explain any transfer for the maintenance of real property, pay of civilian personnel, base operations support, and weapon, vehicle or equipment maintenance.

SEC. 8116. In addition to amounts appropriated elsewhere in this Act, $4,500,000 is hereby appropriated to the Department of Defense: Provided, That the Secretary of the Army shall make a grant in the amount of $4,500,000 to the Fort Des Moines Memorial Park and Education Center.

SEC. 8117. In addition to amounts appropriated elsewhere in this Act, $4,250,000 is hereby appropriated to the Department of Defense: Provided, That the Secretary of Defense shall make a grant in the amount of $4,250,000 to the National D-Day Museum.

SEC. 8118. Section 8106 of the Department of Defense Appropriations Act, 1997 (titles I through VIII of the matter under subsection 101(b) of Public Law 104–208; 110 Stat. 3009–111; 10 U.S.C. 113 note) shall continue in effect to apply to disbursements that are made by the Department of Defense in fiscal year 2002.

SEC. 8119. In addition to amounts provided in this Act, $1,700,000 is hereby appropriated for ''Defense Health Program'', to remain available for obligation until expended: Provided, That notwithstanding any other provision of law, these funds shall be available only for a grant to the Fisher House Foundation, Inc., only for the construction and furnishing of additional Fisher Houses to meet the needs of military family members when confronted with the illness or hospitalization of an eligible military beneficiary.

SEC. 8120. (a) Section 8162 of the Department of Defense Appropriations Act, 2000 (16 U.S.C. 431 note; Public Law 106–79) is amended—

(1) by redesignating subsection (m) as subsection (o); and

(2) by adding after subsection (l) the following:

''(m) AUTHORITY TO ESTABLISH MEMORIAL.—

''(1) IN GENERAL.—The Commission may establish a permanent memorial to Dwight D. Eisenhower on land under the jurisdiction of the Secretary of the Interior in the District of Columbia or its environs.

''(2) COMPLIANCE WITH STANDARDS FOR COMMEMORATIVE WORKS.—The establishment of the memorial shall be in accordance with the Commemorative Works Act (40 U.S.C. 1001 et seq.).''.

(b) Section 8162 of the Department of Defense Appropriations Act, 2000 (16 U.S.C. 431 note; Public Law 106–79) is amended—

(1) in subsection (j)(2), by striking ''accept gifts'' and inserting ''solicit and accept contributions''; and

(2) by inserting after subsection (m) (as added by subsection (a)(2)) the following:

''(n) MEMORIAL FUND.—

''(1) ESTABLISHMENT.—There is created in the Treasury a fund for the memorial to Dwight D. Eisenhower that includes amounts contributed under subsection (j)(2).

''(2) USE OF FUND.—The fund shall be used for the expenses of establishing the memorial.

''(3) INTEREST.—The Secretary of the Treasury shall credit to the fund the interest on obligations held in the fund.''.

(c) In addition to the amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense, $2,600,000, to remain available until expended is hereby appropriated to the Department of Defense: Provided, That the Secretary of Defense shall make a grant in the amount of $2,600,000 to the Dwight D. Eisenhower Memorial Commission for direct administrative support.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8121. In addition to the amounts appropriated elsewhere in this Act, $1,700,000, to remain available until expended, is hereby appropriated to the Department of Defense: Provided, That not later than 30 days after the enactment of this Act, the Secretary of Defense shall transfer these funds to the Department of Energy appropriation account ''Fossil Energy Research and Development'', only for a proposed conceptual design study to examine the feasibility of a zero emissions, steam injection process with possible applications for increased power generation efficiency, enhanced oil recovery and carbon sequestration.

SEC. 8122. In addition to amounts appropriated elsewhere in this Act, $8,000,000 shall be available only for the settlement of subcontractor claims for payment associated with the Air Force contract F19628–97–C–0105, Clear Radar Upgrade, at Clear AFS, Alaska: Provided, That all affected subcontractors shall mutually resolve the amounts claimed for payment by cooperative negotiation, third-party mediation or other form of alternative dispute resolution and shall present such claims to the Secretary of the Air Force: Provided further, That the Secretary of the Air Force shall evaluate claims as may be submitted by subcontractors, engaged under the contract, and, notwithstanding any other provision of law shall pay such amounts from the funds provided in this paragraph which the Secretary deems appropriate to settle completely any claims which the Secretary determines to have merit, with no right of appeal in any forum: Provided further, That subcontractors are to be paid interest, calculated in accordance with the Contract Disputes Act of 1978, 41 U.S.C. Sections 601–613, on any claims which the Secretary determines to have merit: Provided further, That the Secretary of the Air Force may delegate evaluation and payment as above to the U.S. Army Corps of Engineers, Alaska District on a reimbursable basis.

SEC. 8123. Notwithstanding any other provision of this Act, the total amount appropriated in this Act is hereby reduced by $1,650,000,000,

to reflect savings to be achieved from business process reforms, management efficiencies, and procurement of administrative and management support: Provided, That none of the funds provided in this Act may be used for consulting and advisory services for legislative affairs and legislative liaison functions.

SEC. 8124. Funds appropriated for Operation and Maintenance in title II of this Act may be used to complete certain projects for which funds have been provided from—

(1) amounts appropriated for ''Operation and Maintenance, Navy'' in section 110 of the Emergency Supplemental Act, 2000 (division B of Public Law 106–246; 114 Stat. 530); or

(2) amounts appropriated for ''Operation and Maintenance, Navy'' in section 9001(a)(2)(i) of the Department of Defense Appropriations Act, 2001 (Public Law 106–259; 114 Stat. 709).

SEC. 8125. In addition to amounts provided elsewhere in this Act, $17,900,000 is hereby appropriated for the Secretary of Defense, to remain available until expended, to establish a Regional Defense Counter-terrorism Fellowship Program: Provided, That funding provided herein may be used by the Secretary to fund foreign military officers to attend U.S. military educational institutions and selected regional centers for non-lethal training: Provided further, That United States Regional Commanders in Chief will be the nominative authority for candidates and schools for attendance with joint staff review and approval by the Secretary of Defense: Provided further, That the Secretary of Defense shall establish rules to govern the administration of this program.

SEC. 8126. Notwithstanding any other provision of law, from funds appropriated in this or any other Act under the heading, ''Aircraft Procurement, Air Force'', that remain available for obligation, not to exceed $26,700,000 shall be available for recording, adjusting, and liquidating obligations for the C–17 aircraft properly chargeable to the fiscal year 1998 and 1999 ''Aircraft Procurement, Air Force'' account: Provided, That the Secretary of the Air Force shall notify the congressional defense committees 30 days prior to obligation of all of the specific sources of funds to be used for such purpose.

SEC. 8127. Notwithstanding any other provision of law, from funds appropriated in this or any other Act under the heading, ''Missile Procurement, Air Force'', that remain available for obligation, not to exceed $50,000,000 shall be available for recording, adjusting, and liquidating obligations properly chargeable to fiscal year 1997 and 1998 ''Missile Procurement, Air Force'' accounts: Provided, That the Secretary of the Air Force shall notify the congressional defense committees 30 days prior to obligation of all of the specific sources of funds to be used for such purpose.

SEC. 8128. Notwithstanding any provisions of the Southern Nevada Public Land Management Act of 1998, Public Law 105–263, or the land use planning provision of Section 202 of the Federal Land Policy and Management Act of 1976, Public Law 94–579, or of any other law to the contrary, the Secretary of the Interior may acquire non-federal lands adjacent to Nellis Air Force Base, through a land exchange in Nevada, to ensure the continued safe operation of live ordnance departure areas at Nellis Air Force Base, Las Vegas, Nevada. The Secretary of the Air Force shall identify up to 220 acres of non-federal lands needed to ensure the continued safe operation of the live ordnance departure areas at Nellis Air Force Base. Any such identified property acquired by exchange by the Secretary of the Interior shall be transferred by the Secretary of the Interior to the jurisdiction, custody, and control of the Secretary of the Air Force to be managed as a part of Nellis Air Force Base. To the extent the Secretary of the Interior is unable to acquire non-federal lands by exchange, the Secretary of the Air Force is authorized to purchase those lands at fair market value subject to available appropriations.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8129. Of the amounts appropriated in this Act under the heading, ''Shipbuilding and Conversion, Navy'', $729,248,000 shall be available until September 30, 2002, to fund prior year shipbuilding cost increases: Provided, That upon enactment of this Act, the Secretary of the Navy shall transfer such funds to the following appropriations in the amounts specified: Provided further, That the amounts transferred shall be merged with and be available for the same purposes as the appropriations to which transferred:

To:

Under the heading, ''Shipbuilding and Conversion, Navy, 1995/2002'':

Carrier Replacement Program, $169,364,000;

Under the heading, ''Shipbuilding and Conversion, Navy, 1996/2002'':

LPD–17 Amphibious Transport Dock Ship Program, $172,989,000;

Under the heading, ''Shipbuilding and Conversion, Navy, 1997/2002'':

DDG–51 Destroyer Program, $35,200,000;

Under the heading, ''Shipbuilding and Conversion, Navy, 1998/2002'':

NSSN Program, $166,561,000;

DDG–51 Destroyer Program, $108,457,000;

Under the heading, ''Shipbuilding and Conversion, Navy, 1999/2002'':

NSSN Program, $60,429,000.

Under the heading, ''Shipbuilding and Conversion, Navy, 2001/2005'':

Submarine Refuelings, $16,248,000.

(TRANSFER OF FUNDS)

SEC. 8130. Upon enactment of this Act, the Secretary of the Navy shall make the following transfers of funds: Provided, That the amounts transferred shall be available for the same purpose as the appropriations to which transferred, and for the same time period as the appropriation from which transferred: Provided further, That the amounts shall be transferred between the following appropriations in the amount specified:

From:

Under the heading, ''Shipbuilding and Conversion, Navy, 1990/2002'':

TRIDENT ballistic missile submarine program, $78,000;

SSN–21 attack submarine program, $66,000;

DDG–51 destroyer program, $6,100,000;

ENTERPRISE refueling/modernization program, $964,000;

LSD–41 dock landing ship cargo variant ship program, $237,000;

MCM mine countermeasures program, $118,000;

Oceanographic ship program, $2,317,000;

AOE combat support ship program, $164,000;

AO conversion program, $56,000;

Coast Guard icebreaker ship program, $863,000;

Craft, outfitting, post delivery, and ship special support equipment, $529,000;

To:

Under the heading, ''Shipbuilding and Conversion, Navy, 1998/2002'': DDG–51 destroyer program, $11,492,000;

From:

Under the heading, ''Shipbuilding and Conversion, Navy, 1993/2002'':

DDG–51 destroyer program, $3,986,000;

LHD–1 amphibious assault ship program, $85,000;

LSD–41 dock landing ship cargo variant program, $428,000;

AOE combat support ship program, $516,000;

Craft, outfitting, post delivery, and first destination transportation, and inflation adjustments, $1,034,000;

To:

Under the heading, ''Shipbuilding and Conversion, Navy, 1998/2002'': DDG–51 destroyer program, $6,049,000.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8131. Of the funds appropriated by this Act under the heading, ''Operation and Maintenance, Navy'', $56,000,000 shall remain available until expended, only for costs associated with the stabilization, return, refitting, necessary force protection upgrades, and repair of the U.S.S. COLE: Provided, That the Secretary of Defense may transfer these funds to appropriations accounts for procurement and that the funds transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriation to which transferred: Provided further, That the transfer authority provided in this section is in addition to any other transfer authority available to the Department of Defense.

SEC. 8132. (a) The Secretary of Defense shall convey to Gwitchyaa Zhee Corporation the lands withdrawn by Public Land Order No. 1996, Lot 1 of United States Survey 7008, Public Land Order No. 1396, a portion of Lot 3 of United States Survey 7161, lands reserved pursuant to the instructions set forth at page 513 of volume 44 of the Interior Land Decisions issued January 13, 1916, Lot 13 of United States Survey 7161, Lot 1 of United States Survey 7008 described in Public Land Order No. 1996, and Lot 13 of the United States Survey 7161 reserved pursuant to the instructions set forth at page 513 of volume 44 of the Interior Land Decisions issued January 13, 1916.

(b) Following site restoration and survey by the Department of the Air Force that portion of Lot 3 of United States Survey 7161 withdrawn by Public Land Order No. 1396 and no longer needed by the Air Force shall be conveyed to Gwitchyaa Zhee Corporation.

SEC. 8133. The Secretary of the Navy may settle, or compromise, and pay any and all admiralty claims under 10 U.S.C. 7622 arising out of the collision involving the U.S.S. GREENEVILLE and the EHIME MARU, in any amount and without regard to the monetary limitations in subsections (a) and (b) of that section: Provided, That such payments shall be made from funds available to the Department of the Navy for operation and maintenance.

SEC. 8134. Notwithstanding section 229(a) of the Social Security Act, no wages shall be deemed to have been paid to any individual pursuant to that section in any calendar year after 2001.

SEC. 8135. The total amount appropriated in this Act is hereby reduced by $105,000,000 to reflect fact-of-life changes in utilities costs, to be derived as follows:

''Operation and Maintenance, Army'', $34,700,000;

''Operation and Maintenance, Navy'', $8,800,000;

''Operation and Maintenance, Marine Corps'', $7,200,000;

''Operation and Maintenance, Air Force'', $28,800,000;

''Operation and Maintenance, Defense-Wide'', $4,500,000;

''Operation and Maintenance, Army Reserve'', $2,700,000;

''Operation and Maintenance, Army National Guard'', $2,700,000;

''Operation and Maintenance, Air National Guard'', $3,400,000;

''Defense Working Capital Funds'', $7,100,000; and

''Defense Health Program'', $5,100,000.

SEC. 8136. (a) Of the total amount appropriated for ''Operation and Maintenance, Air Force'', $2,100,000, to remain available until expended, shall be available to the Secretary of

the Air Force only for the purpose of making a grant in the amount of $2,100,000 to the Lafayette Escadrille Memorial Foundation, Inc., to be used to perform the repair, restoration, and preservation of the structure, plaza, and surrounding grounds of the Lafayette Escadrille Memorial in Marnes la-Coguette, France.

(b) The Secretary shall require as a condition of the grant—

(1) that the funds provided through the grant be used only for costs associated with such repair, restoration, and preservation; and

(2) that none of those funds may be used for remuneration of any entity or individual associated with fund raising for the project to carry out such repair, restoration, and preservation.

SEC. 8137. (a) DESIGNATION OF NATIONAL MEMORIAL.—The five-foot-tall white cross first erected by the Veterans of Foreign Wars of the United States in 1934 along Cima Road in San Bernardino County, California, and now located within the boundary of the Mojave National Preserve, as well as a limited amount of adjoining Preserve property to be designated by the Secretary of the Interior, is hereby designated as a national memorial commemorating United States participation in World War I and honoring the American veterans of that war.

(b) LEGAL DESCRIPTION.—The memorial cross referred to in subsection (a) is located at latitude 35.316 North and longitude 115.548 West. The exact acreage and legal description of the property to be included by the Secretary of the Interior in the national World War I memorial shall be determined by a survey prepared by the Secretary.

(c) REINSTALLATION OF MEMORIAL PLAQUE.—The Secretary of the Interior shall use not more than $10,000 of funds available for the administration of the Mojave National Preserve to acquire a replica of the original memorial plaque and cross placed at the national World War I memorial designated by subsection (a) and to install the plaque in a suitable location on the grounds of the memorial.

SEC. 8138. In addition to the amounts provided elsewhere in this Act, the amount of $4,200,000 is hereby appropriated to the Department of Defense for ''Operation and Maintenance, Navy''. Such amount shall be used by the Secretary of the Navy only to make a grant in the amount of $4,200,000 to the U.S.S. Alabama Battleship Foundation, a nonprofit organization established under the laws of the State of Alabama, to be available only for the preservation of the former U.S.S. ALABAMA (ex BB–60) as a museum and memorial.

SEC. 8139. In addition to the amounts provided elsewhere in this Act, the amount of $4,250,000 is hereby appropriated to the Department of Defense for ''Operation and Maintenance, Navy''. Such amount shall be used by the Secretary of the Navy only to make a grant in the amount of $4,250,000 to the Intrepid Sea-Air-Space Foundation only for the preservation of the former U.S.S. INTREPID (CV 11) as a museum and memorial.

SEC. 8140. In addition to the amounts provided elsewhere in this Act, the amount of $6,000,000 is hereby appropriated to the Department of Defense for ''Operation and Maintenance, Air Force''. Such amount shall be used by the Secretary of the Air Force only to make a grant in the amount of $6,000,000 to the Medical Lake School District, Washington State school district number 326, for relocation of the Fairchild Air Force Base Elementary School within the boundary of Fairchild Air Force Base, Washington.

SEC. 8141. In addition to the amounts provided elsewhere in this Act, the amount of $3,500,000 is hereby appropriated to the Department of Defense for ''Operation and Maintenance, Navy''. Such amount shall be used by the Secretary of the Navy only to make a grant in the amount of $3,500,000 to the Central Kitsap School District, Washington State school district number 401, for the purchase and installation of equipment for a special needs learning center to meet the needs of Department of Defense special needs students at Submarine Base Bangor, Washington.

SEC. 8142. (a) In addition to amounts provided elsewhere in this Act, the amount of $8,500,000 is hereby appropriated for ''Operation and Maintenance, Defense-Wide'', to be available to the Secretary of Defense only for the purpose of making a grant for the purpose specified in section 8156 of the Department of Defense Appropriations Act, 2001 (Public Law 106–259; 114 Stat. 707), as amended by subsection (b). Such grant shall be made not later than 90 days after the date of the enactment of this Act.

(b) Section 8156 of the Department of Defense Appropriations Act, 2001 (Public Law 106–259; 114 Stat. 707), is amended by striking the comma after ''California'' the first place it appears and all that follows through ''96–8867)''.

SEC. 8143. (a) ACTIVITIES UNDER FORMERLY UTILIZED SITES REMEDIAL ACTION PROGRAM.—Subject to subsections (b) through (e) of section 611 of Public Law 106–60 (113 Stat. 502; 10 U.S.C. 2701 note), the Secretary of the Army, acting through the Chief of Engineers, under the Formerly Utilized Sites Remedial Action Program shall undertake the functions and activities specified in subsection (a) of such section in order to—

(1) clean up radioactive contamination at the Shpack Landfill site located in Norton and Attleboro, Massachusetts; and

(2) clean up radioactive waste at the Shallow Land Disposal Area located in Parks Township, Armstrong County, Pennsylvania, consistent with the Memorandum of Understanding Between the United States Nuclear Regulatory Commission and the United States Army Corps of Engineers for Coordination on Cleanup and Decommissioning of the Formerly Utilized Sites Remedial Action Program (FUSRAP) Sites with NRC-Licensed Facilities, dated July 5, 2001.

(b) SPECIAL RULES REGARDING SHALLOW LAND DISPOSAL AREA.—The Secretary of the Army shall seek to recover response costs incurred by the Army Corps of Engineers for cleanup of the Shallow Land Disposal Area from appropriate responsible parties in accordance with the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.). The Secretary of the Army and the Corps of Engineers shall not, by virtue of this cleanup, become liable for the actions or omissions of past, current, or future licensees, owners, or operators of the Shallow Land Disposal Area.

(c) FUNDING SOURCES.—Amounts appropriated to the Army Corps of Engineers for fiscal year 2001 and subsequent fiscal years and available for the Formerly Utilized Sites Remedial Action Program shall be available to carry out this section.

SEC. 8144. In addition to amounts otherwise appropriated or made available by this Act, $3,000,000 is appropriated to the Secretary of the Air Force and shall be used by the Secretary to reestablish the Tethered Aerostat Radar System at Morgan City, Louisiana, previously used by the Air Force in maritime, air, and land counter-drug detection and monitoring. Of the amounts appropriated or otherwise made available for operation and maintenance for the Air Force, the Secretary shall use $3,000,000 to operate such Tethered Aerostat Radar System upon its reestablishment.

SEC. 8145. The $100,000 limitation established by section 8046 in Public Law 106–79 and section 8043 of Public Law 106–259, shall not apply to amounts appropriated in that Act under the heading ''Operation and Maintenance, Defense-Wide'' for expenses related to certain classified activities associated with foreign material.

SEC. 8146. The total amount appropriated in this Act for Operation and Maintenance is hereby reduced by $100,000,000, to reflect savings attributable to improved supervision in determining appropriate purchases to be made using the Government purchase card, to be derived as follows:

''Operation and Maintenance, Army'', $37,000,000;

''Operation and Maintenance, Navy'', $29,000,000;

''Operation and Maintenance, Marine Corps'', $3,000,000;

''Operation and Maintenance, Air Force'', $24,000,000; and

''Operation and Maintenance, Defense-Wide'', $7,000,000.

SEC. 8147. The Secretary of Defense and the Secretary of Veterans Affairs shall jointly conduct a comprehensive assessment that identifies and evaluates changes to Department of Defense and Department of Veterans Affairs health care delivery policies, methods, practices, and procedures in order to provide improved health care services at reduced costs to the taxpayer. This assessment shall include a detailed independent review, based on a statement of work authored by the Secretaries of both departments, of options to collocate or share facilities and care providers in areas where duplication and excess capacity may exist, optimize economies of scale through joint procurement of supplies and services, institute cooperative service agreements, and partially or fully integrate DOD and VA systems providing telehealth services, computerized patient records, provider credentialing, surgical quality assessment, rehabilitation services, administrative services, and centers of excellence for specialized health care services. The Secretaries shall jointly transmit a report to Congress by no later than March 1, 2002, explaining the findings and conclusions of this assessment, including detailed estimates of the costs, cost savings, and service benefits of each recommendation, and making legislative and administrative recommendations to implement the results of this effort: Provided, That of the funds provided under the heading ''Defense Health Program'' $2,500,000 shall be made available only for the purpose of conducting the assessment described in this section.

SEC. 8148. (a) Notwithstanding any other provision of law, operation and maintenance funds provided in this Act may be used for the purchase of ultralightweight camouflage net systems as unit spares in order to modernize the current inventory of camouflage screens to state-of-the-art protection standards more quickly than would otherwise be the case.

(b) The authority provided by subsection (a) may not be used until the Secretary of the Army submits to the congressional defense committees a report certifying that, compared to the current system that can be purchased with Army Operation and Maintenance funds, the ultralightweight camouflage net system—

(1) is technically superior against multi-spectral threat sensors;

(2) is less costly per unit; and

(3) provides improved overall force protection.

SEC. 8149. ARMY ACQUISITION MANAGEMENT. (a) FUNDING REDUCTION.—The amount appropriated in this Act for ''Operation and Maintenance, Army'' is hereby reduced by $5,000,000 to reflect efficiencies in Army acquisition management practices.

(b) REPORT TO CONGRESS ON ARMY REORGANIZATION.—The Secretary of the Army shall submit a report to the congressional defense committees no later than April 15, 2002 providing a detailed explanation of the final plans for realigning Army requirements generation, acquisition, resource management, and Departmental headquarters functions and systems. Such report shall include an independent assessment of

the Army plan by the Center for Naval Analyses. Such report shall also include an analysis of the annual budget and personnel savings derived from this reorganization plan by major function compared to the fiscal year 2001 baseline for fiscal years 2002 through 2008.

SEC. 8150. (a) NON-PROFIT ARMY VENTURE CAPITAL CORPORATION.—Of the funds made available for ''Research, Development, Test and Evaluation, Army'', $25,000,000 shall be available to the Secretary of the Army only for the purpose of funding a venture capital investment corporation established pursuant to section 2371 of title 10 United States Code, to be derived as specified in subsection (b).

(b) FUNDING.—The amount specified in subsection (a) shall be derived by reducing, on a pro rata basis, amounts made available to the Army for basic research and applied research, except for amounts for research projects designated as congressional special interest items and amounts available to the Army for research, development, test, and evaluation relating to the Future Combat System.

SEC. 8151. Notwithstanding any other provision of law or regulation, the Secretary of Defense may exercise the provisions of 38 U.S.C. 7403(g) for occupations listed in 38 U.S.C. 7403(a)(2) as well as the following:

Pharmacists, Audiologists, and Dental Hygienists.

(A) The requirements of 38 U.S.C. 7403(g)(1)(A) shall apply.

(B) The limitations of 38 U.S.C. 7403(g)(1)(B) shall not apply.

SEC. 8152. (a) The Secretary of Defense may waive any requirement that the fiscal year 2001 Department of Defense financial statement include the accounts and associated activities of the Department of the Army and the Department of the Navy, to the extent that the Secretary determines necessary due to the effects of the terrorist attack on the Pentagon of September 11, 2001.

(b) If any accounts and associated activities of the Department of the Army or the Department of the Navy are excluded from the fiscal year 2001 Department of Defense financial statement pursuant to subsection (a), the Secretary of Defense shall, as soon as practicable after March 1, 2002, prepare and submit to the Director of the Office of Management and Budget, a revised audited financial statement for fiscal year 2001 that includes all such accounts and activities.

(c) For purposes of this section, the term ''fiscal year 2001 Department of Defense financial statement'' means the audited financial statement of the Department of Defense for fiscal year 2001 required by section 3515 of title 31, United States Code, to be submitted to the Director of the Office of Management and Budget not later than March 1, 2002.

SEC. 8153. Notwithstanding any other provision of this Act, the Secretary of the Air Force may enter into a multiyear contract, or extend an existing multiyear contract, for the C–17 aircraft: Provided, That the authority to enter into such a contract (or contract extension) may not be exercised until a period of not less than 30 days has elapsed after the date of the submission of a report under paragraph (4) of section 2306b(l) of title 10, United States Code: Provided further, That the authorities provided in this section shall not be available until the Secretary of Defense submits to the congressional defense committees a certification that the applicable requirements under section 2306b of title 10, United States Code, and section 8008 of this Act with respect to such a contract (or contract extension) have been met.

SEC. 8154. Notwithstanding any other provision of law, of the funds appropriated in this Act under the heading ''Operation and Maintenance, Defense-Wide'', $1,450,000, to remain available until expended, is provided only for payment of any expenses incurred after April 1, 2002 of the Commission on the Future of the United States Aerospace Industry pursuant to section 1092(e)(1) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 165A–215).

SEC. 8155. Of the funds appropriated in this Act under the heading ''Operation and Maintenance, Defense-Wide'', $1,000,000, to remain available until expended, shall be made available to the Secretary of Defense, notwithstanding any other provision of law, only for a grant or grants to the Somerset County Board of Commissioners (in the Commonwealth of Pennsylvania), to design and construct a memorial (including operating and maintenance expenses for appropriate security measures to protect the site) at the airplane crash site in Somerset County, Pennsylvania honoring the brave men, women, and children who perished following a valiant struggle with terrorists aboard United Airlines Flight 93 on September 11, 2001.

SEC. 8156. (a) FINDINGS.—The Congress finds that—

(1) in times when our national security is threatened by possible attacks from foreign and domestic enemies, it is necessary that the United States have a sufficient supply of certain products that are essential for defending this Nation; and

(2) it has been the consistent intent of Congress that the Department of Defense, when purchasing items to support the Armed Forces, choose items that are wholly of domestic content and manufacture, especially items identified as essential to our national defense.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) it is vital that the United States maintain a domestic manufacturing base for certain products necessary to national security, so that our Nation does not become reliant on foreign sources for such products and thereby vulnerable to disruptions in international trade; and

(2) in cases where such domestic manufacturing base is threatened, the United States should take action to preserve such manufacturing base.

SEC. 8157. (a) Not later than February 1, 2002, the Secretary of Defense shall report to the congressional defense committees on the status of the safety and security of munitions shipments that use commercial trucking carriers within the United States.

(b) REPORT ELEMENTS.—The report under subsection (a) shall include the following:

(1) An assessment of the Department of Defense's policies and practices for conducting background investigations of current and prospective drivers of munitions shipments.

(2) A description of current requirements for periodic safety and security reviews of commercial trucking carriers that carry munitions.

(3) A review of the Department of Defense's efforts to establish uniform safety and security standards for cargo terminals not operated by the Department that store munitions shipments.

(4) An assessment of current capabilities to provide for escort security vehicles for shipments that contain dangerous munitions or sensitive technology, or pass through high-risk areas.

(5) A description of current requirements for depots and other defense facilities to remain open outside normal operating hours to receive munitions shipments.

(6) Legislative proposals, if any, to correct deficiencies identified by the Department of Defense in the report under subsection (a).

(c) Not later than six months after enactment of this Act, the Secretary shall report to Congress on safety and security procedures used for U.S. munitions shipments in European NATO countries, and provide recommendations on what procedures or technologies used in those countries should be adopted for shipments in the United States.

SEC. 8158. In addition to the amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense, $15,000,000, to remain available until September 30, 2002 is hereby appropriated to the Department of Defense: Provided, That the Secretary of Defense shall make a grant in the amount of $15,000,000 to the Citadel for the Padgett Thomas Barracks in Charleston, South Carolina.

SEC. 8159. MULTI-YEAR AIRCRAFT LEASE PILOT PROGRAM. (a) The Secretary of the Air Force may, from funds provided in this Act or any future appropriations Act, establish and make payments on a multi-year pilot program for leasing general purpose Boeing 767 aircraft and Boeing 737 aircraft in commercial configuration.

(b) Sections 2401 and 2401a of title 10, United States Code, shall not apply to any aircraft lease authorized by this section.

(c) Under the aircraft lease Pilot Program authorized by this section:

(1) The Secretary may include terms and conditions in lease agreements that are customary in aircraft leases by a non-Government lessor to a non-Government lessee, but only those that are not inconsistent with any of the terms and conditions mandated herein.

(2) The term of any individual lease agreement into which the Secretary enters under this section shall not exceed 10 years, inclusive of any options to renew or extend the initial lease term.

(3) The Secretary may provide for special payments in a lessor if the Secretary terminates or cancels the lease prior to the expiration of its term. Such special payments shall not exceed an amount equal to the value of one year's lease payment under the lease.

(4) Subchapter IV of chapter 15 of Title 31, United States Code shall apply to the lease transactions under this section, except that the limitation in section 1553(b)(2) shall not apply.

(5) The Secretary shall lease aircraft under terms and conditions consistent with this section and consistent with the criteria for an operating lease as defined in OMB Circular A–11, as in effect at the time of the lease.

(6) Lease arrangements authorized by this section may not commence until:

(A) The Secretary submits a report to the congressional defense committees outlining the plans for implementing the Pilot Program. The report shall describe the terms and conditions of proposed contracts and describe the expected savings, if any, comparing total costs, including operation, support, acquisition, and financing, of the lease, including modification, with the outright purchase of the aircraft as modified.

(B) A period of not less than 30 calendar days has elapsed after submitting the report.

(7) Not later than 1 year after the date on which the first aircraft is delivered under this Pilot Program, and yearly thereafter on the anniversary of the first delivery, the Secretary shall submit a report to the congressional defense committees describing the status of the Pilot Program. The Report will be based on at least 6 months of experience in operating the Pilot Program.

(8) The Air Force shall accept delivery of the aircraft in a general purpose configuration.

(9) At the conclusion of the lease term, each aircraft obtained under that lease may be returned to the contractor in the same configuration in which the aircraft was delivered.

(10) The present value of the total payments over the duration of each lease entered into under this authority shall not exceed 90 percent of the fair market value of the aircraft obtained under that lease.

(d) No lease entered into under this authority shall provide for—

(1) the modification of the general purpose aircraft from the commercial configuration, unless and until separate authority for such conversion is enacted and only to the extent budget authority is provided in advance in appropriations Acts for that purpose; or

(2) the purchase of the aircraft by, or the transfer of ownership to, the Air Force.

(e) The authority granted to the Secretary of the Air Force by this section is separate from and in addition to, and shall not be construed to impair or otherwise affect, the authority of the Secretary to procure transportation or enter into leases under a provision of law other than this section.

(f) The authority provided under this section may be used to lease not more than a total of one hundred Boeing 767 aircraft and four Boeing 737 aircraft for the purposes specified herein.

SEC. 8160. From within amounts made available in the Title II of this Act, under the heading ''Operation and Maintenance, Army National Guard'', and notwithstanding any other provision of law, $2,200,000 shall be available only for repairs and safety improvements to the segment of Camp McCain Road which extends from Highway 8 south toward the boundary of Camp McCain, Mississippi and originating intersection of Camp McCain Road; and for repairs and safety improvements to the segment of Greensboro Road which connects the Administration Offices of Camp McCain to the Troutt Rifle Range: Provided, That these funds shall remain available until expended: Provided further, That the authorized scope of work includes, but is not limited to, environmental documentation and mitigation, engineering and design, improving safety, resurfacing, widening lanes, enhancing shoulders, and replacing signs and pavement markings.

SEC. 8161. From funds made available under Title II of this Act, the Secretary of the Army may make available a grant of $2,100,000 to the Chicago Park District for renovation of the Broadway Armory, a former National Guard facility in the Edgewater community in Chicago.

SEC. 8162. SENSE OF CONGRESS CONCERNING THE MILITARY INDUSTRIAL BASE. (a) IN GENERAL.— It is the sense of the Congress that the military aircraft industrial base of the United States be preserved. In order to ensure this we must retain—

(1) adequate competition in the design, engineering, production, sale and support of military aircraft;

(2) continued innovation in the development and manufacture of military aircraft;

(3) actual and future capability of more than one aircraft company to design, engineer, produce and support military aircraft.

(b) STUDY OF IMPACT ON THE INDUSTRIAL BASE.—In order to determine the current and future adequacy of the military aircraft industrial base a study shall be conducted. Of the funds made available under the heading ''PROCUREMENT, DEFENSE-WIDE'' in this Act, up to $1,500,000 may be made available for a comprehensive analysis of and report on the risks to innovation and cost of limited or no competition in contracting for military aircraft and related weapon systems for the Department of Defense, including the cost of contracting where there is no more than one primary manufacturer with the capacity to bid for and build military aircraft and related weapon systems, the impact of any limited competition in primary contracting on innovation in the design, development, and construction of military aircraft and related weapon systems, the impact of limited competition in primary contracting on the current and future capacity of manufacturers to design, engineer and build military aircraft and weapon systems. The Secretary of Defense shall report to the House and Senate Committees on Appropriations on the design of this analysis, and shall submit a report to these committees no later than 6 months from the date of enactment of this Act.

SEC. 8163. In addition to the amounts appropriated or otherwise made available in this Act, $5,200,000, to remain available until September 30, 2002, is hereby appropriated to the Department of Defense: Provided, That the Secretary of Defense shall make a grant in the amount of $5,200,000 to the Armed Forces Retirement Homes.

SEC. 8164. (a) ASSESSMENT REQUIRED.—Not later than March 15, 2002, the Secretary of the Army shall submit to the Committees on Appropriations of the Senate and House of Representatives a report containing an assessment of current risks under, and various alternatives to, the current Army plan for the destruction of chemical weapons.

(b) ELEMENTS.—The report under subsection (a) shall include the following:

(1) A description and assessment of the current risks in the storage of chemical weapons arising from potential terrorist attacks.

(2) A description and assessment of the current risks in the storage of chemical weapons arising from storage of such weapons after April 2007, the required date for disposal of such weapons as stated in the Chemical Weapons Convention.

(3) A description and assessment of various options for eliminating or reducing the risks described in paragraphs (1) and (2).

(c) CONSIDERATIONS.—In preparing the report, the Secretary shall take into account the plan for the disassembly and neutralization of the agents in chemical weapons as described in Army engineering studies in 1985 and 1996, the 1991 Department of Defense Safety Contingency Plan, and the 1993 findings of the National Academy of Sciences on disassembly and neutralization of chemical weapons.

SEC. 8165. Of the amount appropriated by title II for operation and maintenance, Defense-wide, $47,261,000 may be available for the Defense Leadership and Management Program.

SEC. 8166. SENSE OF THE CONGRESS REGARDING ENVIRONMENTAL CONTAMINATION IN THE PHILIPPINES. It is the sense of the Congress that—

(1) the Secretary of State, in cooperation with the Secretary of Defense, should continue to work with the Government of the Philippines and with appropriate non-governmental organizations in the United States and the Philippines to fully identify and share all relevant information concerning environmental contamination and health effects emanating from former United States military facilities in the Philippines following the departure of the United States military forces from the Philippines in 1992;

(2) the United States and the Government of the Philippines should continue to build upon the agreements outlined in the Joint Statement by the United States and the Republic of the Philippines on a Framework for Bilateral Cooperation in the Environment and Public Health, signed on July 27, 2000; and

(3) Congress should encourage an objective non-governmental study, which would examine environmental contamination and health effects emanating from former United States military facilities in the Philippines, following the departure of United States military forces from the Philippines in 1992.

SEC. 8167. (a) AUTHORITY FOR BURIAL OF CERTAIN INDIVIDUALS AT ARLINGTON NATIONAL CEMETERY.—The Secretary of the Army shall authorize the burial in a separate gravesite at Arlington National Cemetery, Virginia, of any individual who—

(1) died as a direct result of the terrorist attacks on the United States on September 11, 2001; and

(2) would have been eligible for burial in Arlington National Cemetery by reason of service in a reserve component of the Armed Forces but for the fact that such individual was less than 60 years of age at the time of death.

(b) ELIGIBILITY OF SURVIVING SPOUSE.—The surviving spouse of an individual buried in a gravesite in Arlington National Cemetery under the authority provided under subsection (a) shall be eligible for burial in the gravesite of the individual to the same extent as the surviving spouse of any other individual buried in Arlington National Cemetery is eligible for burial in the gravesite of such other individual.

SEC. 8168. In fiscal year 2002, the Department of the Interior National Business Center may continue to enter into grants, cooperative agreements, and other transactions, under the Defense Conversion, Reinvestment, and Transition Assistance Act of 1992, and other related legislation.

SEC. 8169. Of the total amount appropriated by this division for ''Operation and Maintenance, Defense-Wide'', $3,500,000 may 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).

SEC. 8170. Of the total amount appropriated by this division for ''Operation and Maintenance, Air National Guard'', $435,000 may be available (subject to section 2805(c) of title 10, United States Code) for the replacement of deteriorating gas lines, mains, valves, and fittings at the Air National Guard facility at Rosecrans Memorial Airport, St. Joseph, Missouri, and (subject to section 2811 of title 10, United States Code) for the repair of the roof of the Aerial Port Facility at that airport.

SEC. 8171. Not later than 180 days after the date of enactment of this Act, the Secretary of Defense, in cooperation with the Secretaries of State and Energy, shall submit a report to Congress describing the steps that have been taken to develop cooperative threat reduction programs with India and Pakistan. Such report shall include recommendations for changes in any provision of existing law that is currently an impediment to the full establishment of such programs, a timetable for implementation of such programs, and an estimated five-year budget that will be required to fully fund such programs.

SEC. 8172. (a) MODIFICATION OF GENERAL REQUIREMENTS.—Section 1078(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–283) is amended—

(1) in paragraph (1), by inserting '', or its contractors or subcontractors,'' after ''Department of Defense''; and

(2) in paragraph (3), by striking ''stored, assembled, disassembled, or maintained'' and inserting ''manufactured, assembled, or disassembled''.

(b) DETERMINATION OF EXPOSURES AT IAAP.—The Secretary of Defense shall take appropriate actions to determine the nature and extent of the exposure of current and former employees at the Army facility at the Iowa Army Ammunition Plant, including contractor and subcontractor employees at the facility, to radioactive or other hazardous substances at the facility, including possible pathways for the exposure of such employees to such substances.

(c) NOTIFICATION OF EMPLOYEES REGARDING EXPOSURE.—(1) The Secretary shall take appropriate actions to—

(A) identify current and former employees at the facility referred to in subsection (b), including contractor and subcontractor employees at the facility; and

(B) notify such employees of known or possible exposures to radioactive or other hazardous substances at the facility.

(2) Notice under paragraph (1)(B) shall include—

(A) information on the discussion of exposures covered by such notice with health care providers and other appropriate persons who do not hold a security clearance; and

(B) if necessary, appropriate guidance on contacting health care providers and officials involved with cleanup of the facility who hold an appropriate security clearance.

(3) Notice under paragraph (1)(B) shall be by mail or other appropriate means, as determined by the Secretary.

(d) DEADLINE FOR ACTIONS.—The Secretary shall complete the actions required by subsections (b) and (c) not later than 90 days after the date of the enactment of this Act.

(e) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report setting forth the results of the actions undertaken by the Secretary under this section, including any determinations under subsection (b), the number of workers identified under subsection (c)(1)(A), the content of the notice to such workers under subsection (c)(1)(B), and the status of progress on the provision of the notice to such workers under subsection (c)(1)(B).

SEC. 8173. None of the funds made available in division A of this Act may be used to provide support or other assistance to the International Criminal court or to any criminal investigation or other prosecutorial activity of the International Criminal Court.

TITLE IX

COUNTER-TERRORISM AND DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION

(INCLUDING TRANSFER OF FUNDS)

For protection against terrorist attacks that might employ either conventional means or weapons of mass destruction, and to prepare against the consequences of such attacks; to deny unauthorized users the opportunity to modify, steal, inappropriately disclose, or destroy sensitive military data or networks; and to accelerate improvements in information networks and operations, $478,000,000: Provided, That of the amounts made available under this heading, $333,000,000 is available only for improving force protection and chemical and biological defense capabilities of the Department of Defense, and improving capabilities to respond to attacks using weapons of mass destruction: Provided further, That $70,000,000 is available only for improving the effectiveness of Department of Defense capabilities in the areas of information assurance and critical infrastructure protection, and information operations; and $75,000,000 is available only to develop and demonstrate systems to protect against unconventional nuclear threats: Provided further, That in order to carry out the specified purposes under this heading, funds made available under this heading may be transferred to any appropriation account otherwise enacted by this Act: Provided further, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriation to which transferred: Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority available to the Department of Defense: Provided further, That within 90 days of enactment of this Act, the Secretary of Defense shall provide to the Congress a report specifying the projects and accounts to which funds provided under this heading are to be transferred.

FORMER SOVIET UNION THREAT REDUCTION

For assistance to the republics of the former Soviet Union, including assistance provided by contract or by grants, for facilitating the elimination and the safe and secure transportation and storage of nuclear, chemical and other weapons; for establishing programs to prevent the proliferation of weapons, weapons components, and weapon-related technology and expertise; for programs relating to the training and support of defense and military personnel for demilitarization and protection of weapons, weapons components and weapons technology and expertise, and for defense and military contacts, $403,000,000, to remain available until September 30, 2004: Provided, That of the amounts provided under this heading, $12,750,000 shall be available only to support the dismantling and disposal of nuclear submarines and submarine reactor components in the Russian Far East.

This division may be cited as the ''Department of Defense Appropriations Act, 2002''.

DIVISION B—TRANSFERS FROM THE EMERGENCY RESPONSE FUND PURSUANT TO PUBLIC LAW 107–38

The funds appropriated in Public Law 107–38 subject to subsequent enactment and previously designated as an emergency by the President and Congress under the Balanced Budget and Emergency Deficit Control Act of 1985, are transferred to the following chapters and accounts as follows:

CHAPTER 1

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Office of the Secretary'', $80,919,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $40,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

BUILDINGS AND FACILITIES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Buildings and Facilities'', $73,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $105,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38, of which $50,000,000 may be transferred to and merged with the Agricultural Quarantine Inspection User Fee Account.

BUILDINGS AND FACILITIES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Buildings and Facilities'', $14,081,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

FOOD SAFETY AND INSPECTION SERVICE

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Food Safety and Inspection Service'', $15,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

FOOD AND NUTRITION SERVICE

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)'', $39,000,000, to remain available until September 30, 2003, to be obligated from amounts made available in Public Law 107–38: Provided, That of the amounts provided in this Act and any amounts available for reallocation in fiscal year 2002, the Secretary shall reallocate funds under section 17(g)(2) of the Child Nutrition Act of 1966 in the manner and under the formula the Secretary deems necessary to respond to the effects of unemployment and other conditions, and starting no later than March 1, 2002, such reallocation shall occur no less frequently than every other month throughout the fiscal year.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $151,100,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

INDEPENDENT AGENCY

COMMODITY FUTURES TRADING COMMISSION

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Commodity Futures Trading Commission'', $16,900,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

GENERAL PROVISIONS, THIS CHAPTER

SEC. 101. Title VI of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002 (Public Law 107–76) is amended under the heading ''Food and Drug Administration, Salaries and Expenses'' by striking ''$13,207,000'' and inserting ''$13,357,000''.

SEC. 102. Section 741(b) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002 (Public Law 107–76), is amended by striking ''20,000,000 pounds'' and inserting ''5,000,000 pounds''.

CHAPTER 2

DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

USA PATRIOT ACT ACTIVITIES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Patriot Act Activities'', $5,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38, of which up to $2,000,000 may be available for a feasibility report, as authorized by Section 405 of Public Law 107–56: Provided, That funding for the implementation of such enhancements shall be treated as a reprogramming under section 605 of Public Law 107–77 and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

ADMINISTRATIVE REVIEW AND APPEALS

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Administrative Review and Appeals'', $3,500,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United

States, for ''Salaries and Expenses, General Legal Activities'', $12,500,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses, United States Attorneys'', $56,370,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses, United States Marshals Service'', $10,200,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38, of which $5,000,000 shall be for courthouse security equipment.

CONSTRUCTION

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Construction'', $9,125,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $745,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

ENFORCEMENT AND BORDER AFFAIRS

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $449,800,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

CONSTRUCTION

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Construction'', $99,600,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Justice Assistance'', $400,000,000, to remain available until expended, for grants, cooperative agreements, and other assistance authorized by sections 819 and 821 of the Antiterrorism and Effective Death Penalty Act of 1996 and section 1014 of the USA PATRIOT ACT (Public Law 107–56) and for other counter terrorism programs, to be obligated from amounts made available in Public Law 107–38, of which $9,800,000 is for an aircraft for counterterrorism and other required activities for the City of New York.

STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, $251,100,000 shall be for discretionary grants, including equipment, under the Edward Byrne Memorial State and Local Law Enforcement Assistance Program, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

CRIME VICTIMS FUND

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Crime Victims Fund'', $68,100,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

OPERATIONS AND ADMINISTRATION

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Operations and Administration'', $1,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

EXPORT ADMINISTRATION

OPERATIONS AND ADMINISTRATION

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Operations and Administration'', $1,756,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

PUBLIC TELECOMMUNICATIONS FACILITIES, PLANNING AND CONSTRUCTION

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Public Telecommunications Facilities, Planning and Construction'', $8,250,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38: Provided, That matching requirements set forth in section 392(b) of the Communications Act of 1934, as amended, shall not apply to funds provided in this Act.

UNITED STATES PATENT AND TRADEMARK OFFICE

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $1,500,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Scientific and Technical Research and Services'', $5,000,000 for a cyber security initiative, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

CONSTRUCTION OF RESEARCH FACILITIES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Construction of Research Facilities'', $1,225,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Operations, Research, and Facilities'', $2,750,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $4,776,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

CARE OF THE BUILDING AND GROUNDS

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Care of the Building and Grounds'', $30,000,000, to remain available until expended for security enhancements, to be obligated from amounts made available in Public Law 107–38.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $5,000,000, is for Emergency Communications Equipment, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

COURT SECURITY

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Court Security'', $57,521,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38, for security of the Federal judiciary, of which not less than $4,000,000 shall be available to reimburse the United States Marshals Service for a Supervisory Deputy Marshal responsible for coordinating security in each judicial district and circuit: Provided, That the funds may be expended directly or transferred to the United States Marshals Service.

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $2,879,000, to remain available until expended, to enhance security at the Thurgood Marshall Federal Judiciary Building, to be obligated from amounts made available in Public Law 107–38.

DEPARTMENT OF STATE AND RELATED AGENCY

RELATED AGENCY

BROADCASTING BOARD OF GOVERNORS

INTERNATIONAL BROADCASTING OPERATIONS

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''International Broadcasting Operations'', $9,200,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

BROADCASTING CAPITAL IMPROVEMENTS

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Broadcasting Capital Improvements'', $10,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

RELATED AGENCIES

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses,'' $1,301,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $20,705,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

SMALL BUSINESS ADMINISTRATION

BUSINESS LOANS PROGRAM ACCOUNT

For emergency expenses for the cost of loan subsidies and for loan modifications as authorized by section 203 of this Act, for disaster recovery activities and assistance related to the terrorist acts in New York, Virginia, and Pennsylvania on September 11, 2001, for ''Business Loans Program Account'', $75,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

DISASTER LOANS PROGRAM ACCOUNT

For emergency expenses for the cost of loan subsidies and for loan modifications as authorized by section 202 of this Act, for disaster recovery activities and assistance related to the terrorist acts in New York, Virginia, and Pennsylvania on September 11, 2001, for ''Disaster Loans Program Account'', $75,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 201. Funds appropriated by this Act for the Broadcasting Board of Governors and the Department of State may be obligated and expended notwithstanding section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, and section 15 of the State Department Basic Authorities Act of 1956, as amended.

SEC. 202. For purposes of assistance available under section 7(b)(2) and (4) of the Small Business Act (15 U.S.C. 636(b)(2) and (4)) to small business concerns located in disaster areas declared as a result of the September 11, 2001, terrorist attacks—

(i) the term ''small business concern'' shall include not-for-profit institutions and small business concerns described in United States Industry Codes 522320, 522390, 523210, 523920, 523991, 524113, 524114, 524126, 524128, 524210, 524291, 524292, and 524298 of the North American Industry Classification System (as described in 13 C.F.R. 121.201, as in effect on January 2, 2001);

(ii) the Administrator may apply such size standards as may be promulgated under such section 121.201 after the date of enactment of this provision, but no later than one year following the date of enactment of this Act; and

(iii) payments of interest and principal shall be deferred, and no interest shall accrue during the two-year period following the issuance of such disaster loan.

SEC. 203. Notwithstanding any other provision of law, the limitation on the total amount of loans under section 7(b) of the Small Business Act (15 U.S.C. 636(b)) outstanding and committed to a borrower in the disaster areas declared in response to the September 11, 2001, terrorist attacks shall be increased to $10,000,000 and the Administrator shall, in lieu of the fee collected under section 7(a)(23)(A) of the Small Business Act (15 U.S.C. 636(a)(23)(A)), collect an annual fee of 0.25 percent of the outstanding balance of deferred participation loans made under section 7(a) to small businesses adversely affected by the September 11, 2001, terrorist attacks and their aftermath, for a period of one year following the date of enactment and to the extent the costs of such reduced fees are offset by appropriations provided by this Act.

SEC. 204. Not later than April 1, 2002, the Secretary of State shall submit to the Committees on Appropriations, in both classified and unclassified form, a report on the United States-People's Republic of China Science and Technology Agreement of 1979, including all protocols. The report is intended to provide a comprehensive evaluation of the benefits of the agreement to the Chinese economy, military, and defense industrial base. The report shall include the following elements:

(1) an accounting of all activities conducted under the Agreement for the past five years, and a projection of activities to be undertaken through 2010;

(2) an estimate of the annual cost to the United States to administer the Agreement;

(3) 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;

(4) an analysis of the involvement of Chinese nuclear weapons and military missile specialists in the activities of the Joint Commission;

(5) 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 through 2010, including transfers of technology, on China's economic and military capabilities; and

(6) recommendations on improving the monitoring of the activities of the Commission by the Secretaries of Defense and State.

The report shall be developed 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.

SEC. 205. From within funds available to the State of Alaska or the Alaska Region of the National Marine Fisheries Service, an additional $500,000 may be made available for the cost of guaranteeing the reduction loan authorized under section 144(d)(4)(A) of title I, division B of Public Law 106–554 (114 Stat. 2763A–242) and that subparagraph is amended to read as follows: ''(4)(A) The fishing capacity reduction program required under this subsection is authorized to be financed through a reduction loan of $100,000,000 under sections 1111 and 1112 of title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1279f and 1279g).''.

SEC. 206. Title IV of the Departments of Commerce, Justice, and State, the Judiciary and Related Agencies Appropriations Act, 2002 (Public Law 107–77) is amended in the third proviso of the first undesignated paragraph under the heading ''Diplomatic and Consular Programs'' by striking ''this heading'' and inserting ''the appropriations accounts within the Administration of Foreign Affairs''.

SEC. 207. Title V of the Departments of Commerce, Justice, and State, the Judiciary and Related Agencies Appropriations Act, 2002 (Public Law 107–77) is amended in the proviso under the heading ''Commission on Ocean Policy'' by striking ''appointment'' and inserting ''the first meeting of the Commission''.

SEC. 208. Section 626(c) of the Departments of Commerce, Justice, and State, the Judiciary and Related Agencies Appropriations Act, 2002 (Public Law 107–77) is amended by striking ''1:00CV03110(ESG)'' and inserting ''1:00CV03110(EGS)''.

CHAPTER 3

DEPARTMENT OF DEFENSE—MILITARY

OPERATION AND MAINTENANCE

DEFENSE EMERGENCY RESPONSE FUND

(INCLUDING TRANSFER OF FUNDS)

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Defense Emergency Response Fund'', $3,395,600,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38, as follows:

(1) For increased situational awareness, $850,000,000;

(2) For increased worldwide posture, $1,495,000,000;

(3) For offensive counterterrorism, $372,000,000;

(4) For initial crisis response, $39,100,000;

(5) For the Pentagon Reservation Maintenance Revolving Fund, $475,000,000;

(6) For relocation costs and other purposes, $164,500,000: Provided, That $500,000 shall be made available only for the White House Commission on the National Moment of Remembrance:

Provided further, That from funding available under the heading ''Former Soviet Union Threat Reduction'', $30,000,000 shall be transferred to ''Department of State, Nonproliferation, Antiterrorism, Demining, and Related Programs'' only for the purpose of supporting expansion of the Biological Weapons Redirect and International Science and Technology Centers programs, to prevent former Soviet biological weapons experts from emigrating to proliferant states and to reconfigure former Soviet biological weapons production facilities for peaceful uses.

GENERAL PROVISIONS—THIS CHAPTER

(INCLUDING TRANSFER OF FUNDS)

SEC. 301. Amounts available in the ''Defense Emergency Response Fund'' (the ''Fund'') shall be available for the purposes set forth in the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States (Public Law 107–38): Provided, That the Fund may be used to reimburse other appropriations or funds of the Department of Defense, including activities of the National Foreign Intelligence Program funded in defense appropriations acts, only for costs incurred for such purposes on or after September 11, 2001: Provided further, That the Fund may be used to liquidate obligations incurred by the Department of Defense under the authorities in section 3732 of the Revised Statutes (41 U.S.C. 11; popularly known as the ''Food and Forage Act'') for any costs incurred for such purposes between September 11 and September 30, 2001: Provided further, That the Secretary of Defense may transfer to the Fund amounts from any current appropriation made available in defense appropriations acts, only for the purpose of adjusting and liquidating obligations properly chargeable to the Fund: Provided further, That the authority granted in the preceding proviso shall only be exercised after the Secretary of Defense makes a determination that amounts in the Fund are insufficient to liquidate obligations made using appropriations in the Fund, and not prior to 30 days after notifying the congressional defense committees in writing regarding each proposed transfer of funds: Provided further, That in order to carry out the specified purposes under this heading, the Secretary of Defense may transfer funds from the Fund to any defense appropriation account enacted in appropriations acts, including ''Support for International Sporting Competitions, Defense'': Provided further, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriation to which transferred: Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority available to the Department of Defense: Provided further, That within 30 days of enactment of this Act, and quarterly thereafter, the Secretary of Defense and the Director of Central Intelligence shall each provide to the Congress a report (in unclassified and classified form, as needed) specifying the projects and accounts to which funds provided in this chapter are to be transferred.

SEC. 302. Amounts in the appropriation account ''Support for International Sporting Competitions, Defense'', may be used to support essential security and safety for the 2002 Winter Olympic Games in Salt Lake City, Utah, without the certification required under subsection 10 U.S.C. 2564(a): Provided, That the term ''active duty'', in section 5802 of Public Law 104–208 shall include State active duty and full-time National Guard duty performed by members of the Army National Guard and Air National Guard in connection with providing essential security and safety support to the 2002 Winter Olympic

Games and logistical and security support to the 2002 Paralympic Games.

SEC. 303. Funds appropriated by this Act, or made available by the transfer of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414).

SEC. 304. Notwithstanding any other provision of law, of the amounts appropriated in Public Law 107–38 which remained available in the Defense Emergency Response Fund on December 18, 2001, not to exceed $100,000,000 may be available for payments to Pakistan and Jordan for logistical and military support provided, or to be provided, to United States military operations in connection with Operation Enduring Freedom: Provided, That such payments may be made in amounts as the Secretary may determine in his discretion, and such determination is final and conclusive upon the accounting officers of the United States.

(INCLUDING TRANSFER OF FUNDS)

SEC. 305. (a) During the current fiscal year, $475,000,000 of appropriations provided in this Act shall be transferred to the Pentagon Reservation Maintenance Revolving Fund only to reconstruct the Pentagon Reservation and for related activities as a result of the events of September 11, 2001.

(b) In addition to the amounts provided in subsection (a) or otherwise appropriated in this Act, out of funds appropriated by Public Law 107–38 but not subject to subsequent enactment, not subject to the restrictions of the fifth proviso of that Act, and not transferred before December 18, 2001, the amount of $300,000,000 is transferred to the Pentagon Reservation Maintenance Revolving Fund only to finance accelerated building renovation activities for military command centers and related activities at the Pentagon Reservation in order to accelerate completion of the currently planned Pentagon renovation project by up to 4 years: Provided, That notwithstanding any other provision of law, funds allocated and transferred under this section shall be made available until expended: Provided further, That the cost to accelerate renovation activities for military command centers and related activities at the Pentagon Reservation shall not be included in any cost cap applicable to the Pentagon renovation: Provided further, That the transfer authority provided under this section is in addition to any other transfer authority available to the Department of Defense.

(TRANSFER OF FUNDS)

SEC. 306. Notwithstanding any other provision of law or this Act, of the amounts unobligated in all fiscal year 2002 appropriations accounts in Titles III and IV of Division A of this Act, up to one and one-half percentum of these funds shall be available for transfer to the Operation and Maintenance accounts of the Department of Defense for such costs incurred in support of Operations Enduring Freedom and Noble Anvil: Provided, That the Secretary of Defense shall notify the Committees on Appropriations of the House and Senate of transfers made pursuant to this section not later than fifteen days after any such transfer is made: Provided further, That the transfer authority provided under this section is in addition to any other transfer authority available to the Department of Defense: Provided further, That the transfer authority available under this section may be utilized only after all other funds made available to the Department of Defense pursuant to Public Law 107–38 have been obligated: Provided further, That no congressional interest item may be reduced for the purposes of this section: Provided further, That such authority to transfer shall expire on April 30, 2002.

SEC. 307. During fiscal year 2002 the President, acting by and with the consent of the Senate, is authorized to appoint a commissioned officer of the Armed Forces, in active status, to the office of Deputy Administrator of the National Aeronautics and Space Administration notwithstanding section 202(b) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2472(b)). If so appointed, the provisions of section 403(c)(3), (4), and (5) of title 50, United States Code shall be applicable while the commissioned officer serves as Deputy Administrator in the same manner and extent as if the officer was serving in a position specified in section 403(c) of title 50 United States Code, except that the officer's military pay and allowances shall be reimbursed from funds available to the National Aeronautics and Space Administration.

CHAPTER 4

DISTRICT OF COLUMBIA

FEDERAL FUNDS

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR PROTECTIVE CLOTHING AND BREATHING APPARATUS

For a Federal payment to the District of Columbia for protective clothing and breathing apparatus, to be obligated from amounts made available in Public Law 107–38 and to remain available until September 30, 2003, $7,144,000, of which $922,000 is for the Fire and Emergency Medical Services Department, $4,269,000 is for the Metropolitan Police Department, $1,500,000 is for the Department of Health, and $453,000 is for the Department of Public Works.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR SPECIALIZED HAZARDOUS MATERIALS EQUIPMENT

For a Federal payment to the District of Columbia for specialized hazardous materials equipment, to be obligated from amounts made available in Public Law 107–38 and to remain available until September 30, 2003, $1,032,000, for the Fire and Emergency Medical Services Department.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR CHEMICAL AND BIOLOGICAL WEAPONS PREPAREDNESS

For a Federal payment to the District of Columbia for chemical and biological weapons preparedness, to be obligated from amounts made available in Public Law 107–38 and to remain available until September 30, 2003, $10,355,000, of which $205,000 is for the Fire and Emergency Medical Services Department, $258,000 is for the Metropolitan Police Department, and $9,892,000 is for the Department of Health.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR PHARMACEUTICALS FOR RESPONDERS

For a Federal payment to the District of Columbia for pharmaceuticals for responders, to be obligated from amounts made available in Public Law 107–38 and to remain available until September 30, 2003, $2,100,000, for the Department of Health.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR RESPONSE AND COMMUNICATIONS CAPABILITY

For a Federal payment to the District of Columbia for response and communications capability, to be obligated from amounts made available in Public Law 107–38 and to remain available until September 30, 2003, $14,960,000, of which $7,755,000 is for the Fire and Emergency Medical Services Department, $5,855,000 is for the Metropolitan Police Department, $113,000 is for the Department of Public Works Division of Transportation, $58,000 is for the Office of Property Management, $60,000 is for the Department of Public Works, $750,000 is for the Department of Health, $309,000 is for the Department of Human Services, and $60,000 is for the Department of Parks and Recreation.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR SEARCH, RESCUE AND OTHER EMERGENCY EQUIPMENT AND SUPPORT

For a Federal payment to the District of Columbia, to be obligated from amounts made available in Public Law 107–38 and to remain available until September 30, 2003, for search, rescue and other emergency equipment and support, $8,850,000, of which $5,442,000 is for the Metropolitan Police Department, $208,000 is for the Fire and Emergency Medical Services Department, $398,500 is for the Department of Consumer and Regulatory Affairs, $1,178,500 is for the Department of Public Works, $542,000 is for the Department of Human Services, and $1,081,000 is for the Department of Mental Health.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR EQUIPMENT, SUPPLIES AND VEHICLES FOR THE OFFICE OF THE CHIEF MEDICAL EXAMINER

For a Federal payment to the District of Columbia, to be obligated from amounts made available in Public Law 107–38 and to remain available until September 30, 2003, for equipment, supplies and vehicles for the Office of the Chief Medical Examiner, $1,780,000.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR HOSPITAL CONTAINMENT FACILITIES FOR THE DEPARTMENT OF HEALTH

For a Federal payment to the District of Columbia, to be obligated from amounts made available in Public Law 107–38 and to remain available until September 30, 2003, for hospital containment facilities for the Department of Health, $8,000,000.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR THE OFFICE OF THE CHIEF TECHNOLOGY OFFICER

For a Federal payment to the District of Columbia, to be obligated from amounts made available in Public Law 107–38 and to remain available until September 30, 2003, for the Office of the Chief Technology Officer, $45,494,000, for a first response land-line and wireless interoperability project, of which $1,000,000 shall be used to initiate a comprehensive review, by a non-vendor contractor, of the District's current technology-based systems and to develop a plan for integrating the communications systems of the District of Columbia Metropolitan Police and Fire and Emergency Medical Services Departments with the systems of local, regional and federal law enforcement agencies, including but not limited to the United States Capitol Police, United States Park Police, United States Secret Service, Federal Bureau of Investigation, Federal Protective Service, and the Washington Metropolitan Area Transit Authority Police: Provided, That such plan shall be submitted to the Committees on Appropriations of the Senate and the House of Representatives no later than June 15, 2002.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR EMERGENCY TRAFFIC MANAGEMENT

For a Federal payment to the District of Columbia, to be obligated from amounts made available in Public Law 107–38 and to remain available until September 30, 2003, for emergency traffic management, $20,700,000, for the Department of Public Works Division of Transportation, of which $14,000,000 is to upgrade traffic light controllers, $4,700,000 is to establish a video traffic monitoring system, and $2,000,000 is to disseminate traffic information.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR TRAINING AND PLANNING

For a Federal payment to the District of Columbia, to be obligated from amounts made available in Public Law 107–38 and to remain available until September 30, 2003, for training and planning, $9,949,000, of which $4,400,000 is

for the Fire and Emergency Medical Services Department, $990,000 is for the Metropolitan Police Department, $1,200,000 is for the Department of Health, $200,000 is for the Office of the Chief Medical Examiner, $500,000 is for the Office of Property Management, $500,000 is for the Department of Mental Health, $469,000 is for the Department of Consumer and Regulatory Affairs, $240,000 is for the Department of Public Works, $600,000 is for the Department of Human Services, $100,000 is for the Department of Parks and Recreation, and $750,000 is for the Division of Transportation.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR INCREASED FACILITY SECURITY

For a Federal payment to the District of Columbia, to be obligated from amounts made available in Public Law 107–38 and to remain available until September 30, 2003, for increased facility security, $25,536,000, of which $3,900,000 is for the Emergency Management Agency, $14,575,000 is for the public schools, and $7,061,000 is for the Office of Property Management.

FEDERAL PAYMENT TO THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

For a Federal payment to the Washington Metropolitan Area Transit Authority to meet region-wide security requirements, a contribution of $39,100,000, to be obligated from amounts made available in Public Law 107–38 and to remain available until September 30, 2003, of which $5,000,000 shall be used for protective clothing and breathing apparatus, $2,200,000 shall be for completion of the fiber optic network project, $15,000,000 shall be for a chemical emergency sensor program, and $16,900,000 shall be for increased employee and facility security.

FEDERAL PAYMENT TO THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

For a Federal payment to the Metropolitan Washington Council of Governments to enhance regional emergency preparedness, coordination and response, $5,000,000, to be obligated from amounts made available in Public Law 107–38 and to remain available until September 30, 2003, of which $1,500,000 shall be used to contribute to the development of a comprehensive regional emergency preparedness, coordination and response plan, $500,000 shall be used to develop a critical infrastructure threat assessment model, $500,000 shall be used to develop and implement a regional communications plan, and $2,500,000 shall be used to develop protocols and procedures for training and outreach exercises.

DISTRICT OF COLUMBIA FUNDS

DIVISION OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia and shall remain available until September 30, 2003.

For Protective Clothing and Breathing Apparatus, to remain available until September 30, 2003, $7,144,000, of which $922,000 is for the Fire and Emergency Medical Services Department, $4,269,000 is for the Metropolitan Police Department, $1,500,000 is for the Department of Health, and $453,000 is for the Department of Public Works.

For Specialized Hazardous Materials Equipment, to remain available until September 30, 2003, $1,032,000, for the Fire and Emergency Medical Services Department.

For Chemical and Biological Weapons Preparedness, to remain available until September 30, 2003, $10,355,000, of which $205,000 is for the Fire and Emergency Medical Services Department, $258,000 is for the Metropolitan Police Department, and $9,892,000 is for the Department of Health.

For Pharmaceuticals for Responders, to remain available until September 30, 2003, $2,100,000, for the Department of Health.

For Response and Communications capability, to remain available until September 30, 2003, $14,960,000, of which $7,755,000 is for the Fire and Emergency Medical Services Department, $5,855,000 is for the Metropolitan Police Department, $113,000 is for the Department of Public Works Division of Transportation, $58,000 is for the Office of Property Management, $60,000 is for the Department of Public Works, $750,000 is for the Department of Health, $309,000 is for the Department of Human Services, and $60,000 is for the Department of Parks and Recreation.

For search, rescue and other emergency equipment and support, to remain available until September 30, 2003, $8,850,000, of which $5,442,000 is for the Metropolitan Police Department, $208,000 is for the Fire and Emergency Medical Services Department, $398,500 is for the Department of Consumer and Regulatory Affairs, $1,178,500 is for the Department of Public Works, $542,000 is for the Department of Human Services, and $1,081,000 is for the Department of Mental Health.

For equipment, supplies and vehicles, to remain available until September 30, 2003, for the Office of the Chief Medical Examiner, $1,780,000.

For hospital containment facilities, to remain available until September 30, 2003, for the Department of Health, $8,000,000.

For the Office of the Chief Technology Officer, to remain available until September 30, 2003, $45,494,000 is for a first response land-line and wireless interoperability project, of which $1,000,000 shall be used to initiate a comprehensive review by a non-vendor contractor of the District's current technology-based systems and to develop a plan for integrating the communications systems of the District of Columbia Metropolitan Police and Fire and Emergency Medical Services Departments with the systems of local, regional and federal law enforcement agencies, including, but not limited to the United States Capitol Police, United States Park Police, United States Secret Service, Federal Bureau of Investigation, Federal Protective Service, and the Washington Metropolitan Area Transit Authority Police: Provided, That such plan shall be submitted to the Committees on Appropriations of the Senate and the House of Representatives no later than June 15, 2002.

For emergency traffic management, to remain available until September 30, 2003, $20,700,000 is for the Department of Public Works Division of Transportation, of which $14,000,000 is to upgrade traffic light controllers, $4,700,000 is to establish a video traffic monitoring system, and $2,000,000 is to disseminate traffic information.

For training and planning, to remain available until September 30, 2003, $9,949,000, of which $4,400,000 is for the Fire and Emergency Medical Services Department, $990,000 is for the Metropolitan Police Department, $1,200,000 is for the Department of Health, $200,000 is for the Office of the Chief Medical Examiner, $500,000 is for the Office of Property Management, $500,000 is for the Department of Mental Health, $469,000 is for the Department of Consumer and Regulatory Affairs, $240,000 is for the Department of Public Works, $600,000 is for the Department of Human Services, $100,000 is for the Department of Parks and Recreation, and $750,000 is for the Division of Transportation.

For increased facility security, to remain available until September 30, 2003, $25,536,000, of which $3,900,000 is for the Emergency Management Agency, $14,575,000 for the public schools, and $7,061,000 for the Office of Property Management.

GENERAL PROVISIONS, THIS CHAPTER

SEC. 401. Notwithstanding any other provision of law, the Chief Financial Officer of the District of Columbia may transfer up to 5 percent of the funds appropriated to the District of Columbia in this chapter between these accounts: Provided, That no such transfer shall take place unless the Chief Financial Officer of the District of Columbia notifies in writing the Committees on Appropriations of the Senate and the House of Representatives 30 days in advance of such transfer.

SEC. 402. The Chief Financial Officer of the District of Columbia, the Chief Financial Officer of the Washington Metropolitan Area Transit Authority and the Executive Director of the Metropolitan Washington Council of Governments shall provide quarterly reports to the President and the Committees on Appropriations of the Senate and the House of Representatives on the use of the funds under this chapter beginning no later than March 15, 2002.

SEC. 403. Notwithstanding any other provision of law, all amounts under this chapter shall be apportioned quarterly by the Office of Management and Budget: Provided, That all such funds shall be made available no later than September 30, 2002.

SEC. 404. In the Fiscal Year 2002 District of Columbia Appropriations Act under the heading ''Administrative Provisions, Payments for Representation of Indigents'' under subsection (c), strike all after ''March 1, 2002.'' through '''3600''.''.

CHAPTER 5

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

OPERATION AND MAINTENANCE, GENERAL

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Operation and Maintenance, General'', $139,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

WATER AND RELATED RESOURCES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Water and Related Resources'', $30,259,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

DEPARTMENT OF ENERGY

ATOMIC ENERGY DEFENSE ACTIVITIES

NATIONAL NUCLEAR SECURITY ADMINISTRATION

WEAPONS ACTIVITIES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, and for other expenses to increase the security of the Nation's nuclear weapons complex, for ''Weapons Activities'', $131,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

DEFENSE NUCLEAR NONPROLIFERATION

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, and for other expenses to increase the security of the Nation's nuclear weapons complex, for ''Defense Nuclear Nonproliferation'', $226,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

ENVIRONMENTAL AND OTHER DEFENSE ACTIVITIES

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Defense Environmental Restoration and Waste Management'', $8,200,000, to remain

available until expended, to be obligated from amounts made available in Public Law 107–38.

OTHER DEFENSE ACTIVITIES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, and for other expenses necessary to support activities related to countering potential biological threats to civilian populations, for ''Other Defense Activities'', $3,500,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

INDEPENDENT AGENCY

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, and for other expenses to increase the security of the Nation's nuclear power plants, for ''Salaries and Expenses'', $36,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38: Provided, That the funds appropriated herein shall be excluded from license fee revenues, notwithstanding 42 U.S.C. 2214.

GENERAL PROVISIONS, THIS CHAPTER

SEC. 501. Of the funds provided in this or any other Act for ''Defense Environmental Restoration and Waste Management'' at the Department of Energy, up to $500,000 may be available to the Secretary of Energy for safety improvements to roads along the shipping route to the Waste Isolation Pilot Plant site.

SEC. 502. NUTWOOD LEVEE, ILLINOIS. The Energy and Water Development Appropriations Act, 2002 (Public Law 107–66) is amended under the heading ''Title I, Department of Defense—Civil, Department of the Army, Corps of Engineers—Civil, Construction, General'' by inserting after ''$3,500,000'' but before the ''.'' '': Provided further, That using $400,000 of the funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, may initiate construction on the Nutwood Levee, Illinois project''.

SEC. 503. The Reclamation Safety of Dams Act of 1978 (43 U.S.C. 509) is amended as follows:

(1) by inserting in Section 4(c) after ''2000,'' and before ''costs'' the following: ''and the additional $32,000,000 further authorized to be appropriated by amendments to the Act in 2001,''; and

(2) by inserting in Section 5 after ''levels),'' and before ''plus'' the following: ''and, effective October 1, 2001, not to exceed an additional $32,000,000 (October 1, 2001, price levels),''.

SEC. 504. JICARILLA, NEW MEXICO, MUNICIPAL WATER SYSTEM. Public Law 107–66 is amended—

(1) under the heading of ''Title I, Department of Defense—Civil, Department of the Army, Corps of Engineers—Civil, Construction, General''—

(A) by striking ''Provided further, That using $2,500,000 of the funds provided herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to proceed with a final design and initiate construction for the repair and replacement of the Jicarilla Municipal Water System in the town of Dulce, New Mexico:''; and

(B) insert at the end before the period the following: '': Provided further, That using funds provided herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to transfer $2,500,000 to the Secretary of the Interior for the Bureau of Reclamation to proceed with the Jicarilla Municipal Water System in the town of Dulce, New Mexico''; and

(2) under the heading of ''Title II, Department of the Interior, Bureau of Reclamation, Water and Related Resources, (Including the Transfer of Funds)''—

(A) insert at the end before the period the following: '': Provided further, That using $2,500,000 of the funds provided herein, the Secretary of the Interior is directed to proceed with a final design and initiate construction for the repair and replacement of the Jicarilla Municipal Water System in the town of Dulce, New Mexico''.

SEC. 505. (a) OCCOQUAN RIVER, VIRGINIA.—The project for navigation, Occoquan Creek, Virginia, authorized by the first section of the Act entitled ''An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes'', approved September 19, 1890 (26 Stat. 440), is modified to direct the Secretary of the Army—

(1) to deepen the project to a depth of 9 feet; and

(2) to widen the project between Channel Marker Number 2 and the bridge at United States Route 1 to a width of 200 feet.

(b) AVAILABILITY OF FUNDS.—Amounts appropriated to carry out the project referred to in subsection (a) by the Energy and Water Development Appropriations Act, 2001 (as enacted into law by Public Law 106–377), shall be made available to carry out the modifications to the project under subsection (a).

(c) PROJECT REDESIGNATION.—

(1) IN GENERAL.—The project referred to in subsection (a) shall be known and designated as the ''project for navigation, Occoquan River, Virginia''.

(2) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the project referred to in subsection (a) shall be deemed to be a reference to the ''project for navigation, Occoquan River, Virginia''.

CHAPTER 6

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

INTERNATIONAL DISASTER ASSISTANCE

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''International Disaster Assistance'', $50,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38, for humanitarian and reconstruction activities in Afghanistan.

CHAPTER 7

DEPARTMENT OF THE INTERIOR

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States for ''Operation of the National Park System'', $10,098,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

UNITED STATES PARK POLICE

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States for the ''United States Park Police'', $25,295,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

CONSTRUCTION

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States for ''Construction'', $21,624,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38: Provided, That notwithstanding any other provision of law, single but separate procurements for the construction of security improvements at the Washington Monument, for security improvements at the Lincoln Memorial, and for security improvements at the Jefferson Memorial, may be issued that include the full scope of each project, except that each solicitation and contract shall contain the clause ''availability of funds'' found at section 52.232.18 of title 48, Code of Federal Regulations.

DEPARTMENTAL OFFICES

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States for ''Salaries and Expenses'', $2,205,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38, for the working capital fund of the Department of the Interior.

OTHER RELATED AGENCIES

SMITHSONIAN INSTITUTION

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States for ''Salaries and Expenses'' of the Smithsonian Institution, $21,707,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

NATIONAL GALLERY OF ART

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States for ''Salaries and Expenses'' of the National Gallery of Art, $2,148,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

OPERATIONS AND MAINTENANCE

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States for ''Operations and Maintenance'' of the John F. Kennedy Center for the Performing Arts, $4,310,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

NATIONAL CAPITAL PLANNING COMMISSION

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States for ''Salaries and Expenses'' of the National Capital Planning Commission, $758,000, to be obligated from amounts made available in Public Law 107–38.

GENERAL PROVISIONS, THIS CHAPTER

SEC. 701. (a) IN GENERAL.—The Secretary of the Smithsonian Institution shall collect and preserve in the National Museum of American History artifacts relating to the September 11th attacks on the World Trade Center and the Pentagon.

(b) TYPES OF ARTIFACTS.—In carrying out subsection (a), the Secretary of the Smithsonian Institution shall consider collecting and preserving—

(1) pieces of the World Trade Center and the Pentagon;

(2) still and video images made by private individuals and the media;

(3) personal narratives of survivors, rescuers, and government officials; and

(4) other artifacts, recordings, and testimonials that the Secretary of the Smithsonian Institution determines have lasting historical significance.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Smithsonian Institution $5,000,000 to carry out this section.

Sec. 702. Section 29 of Public Law 92–203, as enacted under section 4 of Public Law 94–204 (43 U.S.C. 1626), is amended by adding at the end of subsection (e) the following:

''(4)(A) Congress confirms that Federal procurement programs for tribes and Alaska Native

Corporations are enacted pursuant to its authority under Article I, Section 8 of the United States Constitution.

''(B) Contracting with an entity defined in subsection (e)(2) of this section or section 3(c) of Public Law 93–262 shall be credited towards the satisfaction of a contractor's obligations under section 7 of Public Law 87–305.

''(C) Any entity that satisfies subsection (e)(2) of this section that has been certified under section 8 of Public Law 85–536 is a Disadvantaged Business Enterprise for the purposes of Public Law 105–178.''.

CHAPTER 8

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States for ''Training and employment services'', $32,500,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38: Provided, That such amount shall be provided to the Consortium for Worker Education, established by the New York City Central Labor Council and the New York City Partnership, for an Emergency Employment Clearinghouse.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''State Unemployment Insurance and Employment Service Operations'', $4,100,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

WORKERS COMPENSATION PROGRAMS

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Workers Compensation Programs'', $175,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38: Provided, That, of such amount, $125,000,000 shall be for payment to the New York State Workers Compensation Review Board, for the processing of claims related to the terrorist attacks: Provided further, That, of such amount, $25,000,000 shall be for payment to the New York State Uninsured Employers Fund, for reimbursement of claims related to the terrorist attacks: Provided further, That, of such amount, $25,000,000 shall be for payment to the New York State Uninsured Employers Fund, for reimbursement of claims related to the first response emergency services personnel who were injured, were disabled, or died due to the terrorist attacks.

PENSION AND WELFARE BENEFITS ADMINISTRATION

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $1,600,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $1,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $5,880,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH, AND TRAINING

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States for ''Disease control, research, and training'' for baseline safety screening for the emergency services personnel and rescue and recovery personnel, $12,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

OFFICE OF THE SECRETARY

PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, to provide grants to public entities, not-for-profit entities, and Medicare and Medicaid enrolled suppliers and institutional providers to reimburse for health care related expenses or lost revenues directly attributable to the public health emergency resulting from the September 11, 2001, terrorist acts, for ''Public Health and Social Services Emergency Fund'', $140,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38: Provided, That none of the costs have been reimbursed or are eligible for reimbursement from other sources.

For emergency expenses necessary to support activities related to countering potential biological, disease, and chemical threats to civilian populations, for ''Public Health and Social Services Emergency Fund'', $2,504,314,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38. Of this amount, $865,000,000 shall be for the Centers for Disease Control and Prevention for improving State and local capacity; $135,000,000 shall be for grants to improve hospital capacity to respond to bioterrorism; $100,000,000 shall be for upgrading capacity at the Centers for Disease Control and Prevention, including research: Provided, That up to $10,000,000 of this amount shall be for the tracking and control of biological pathogens; $85,000,000 shall be for the National Institute of Allergy and Infectious Diseases for bioterrorism-related research and development and other related needs; $70,000,000 shall be for the National Institute of Allergy and Infectious Diseases for the construction of a biosafety laboratory and related infrastructure costs; $593,000,000 shall be for the National Pharmaceutical Stockpile; $512,000,000 shall be for the purchase of smallpox vaccine; $71,000,000 shall be for improving laboratory security at the National Institutes of Health and the Centers for Disease Control and Prevention; $7,500,000 shall be for environmental hazard control activities conducted by the Centers for Disease Control and Prevention; $10,000,000 shall be for the Substance Abuse and Mental Health Services Administration; and $55,814,000 shall be for bioterrorism preparedness and disaster response activities in the Office of the Secretary. At the discretion of the Secretary, these amounts may be transferred between categories subject to normal reprogramming procedures.

DEPARTMENT OF EDUCATION

SCHOOL IMPROVEMENT PROGRAMS

For emergency expenses to provide education-related services to local educational agencies in which the learning environment has been disrupted due to a violent or traumatic crisis, for the Project School Emergency Response to Violence program, $10,000,000, to remain available until expended, and to be obligated from amounts made available in Public Law 107–38.

RELATED AGENCIES

NATIONAL LABOR RELATIONS BOARD

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $180,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

SOCIAL SECURITY ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Limitation on Administrative Expenses'', $7,500,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

CHAPTER 9

LEGISLATIVE BRANCH

JOINT ITEMS

LEGISLATIVE BRANCH EMERGENCY RESPONSE FUND

(INCLUDING TRANSFER OF FUNDS)

For emergency expenses to respond to the terrorist attacks on the United States, $256,081,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38: Provided, That $34,500,000 shall be transferred to ''Senate'', ''Sergeant at Arms and Doorkeeper of the Senate'', and shall be obligated with the prior approval of the Senate Committee on Appropriations: Provided further, That $41,712,000 shall be transferred to ''House of Representatives'', ''Salaries and Expenses'', and shall be obligated with the prior approval of the House Committee on Appropriations: Provided further, That $31,000,000 shall be transferred to ''Capitol Police Board'', ''Capitol Police'', ''General Expenses'': Provided further, That $350,000 shall be transferred to ''Capitol Guide Service and Special Services Office'': Provided further, That $106,304,000 shall be transferred to ''Architect of the Capitol'', ''Capitol Buildings and Grounds'', ''Capitol Buildings'': Provided further, That $29,615,000 shall be transferred to ''Library of Congress'', ''Salaries and Expenses'': Provided further, That $4,000,000 shall be transferred to the ''Government Printing Office'', ''Government Printing Office Revolving Fund'': Provided further, That $7,600,000 shall be transferred to ''General Accounting Office'', ''Salaries and Expenses'': Provided further, That $1,000,000 shall be transferred as a grant to the United States Capitol Historical Society: Provided further, That any Legislative Branch entity receiving funds pursuant to the Emergency Response Fund established by Public Law 107–38 (without regard to whether the funds are provided under this chapter or pursuant to any other provision of law) may transfer any funds provided to the entity to any other Legislative Branch account in an amount equal to that required to provide support for security enhancements, subject to the approval of the Committees on Appropriations of the House of Representatives and Senate.

SENATE

ADMINISTRATIVE PROVISIONS

SEC. 901. (a) ACQUISITION OF BUILDINGS AND FACILITIES.—Notwithstanding any other provision of law, in order to respond to an emergency situation, the Sergeant at Arms of the Senate may acquire buildings and facilities, for the use of the Senate, as appropriate, by lease, purchase, or such other arrangement as the Sergeant at Arms of the Senate considers appropriate (including a memorandum of understanding with the head of an Executive Agency, as defined in section 105 of title 5, United States

Code, in the case of a building or facility under the control of such Agency). Actions taken by the Sergeant at Arms of the Senate must be approved by the Committees on Appropriations and Rules and Administration.

(b) AGREEMENTS.—Notwithstanding any other provision of law, for purposes of carrying out subsection (a), the Sergeant at Arms of the Senate may carry out such activities and enter into such agreements related to the use of any building or facility acquired pursuant to such subsection as the Sergeant at Arms of the Senate considers appropriate, including—

(1) agreements with the United States Capitol Police or any other entity relating to the policing of such building or facility; and

(2) agreements with the Architect of the Capitol or any other entity relating to the care and maintenance of such building or facility.

(c) AUTHORITY OF CAPITOL POLICE AND ARCHITECT.—

(1) ARCHITECT OF THE CAPITOL.—Notwithstanding any other provision of law, the Architect of the Capitol may take any action necessary to carry out an agreement entered into with the Sergeant at Arms of the Senate pursuant to subsection (b).

(2) CAPITOL POLICE.—Section 9 of the Act of July 31, 1946 (40 U.S.C. 212a) is amended—

(A) by striking ''The Capitol Police'' and inserting ''(a) The Capitol Police''; and

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

''(b) For purposes of this section, 'the United States Capitol Buildings and Grounds' shall include any building or facility acquired by the Sergeant at Arms of the Senate for the use of the Senate for which the Sergeant at Arms of the Senate has entered into an agreement with the United States Capitol Police for the policing of the building or facility.''.

(d) TRANSFER OF CERTAIN FUNDS.—Subject to the approval of the Committee on Appropriations of the Senate, the Architect of the Capitol may transfer to the Sergeant at Arms of the Senate amounts made available to the Architect for necessary expenses for the maintenance, care and operation of the Senate office buildings during a fiscal year in order to cover any portion of the costs incurred by the Sergeant at Arms of the Senate during the year in acquiring a building or facility pursuant to subsection (a).

(e) EFFECTIVE DATE.—This section and the amendments made by this section shall apply with respect to fiscal year 2002 and each succeeding fiscal year.

SEC. 902. (a) Notwithstanding any other provision of law—

(1) subject to subsection (b), the Sergeant at Arms of the Senate and the head of an Executive Agency (as defined in section 105 of title 5, United States Code) may enter into a memorandum of understanding under which the Agency may provide facilities, equipment, supplies, personnel, and other support services for the use of the Senate during an emergency situation; and

(2) the Sergeant at Arms of the Senate and the head of the Agency may take any action necessary to carry out the terms of the memorandum of understanding.

(b) The Sergeant at Arms of the Senate may enter into a memorandum of understanding described in subsection (a)(1) consistent with the Senate Procurement Regulations.

(c) This section shall apply with respect to fiscal year 2002 and each succeeding fiscal year.

HOUSE OF REPRESENTATIVES

ADMINISTRATIVE PROVISIONS

SEC. 903. (a) ACQUISITION OF BUILDINGS AND FACILITIES.—Notwithstanding any other provision of law, in order to respond to an emergency situation, the Chief Administrative Officer of the House of Representatives may acquire buildings and facilities, for the use of the House of Representatives by lease, purchase, or such other arrangement as the Chief Administrative Officer considers appropriate (including a memorandum of understanding with the head of an Executive Agency, as defined in section 105 of title 5, United States Code, in the case of a building or facility under the control of such Agency), subject to the approval of the House Office Building Commission.

(b) AGREEMENTS.—Notwithstanding any other provision of law, for purposes of carrying out subsection (a), the Chief Administrative Officer may carry out such activities and enter into such agreements related to the use of any building or facility acquired pursuant to such subsection as the Chief Administrative Officer considers appropriate, including—

(1) agreements with the United States Capitol Police or any other entity relating to the policing of such building or facility; and

(2) agreements with the Architect of the Capitol or any other entity relating to the care and maintenance of such building or facility.

(c) AUTHORITY OF CAPITOL POLICE AND ARCHITECT.—

(1) ARCHITECT OF THE CAPITOL.—Notwithstanding any other provision of law, the Architect of the Capitol may take any action necessary to carry out an agreement entered into with the Chief Administrative Officer pursuant to subsection (b).

(2) CAPITOL POLICE.—Section 9 of the Act of July 31, 1946 (40 U.S.C. 212a) is amended—

(A) by striking ''The Capitol Police'' and inserting ''(a) The Capitol Police''; and

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

''(b) For purposes of this section, 'the United States Capitol Buildings and Grounds' shall include any building or facility acquired by the Chief Administrative Officer of the House of Representatives for the use of the House of Representatives for which the Chief Administrative Officer has entered into an agreement with the United States Capitol Police for the policing of the building or facility.''.

(d) TRANSFER OF CERTAIN FUNDS.—Subject to the approval of the Committee on Appropriations of the House of Representatives, the Architect of the Capitol may transfer to the Chief Administrative Officer amounts made available to the Architect for necessary expenses for the maintenance, care and operation of the House office buildings during a fiscal year in order to cover any portion of the costs incurred by the Chief Administrative Officer during the year in acquiring a building or facility pursuant to subsection (a).

(e) EFFECTIVE DATE.—This section and the amendments made by this section shall apply with respect to fiscal year 2002 and each succeeding fiscal year.

SEC. 904. (a) Notwithstanding any other provision of law—

(1) subject to subsection (b), the Chief Administrative Officer of the House of Representatives and the head of an Executive Agency (as defined in section 105 of title 5, United States Code) may enter into a memorandum of understanding under which the Agency may provide facilities, equipment, supplies, personnel, and other support services for the use of the House of Representatives during an emergency situation; and

(2) the Chief Administrative Officer and the head of the Agency may take any action necessary to carry out the terms of the memorandum of understanding.

(b) The Chief Administrative Officer of the House of Representatives may not enter into a memorandum of understanding described in subsection (a)(1) without the approval of the Speaker of the House of Representatives.

(c) This section shall apply with respect to fiscal year 2002 and each succeeding fiscal year.

SEC. 905. (a) There is established in the House of Representatives an office to be known as the House of Representatives Office of Emergency Planning, Preparedness, and Operations. The Office shall be responsible for mitigation and preparedness operations, crisis management and response, resource services, and recovery operations.

(b) The Speaker, in consultation with the minority leader—

(1) shall provide policy direction for, and oversight of, the Office;

(2) shall appoint and set the annual rate of pay for employees of the Office, including a Director, who shall be the head of the Office;

(3) shall exercise, with respect to any employee of the Office, the authority referred to in section 8344(k)(2)(B) of title 5, United States Code, and the authority referred to in section 8468(h)(2)(B) of title 5, United States Code;

(4) shall approve procurement of services of experts and consultants by the Office or by committees or other entities of the House of Representatives for assignment to the Office; and

(5) may request the head of any Federal department or agency to detail to the Office, on a reimbursable basis, any of the personnel of the department or agency.

(c) The day-to-day operations of the Office shall be carried out by the Director, under the supervision of a Board, to be known as the House of Representatives Continuity of Operations Board, comprised of the Clerk, the Sergeant-at-Arms, and the Chief Administrative Officer of the House of Representatives. The Clerk shall be the Chairman of the Board.

(d) Until otherwise provided by law, funds shall be available for the Office from amounts appropriated for the operations of the House of Representatives.

(e) This section shall take effect on the date of the enactment of this Act and shall apply to fiscal years beginning with fiscal year 2002.

SEC. 906. (a) As determined by the Sergeant-at-Arms of the House of Representatives, any anthrax-contaminated mail delivered by the United States Postal Service to the House of Representatives shall be destroyed or otherwise disposed of.

(b) No action taken under this section may serve as a basis for civil or criminal liability of any individual or entity.

(c) As used in this section, the term ''anthrax-contaminated mail'' means any mail matter that, as determined by the Sergeant-at-Arms, by reason of the events of October 2001—

(1) is contaminated by anthrax or any other substance the mailing of which is prohibited by section 1716 of title 18, United States Code, or any other law of the United States; or

(2) may be so contaminated, but the ascertainment of which is not technically feasible or is otherwise impracticable.

(d) This section shall apply with respect to fiscal year 2002 and each succeeding fiscal year.

OTHER LEGISLATIVE BRANCH

ADMINISTRATIVE PROVISIONS

SEC. 907. (a) Section 1(c) of Public Law 96–152 (40 U.S.C. 206–1) is amended by striking ''but not to exceed'' and all that follows and inserting the following: ''but not to exceed $2,500 less than the lesser of the annual salary for the Sergeant at Arms of the House of Representatives or the annual salary for the Sergeant at Arms and Doorkeeper of the Senate.''.

(b) The Assistant Chief of the Capitol Police shall receive compensation at a rate determined by the Capitol Police Board, but not to exceed $1,000 less than the annual salary for the chief of the United States Capitol Police.

(c) This section and the amendment made by this section shall apply with respect to pay periods beginning on or after the date of the enactment of this Act.

SEC. 908. (a) The Capitol Police Board may, in order to recruit or retain qualified personnel, establish and maintain a program under which the Capitol Police may agree to repay (by direct payments on behalf of a civilian employee or member of the Capitol Police) all or a portion of any student loan previously taken out by such employee or member.

(b) The Capitol Police Board may, by regulation, make applicable such provisions of section 5379 of title 5, United States Code, as the Board determines necessary to provide for such program.

(c) The regulations shall provide that the amount paid by the Capitol Police may not exceed—

(1) $6,000 for any civilian employee or member of the Capitol Police in any calendar year; or

(2) a total of $40,000 in the case of any employee or member.

(d) The Capitol Police may not reimburse a civilian employee or member of the Capitol Police for any repayments made by such employee or member prior to the Capitol Police entering into an agreement under this section with such employee or member.

(e) Any amount repaid by, or recovered from, an individual under this section and its implementing regulations shall be credited to the appropriation account available for salaries and expenses of the Capitol Police at the time of repayment or recovery. Such credited amount may be used for any authorized purpose of the account and shall remain available until expended.

(f) This section shall apply to fiscal year 2002 and each fiscal year thereafter.

SEC. 909. (a) RECRUITMENT AND RELOCATION BONUSES.—

(1) AUTHORIZATION OF PAYMENT.—The Capitol Police Board (hereafter in this section referred to as the ''Board'') may authorize the Chief of the United States Capitol Police (hereafter in this section referred to as the ''Chief'') to pay a bonus to an individual who is newly appointed to a position as an officer or employee of the Capitol Police, and to pay an additional bonus to an individual who must relocate to accept a position as an officer or employee of the Capitol Police, if the Board determines that the Capitol Police would be likely, in the absence of such a bonus, to encounter difficulty in filling the position.

(2) AMOUNT OF PAYMENT.—The amount of a bonus under this subsection shall be determined by regulations of the Board, but the amount of any bonus paid to an individual under this subsection may not exceed 25 percent of the annual rate of basic pay of the position to which the individual is being appointed.

(3) MINIMUM PERIOD OF SERVICE REQUIRED.—Payment of a bonus under this subsection shall be contingent upon the individual entering into an agreement with the Capitol Police to complete a period of employment with the Capitol Police, with the required period determined pursuant to regulations of the Board. If the individual voluntarily fails to complete such period of service or is separated from the service before completion of such period of service for cause on charges of misconduct or delinquency, the individual shall repay the bonus on a pro rata basis.

(4) BONUS NOT CONSIDERED PART OF BASIC PAY.—A bonus under this subsection shall be paid as a lump sum, and may not be considered to be part of the basic pay of the officer or employee.

(5) PAYMENT PERMITTED PRIOR TO COMMENCEMENT OF DUTY.—Under regulations of the Board, a bonus under this subsection may be paid to a newly-hired officer or employee before the officer or employee enters on duty.

(b) RETENTION ALLOWANCES.—

(1) AUTHORIZATION OF PAYMENT.—The Board may authorize the Chief to pay an allowance to an officer or employee of the United States Capitol Police if—

(A) the unusually high or unique qualifications of the officer or employee or a special need of the Capitol Police for the officer's or employee's services makes it essential to retain the officer or employee; and

(B) the Chief determines that the officer or employee would be likely to leave in the absence of a retention allowance.

(2) AMOUNT OF PAYMENT.—A retention allowance, which shall be stated as a percentage of the rate of basic pay of the officer or employee, may not exceed 25 percent of such rate of basic pay.

(3) PAYMENT NOT CONSIDERED PART OF BASIC PAY.—A retention allowance may not be considered to be part of the basic pay of an officer or employee, and the reduction or elimination of a retention allowance may not be appealed. The preceding sentence shall not be construed to extinguish or lessen any right or remedy under any of the laws made applicable to the Capitol Police pursuant to section 102 of the Congressional Accountability Act of 1995 (2 U.S.C. 1302).

(4) TIME AND MANNER OF PAYMENT.—A retention allowance under this subsection shall be paid at the same time and in the same manner as the officer's or employee's basic pay is paid.

(c) LUMP SUM INCENTIVE AND MERIT BONUS PAYMENTS.—

(1) IN GENERAL.—The Board may pay an incentive or merit bonus to an officer or employee of the United States Capitol Police who meets such criteria for receiving the bonus as the Board may establish.

(2) BONUS NOT CONSIDERED PART OF BASIC PAY.—A bonus under this subsection shall be paid as a lump sum, and may not be considered to be part of the basic pay of the officer or employee.

(d) SERVICE STEP INCREASES FOR MERITORIOUS SERVICE FOR OFFICERS.—Upon the approval of the Chief—

(1) an officer of the United States Capitol Police in a service step who has demonstrated meritorious service (in accordance with criteria established by the Chief or the Chief's designee) may be advanced in compensation to the next higher service step, effective with the first pay period which begins after the date of the Chief's approval; and

(2) an officer of the United States Capitol Police in a service step who has demonstrated extraordinary performance (in accordance with criteria established by the Chief or the Chief's designee) may be advanced in compensation to the second next higher service step, effective with the first pay period which begins after the date of the Chief's approval.

(e) ADDITIONAL COMPENSATION FOR FIELD TRAINING OFFICERS.—

(1) IN GENERAL.—Each officer of the United States Capitol Police who is assigned to duty as a field training officer shall receive, in addition to the officer's scheduled rate of compensation, an additional amount determined by the Board (but not to exceed $2,000 per annum).

(2) MANNER OF PAYMENT.—The additional compensation authorized by this subsection shall be paid to the officer in the same manner as the officer is paid basic compensation, except that when the officer ceases to be assigned to duty as a field training officer, the loss of such additional compensation shall not constitute an adverse action for any purpose.

(f) REGULATIONS.—

(1) IN GENERAL.—The payment of bonuses, allowances, step increases, compensation, and other payments pursuant to this section shall be carried out in accordance with regulations prescribed by the Board.

(2) APPROVAL.—The regulations prescribed pursuant to this subsection shall be subject to the approval of the Committee on Rules and Administration of the Senate, Committee on House Administration of the House of Representatives, and the Committees on Appropriations of the Senate and the House of Representatives.

(h) EFFECTIVE DATE.—This section shall apply with respect to fiscal year 2002 and each succeeding fiscal year.

SEC. 910. In addition to the authority provided under section 121 of the Legislative Branch Appropriations Act, 2002, at any time on or after the date of the enactment of this Act, the Capitol Police Board may accept contributions of comfort and other incidental items and services to support officers and employees of the United States Capitol Police while such officers and employees are on duty in response to emergencies involving the safety of human life or the protection of property.

SEC. 911. ASSISTANCE BY EXECUTIVE DEPARTMENTS AND AGENCIES TO THE CAPITOL POLICE. (a) ASSISTANCE.—

(1) IN GENERAL.—Executive departments and Executive agencies may assist the United States Capitol Police in the performance of its duties by providing services (including personnel), equipment, and facilities on a temporary and reimbursable basis when requested by the Capitol Police Board and on a permanent and reimbursable basis upon advance written request of the Capitol Police Board; except that the Department of Defense and the Coast Guard may provide such assistance on a temporary basis without reimbursement when assisting the United States Capitol Police in its duties directly related to protection under the Act of July 31, 1946 (40 U.S.C. 212a–2). Before making a request under this paragraph, the Capitol Police Board shall consult with appropriate Members of the Senate and House of Representatives in leadership positions, except in an emergency.

(2) PROCUREMENT.—No services (including personnel), equipment, or facilities may be ordered, purchased, leased, or otherwise procured for the purposes of carrying out the duties of the United States Capitol Police by persons other than officers or employees of the Federal Government duly authorized by the Chairman of the Capitol Police Board to make such orders, purchases, leases, or procurements.

(3) EXPENDITURES OR OBLIGATION OF FUNDS.—No funds may be expended or obligated for the purpose of carrying out this section other than funds specifically appropriated to the Capitol Police Board or the United States Capitol Police for those purposes with the exception of—

(A) expenditures made by the Department of Defense or the Coast Guard from funds appropriated to the Department of Defense or the Coast Guard in providing assistance on a temporary basis to the United States Capitol Police in the performance of its duties directly related to protection under the Act of July 31, 1946 (40 U.S.C. 212a–2); and

(B) expenditures made by Executive departments and agencies, in providing assistance at the request of the United States Capitol Police in the performance of its duties, and which will be reimbursed by the United States Capitol Police under this section.

(4) PROVISION OF ASSISTANCE.—Assistance under this section shall be provided—

(A) consistent with the authority of the Capitol Police under sections 9 and 9A of the Act of July 31, 1946 (40 U.S.C. 212a and 212a–2);

(B) upon the advance written request of—

(i) the Capitol Police Board; or

(ii) in an emergency—

(I) the Sergeant at Arms and Doorkeeper of the Senate in any matter relating to the Senate; or

(II) the Sergeant at Arms of the House of Representatives in any matter relating to the House of Representatives; and

(C)(i) on a temporary and reimbursable basis;

(ii) on a permanent reimbursable basis upon advance written request of the Capitol Police Board; or

(iii) on a temporary basis without reimbursement by the Department of Defense and the Coast Guard as described under paragraph (1).

(b) REPORTS.—

(1) SUBMISSION.—With respect to any fiscal year in which an Executive department or Executive agency provides assistance under this section, the head of that department or agency shall submit a report on November 1 of the following fiscal year to the Chairman of the Capitol Police Board.

(2) CONTENT.—The report submitted under paragraph (1) shall contain a detailed account of all expenditures made by the Executive department or Executive agency in providing assistance under this section during the applicable fiscal year.

(3) SUMMARY.—After receipt of all reports under paragraph (2) with respect to any fiscal year, the Chairman of the Capitol Police Board shall submit a summary of such reports to the Committees on Appropriations of the Senate and the House of Representatives.

(c) EFFECTIVE DATE.—This section shall take effect on the date of enactment of this Act and apply to each fiscal year occurring after such date.

SEC. 912. (a)(1) In the event of an emergency, as determined by the Capitol Police Board, or of a joint session of Congress, the Chief of the Capitol Police may enter into agreements—

(A) with the District of Columbia to deputize members of the District of Columbia National Guard, who are qualified for law enforcement functions, for duty with the Capitol Police for the purpose of policing the Capitol grounds; and

(B) with any appropriate governmental law enforcement authority to deputize law enforcement officers for duty with the Capitol Police for the purpose of policing the Capitol grounds.

(2) Any agreement under paragraph (1) shall be subject to initial approval by the Capitol Police Board and to final approval by the Speaker of the House of Representatives (in consultation with the Minority Leader of the House of Representatives) and the President pro tempore of the Senate (in consultation with the Minority Leader of the Senate) acting jointly.

(b) Subject to approval by the Speaker of the House of Representatives (in consultation with the Minority Leader of the House of Representatives) and the President pro tempore of the Senate (in consultation with the minority leader of the Senate) acting jointly, the Capitol Police Board shall prescribe regulations to carry out this section.

(C) This section shall expire on September 30, 2002.

SEC. 913. (a) Notwithstanding any other provision of law, the United States Capitol Preservation Commission established under section 801 of the Arizona-Idaho Conservation Act of 1988 (40 U.S.C. 188a) may transfer to the Architect of the Capitol amounts in the Capitol Preservation Fund established under section 803 of such Act (40 U.S.C. 188a–2) if the amounts are to be used by the Architect for the planning, engineering, design, or construction of the Capitol Visitor Center.

(b) Any amounts transferred pursuant to subsection (a) shall remain available for the use of the Architect of the Capitol until expended.

(c) This section shall apply with respect to fiscal year 2002 and each succeeding fiscal year.

SEC. 914. (a) In accordance with the authority described in section 308(a) of the Legislative Branch Appropriations Act, 1988 (40 U.S.C. 166b–3a(a)), section 108 of the Legislative Branch Appropriations Act, 1991 (40 U.S.C. 166b–3b), as amended by section 129(c)(1) of the Legislative Branch Appropriations Act, 2002, is amended by adding at the end the following new subsection:

''(c) The Architect of the Capitol may fix the rate of basic pay for not more than 4 positions for Executive Project Directors whose salary is payable from project funds, at a rate not to exceed 95 percent of the highest total rate of pay for the Senior Executive Service under subchapter VIII of chapter 53 of title 5, United States Code, for the locality involved.''.

(b) The amendment made by subsection (a) shall apply with respect to pay periods beginning on or after October 1, 2001.

SEC. 915. (a) Public Law 107–68 is amended by adding at the end the following:

''This Act may be cited as the 'Legislative Branch Appropriations Act, 2002'.''.

(b) The amendment made by subsection (a) shall take effect as if included in the enactment of Public Law 107–68.

SEC. 916. Section 102 of the Legislative Branch Appropriations Act, 2002 (Public Law 107–68) is amended—

(1) in subsection (a), by striking paragraph (1) and redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively;

(2) in subsection (g)(1)—

(A) in subparagraph (A), by striking ''subsection (i)(1)(A)'' and inserting ''subsection (h)(1)(A)''; and

(B) in subparagraph (B), by striking ''subsection (i)(1)(B)'' and inserting ''subsection (h)(1)(B)''.

SEC. 917. (a) Section 209 of the Legislative Branch Appropriations Act, 2002 (Public Law 107–68) is amended in the matter amending Public Law 106–173 by striking the quotation marks and period at the end of the new subsection (g) and inserting the following: ''Any reimbursement under this subsection shall be credited to the appropriation, fund, or account used for paying the amounts reimbursed.

''(h) EMPLOYMENT BENEFITS.—

''(1) IN GENERAL.—The Commission shall fix employment benefits for the Director and for additional personnel appointed under section 6(a), in accordance with paragraphs (2) and (3).

''(2) EMPLOYMENT BENEFITS FOR THE DIRECTOR.—

''(A) IN GENERAL.—The Commission shall determine whether or not to treat the Director as a Federal employee for purposes of employment benefits. If the Commission determines that the Director is to be treated as a Federal employee, then he or she is deemed to be an employee as that term is defined by section 2105 of title 5, United States Code, for purposes of chapters 63, 83, 84, 87, 89, and 90 of that title, and is deemed to be an employee for purposes of chapter 81 of that title. If the Commission determines that the Director is not to be treated as a Federal employee for purposes of employment benefits, then the Commission or its administrative support service provider shall establish appropriate alternative employment benefits for the Director. The Commission's determination shall be irrevocable with respect to each individual appointed as Director, and the Commission shall notify the Office of Personnel Management and the Department of Labor of its determination. Notwithstanding the Commission's determination, the Director's service is deemed to be Federal service for purposes of section 8501 of title 5, United States Code.

''(B) DETAILEE SERVING AS DIRECTOR.—Subparagraph (A) shall not apply to a detailee who is serving as Director.

''(3) EMPLOYMENT BENEFITS FOR ADDITIONAL PERSONNEL.—A person appointed to the Commission staff under subsection (b)(2) is deemed to be an employee as that term is defined by section 2105 of title 5, United States Code, for purposes of chapters 63, 83, 84, 87, 89, and 90 of that title, and is deemed to be an employee for purposes of chapter 81 of that title.''.

(b) The amendments made by this section shall take effect as if included in the enactment of the Legislative Branch Appropriations Act, 2002 (Public Law 107–68).

SEC. 918. (a) Section 133(a) of the Legislative Branch Appropriations Act, 2002 (Public Law 107–68) is amended—

(1) by striking ''90-day'' in paragraph (1) and inserting ''180-day'', and

(2) by striking ''90 days'' in paragraph (2)(C) and inserting ''180 days''.

(b) The amendments made by subsection (a) shall take effect as if included in the enactment of the Legislative Branch Appropriations Act, 2002 (Public Law 107–68).

CHAPTER 10

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, ARMY

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Military Construction, Army'', $20,700,000, to remain available until expended: Provided, That these funds shall be obligated from amounts made available in Public Law 107–38.

MILITARY CONSTRUCTION, NAVY

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Military Construction, Navy'', $2,000,000, to remain available until expended: Provided, That these funds shall be obligated from amounts made available in Public Law 107–38.

MILITARY CONSTRUCTION, AIR FORCE

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Military Construction, Air Force'', $46,700,000, to remain available until expended: Provided, That these funds shall be obligated from amounts made available in Public Law 107–38.

MILITARY CONSTRUCTION, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Military Construction, Defense-wide'', $35,000,000 to remain available until expended, to be obligated from amounts made available in Public Law 107–38: Provided, That such amount shall be available for transfer to ''Military Construction, Army''.

GENERAL PROVISIONS, THIS CHAPTER

SEC. 1001. (a) AVAILABILITY OF AMOUNTS FOR MILITARY CONSTRUCTION RELATING TO TERRORISM.—Amounts made available to the Department of Defense from funds appropriated in Public Law 107–38 and this Act may be used to carry out military construction projects, not otherwise authorized by law, that the Secretary of Defense determines are necessary to respond to or protect against acts or threatened acts of terrorism.

(b) NOTICE TO CONGRESS.—Not later than 15 days before obligating amounts available under subsection (a) for military construction projects referred to in that subsection the Secretary shall notify the appropriate committees of Congress of the following:

(1) The determination to use such amounts for the project.

(2) The estimated cost of the project and the accompanying Form 1391.

(c) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section the term ''appropriate committees of Congress'' has the meaning given that term in section 2801 (4) of title 10, United States Code.

SEC. 1002. Section 138 of Public Law 106–246 is amended by striking ''$77,500,000'' and inserting in lieu ''$102,000,000 for project completion''.

SEC. 1003. Section 2202(a) of the National Defense Authorization Act for Fiscal Year 2002 is amended in the ''Navy: Family Housing'' table, by striking ''Naval Construction Battalion Center, Gulfport'' and inserting ''Naval Station, Pascagoula''.

CHAPTER 11

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

TRANSPORTATION SECURITY ADMINISTRATION

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for the ''Transportation Security Administration'', $94,800,000, to remain available until September 30, 2003, to be obligated from amounts made available in Public Law 107–38: Provided, That $93,300,000 shall be for the Under Secretary of Transportation for Security to award competitive grants to critical national seaports to finance the costs of enhancing facility and operational security: Provided further, That such grants shall be awarded based on the need for security assessments and enhancements as determined by the Under Secretary of Transportation for Security, the Administrator of the Maritime Administration, and the Commandant of the U.S. Coast Guard: Provided further, That such grants shall not supplant funding already provided either by the ports or by any Federal entity: Provided further, That no more than $1,000,000 of the grant funds available under this heading shall be used for administration.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, in addition to funds made available from any other source to carry out the essential air service program under 49 U.S.C. 41731 through 41742, to be derived from the Airport and Airway Trust Fund, $50,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

COAST GUARD

OPERATING EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Operating Expenses'', $209,150,000, to remain available until September 30, 2003, to be obligated from amounts made available in Public Law 107–38.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

(AIRPORT AND AIRWAY TRUST FUND)

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Operations'', $200,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until September 30, 2003, to be obligated from amounts made available in Public Law 107–38.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Facilities and Equipment'', $108,500,000, to be derived from the Airport and Airway Trust Fund, to remain available until September 30, 2004, and to be obligated from amounts made available in Public Law 107–38.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Research, Engineering, and Development'', $50,000,000, to be derived from the Airport and Airway Trust Fund, to remain available until September 30, 2003, and to be obligated from amounts made available in Public Law 107–38.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, notwithstanding any other provision of law, for ''Grants-in-aid for airports'', to enable the Federal Aviation Administrator to compensate airports for a portion of the direct costs associated with new, additional or revised security requirements imposed on airport operators by the Administrator on or after September 11, 2001, $175,000,000, to be derived from the Airport and Airway Trust Fund, to remain available until expended, and to be obligated from amounts made available in Public Law 107–38.

FEDERAL HIGHWAY ADMINISTRATION

MISCELLANEOUS APPROPRIATIONS

(HIGHWAY TRUST FUND)

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Miscellaneous Appropriations'', including the operation and construction of ferries and ferry facilities, $100,000,000, to be derived from the Highway Trust Fund, to remain available until expended, and to be obligated from amounts made available in Public Law 107–38.

FEDERAL-AID HIGHWAYS

EMERGENCY RELIEF PROGRAM

(HIGHWAY TRUST FUND)

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for the ''Emergency Relief Program'', as authorized by section 125 of title 23, United States Code, $75,000,000, to be derived from the Highway Trust Fund and to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

FEDERAL RAILROAD ADMINISTRATION

SAFETY AND OPERATIONS

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Safety and Operations'', $6,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

CAPITAL GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for necessary expenses of capital improvements of the National Railroad Passenger Corporation as authorized by 49 U.S.C. 24104(a), $100,000,000, to remain available until expended, and to be obligated from amounts made available in Public Law 107–38.

FEDERAL TRANSIT ADMINISTRATION

FORMULA GRANTS

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Formula Grants'', $23,500,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

CAPITAL INVESTMENT GRANTS

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Capital Investment Grants'', $100,000,000, to remain available until expended, and to be obligated from amounts made available in Public Law 107–38: Provided, That in administering funds made available under this paragraph, the Federal Transit Administrator shall direct funds to those transit agencies most severely impacted by the terrorist attacks of September 11, 2001, excluding any transit agency receiving a Federal payment elsewhere in this Act: Provided further, That the provisions of 49 U.S.C. 5309(h) shall not apply to funds made available under this paragraph.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

RESEARCH AND SPECIAL PROGRAMS

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Research and Special Programs,'' $2,500,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States and for other safety and security related audit and monitoring responsibilities, for ''Salaries and Expenses'', $1,300,000, to remain available until September 30, 2003, to be obligated from amounts made available in Public Law 107–38.

RELATED AGENCY

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses,'' $650,000, to remain available until September 30, 2003, to be obligated from amounts made available in Public Law 107–38.

GENERAL PROVISIONS, THIS CHAPTER

SEC. 1101. Section 5117(b)(3) of the Transportation Equity Act for the 21st Century (Public Law 105–178; 112 Stat. 449; 23 U.S.C. 502 note) is amended —

(1) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (F), and (G), respectively;

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

''(C) FOLLOW-ON DEPLOYMENT.—(i) After an intelligent transportation infrastructure system deployed in an initial deployment area pursuant to a contract entered into under the program under this paragraph has received system acceptance, the Department of Transportation has the authority to extend the original contract that was competitively awarded for the deployment of the system in the follow-on deployment areas under the contract, using the same asset ownership, maintenance, fixed price contract, and revenue sharing model, and the same competitively selected consortium leader, as were used for the deployment in that initial deployment area under the program.

''(ii) If any one of the follow-on deployment areas does not commit, by July 1, 2002, to participate in the deployment of the system under the contract, then, upon application by any of the other follow-on deployment areas that have committed by that date to participate in the deployment of the system, the Secretary shall supplement the funds made available for any of the follow-on deployment areas submitting the applications by using for that purpose the funds not used for deployment of the system in the nonparticipating area. Costs paid out of funds provided in such a supplementation shall not be counted for the purpose of the limitation on maximum cost set forth in subparagraph (B).'';

(4) by inserting after subparagraph (D), as redesignated by paragraph (1), the following new subparagraph (E):

''(E) DEFINITIONS.—In this paragraph:

''(i) The term 'initial deployment area' means a metropolitan area referred to in the second sentence of subparagraph (A).

''(ii) The term 'follow-on deployment areas' means the metropolitan areas of Baltimore, Birmingham, Boston, Chicago, Cleveland, Dallas/Ft. Worth, Denver, Detroit, Houston, Indianapolis, Las Vegas, Los Angeles, Miami, New York/Northern New Jersey, Northern Kentucky/Cincinnati, Oklahoma City, Orlando, Philadelphia,

Phoenix, Pittsburgh, Portland, Providence, Salt Lake, San Diego, San Francisco, St. Louis, Seattle, Tampa, and Washington, District of Columbia.''; and

(5) in subparagraph (D), as redesignated by paragraph (1), by striking ''subparagraph (D)'' and inserting ''subparagraph (F)''.

SEC. 1102. No appropriated funds or revenues generated by the National Railroad Passenger Corporation may be used to implement section 204(c)(2) of Public Law 105–134 until the Congress has enacted an Amtrak reauthorization Act.

SEC. 1103. (a) Notwithstanding any other provision of law, of the funds authorized under section 110 of title 23, United States Code, for fiscal year 2002, no funds shall be available for the program authorized under section 1101(a)(11) of Public Law 105–178 and $29,542,304 shall be set aside for the project as authorized under title IV of the National Highway System Designation Act of 1995, as amended: Provided, That, if funds authorized under these provisions have been distributed then the amount so specified shall be recalled proportionally from those funds distributed to the States under section 110(b)(4)(A) and (B) of title 23, United States Code.

(b) Notwithstanding any other provision of law, for fiscal year 2002, funds available for environmental streamlining activities under section 104(a)(1)(A) of title 23, United States Code, may include making grants to, or entering into contracts, cooperative agreements, and other transactions, with a Federal agency, State agency, local agency, authority, association, nonprofit or for-profit corporation, or institution of higher education.

(c) Notwithstanding any other provision of law, of the funds authorized under section 110 of title 23, United States Code, for fiscal year 2002, and made available for the National motor carrier safety program, $5,896,000 shall be for State commercial driver's license program improvements.

(d) Notwithstanding any other provision of law, of the funds authorized under section 110 of title 23, United States Code, for fiscal year 2002, and made available for border infrastructure improvements, up to $2,300,000 shall be made available to carry out section 1119(d) of the Transportation Equity Act for the 21st Century, as amended.

SEC. 1104. Notwithstanding any other provision of law, of the amounts appropriated in fiscal year 2002 for the Research and Special Programs Administration, $3,170,000 of funds provided for research and special programs shall remain available until September 30, 2004, and $22,786,000 of funds provided for the pipeline safety program derived from the pipeline safety fund shall remain available until September 30, 2004.

SEC. 1105. Item 1497 in the table contained in section 1602 of the Transportation Equity Act for the 21st Century (112 Stat. 312), relating to Alaska, is amended by inserting ''and construct capital improvements to intermodal marine freight and passenger facilities and access thereto'' before ''in Anchorage''.

SEC. 1106. The Department of Transportation and Related Agencies Appropriations Act, 2002 is amended in section 330 by striking ''$144,000,000'' and inserting ''$148,300,000'' and in section 349 by striking ''$5,000,000'' and inserting ''$9,300,000'' and by striking ''$120,323,000'' and inserting ''$116,023,000''.

SEC. 1107. Notwithstanding any other provision of law, none of the funds in the Department of Transportation and Related Agencies Appropriations Act, 2002 shall be available for salaries and expenses of more than 102 political and Presidential appointees in the Department of Transportation: Provided, That none of the funds in this Act, or any other Appropriations Act for fiscal year 2002, shall be available for the position of Under Secretary of Transportation for Policy or the position of Assistant Secretary for Public Affairs.

SEC. 1108. Section 1511(b) of the Transportation Equity Act for the 21st Century (Public Law 105–178), as amended, is amended by striking ''Rhode Island'' and inserting in lieu thereof ''Rhode Island, and Texas'' and by inserting before the period in subsection (b)(1)(A)'', provided that Texas may not compete for funds previously allocated or appropriated to any other state''.

CHAPTER 12

DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $2,032,000, to remain available until expended, to be obligated from amounts made available by Public Law 107–38.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $1,700,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $23,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS AND RELATED EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Acquisition, Construction, Improvements, and Related Expenses'', $8,500,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38: Provided, That, in order to expedite the acquisition of architectural and engineering services for the construction of facilities at the Cheltenham, Maryland, training facility, the Federal Law Enforcement Training Center may procure such services without regard to: (1) the competition requirements of section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253); (2) the 6 percent fee limitation on such services set forth in section 304(b) of such Act (41 U.S.C. 254(b)); and (3) the procurement notice requirements of section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416).

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $31,431,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38, of which $5,200,000 may be used for necessary expenses of site acquisition, construction, operations, maintenance and repair of the special purpose canine training facilities in Front Royal, Virginia.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', to meet requirements, including technology, along the Northern Border, Southwest Border, and at critical seaports, $392,603,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38: Provided, That of such amount, $245,503,000 shall not be available for obligation until 15 days after the United States Customs Service submits to the Committees on Appropriations and the Secretary of the Treasury a financial plan based upon a comprehensive assessment of the most effective uses of the Service's resources, including the funds provided in this Act, for protection along the Northern Border, Southwest Border, and at critical seaports: Provided further, That the Secretary of the Treasury is directed to review the activities proposed to be carried out with the funds subject to the previous proviso and notify the Committees on Appropriations of the findings of his review within 15 days of receipt of such plan.

OPERATION, MAINTENANCE AND PROCUREMENT, AIR AND MARINE INTERDICTION PROGRAMS

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Operation, Maintenance and Procurement, Air and Marine Interdiction Programs'', $6,700,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE, AND MANAGEMENT

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Processing, Assistance, and Management'', $12,990,000, to remain available until expended, to be obligated from amounts made available by Public Law 107–38.

TAX LAW ENFORCEMENT

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Tax Law Enforcement'', $4,544,000, to remain available until expended, to be obligated from amounts made available by Public Law 107–38.

INFORMATION SYSTEMS

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Information Systems'', $15,991,000, to remain available until expended, to be obligated from amounts made available by Public Law 107–38: Provided, That of these amounts $13,548,000 is for a backup computer recovery system to be designed and constructed in close coordination with the business systems modernization effort of the Internal Revenue Service.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $104,769,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

For emergency expenses to the Postal Service Fund to enable the Postal Service to protect postal employees and postal customers from exposure to biohazardous material, to sanitize and screen the mail, and to replace or repair Postal Service facilities destroyed or damaged in New York City as a result of the September 11, 2001, terrorist attacks, $500,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38: Provided, That of the amounts appropriated, no funds shall be obligated for the purpose of sanitizing and screening the mail until the Postal

Service submits to the Committees on Appropriations, the House Committee on Government Reform, and the Senate Committee on Governmental Affairs an emergency preparedness plan to combat the threat of biological and chemical substances in the mail, including a plan for expenditure of funds in support of the emergency preparedness plan.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and Expenses'', $126,512,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

INDEPENDENT AGENCIES

GENERAL SERVICES ADMINISTRATION

REAL PROPERTY ACTIVITIES

FEDERAL BUILDINGS FUND

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Federal Buildings Fund'', $126,512,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Operating Expenses'', $1,600,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

REPAIRS AND RESTORATION

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Repairs and Restoration'', $1,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

GENERAL PROVISION, THIS CHAPTER

SEC. 1201. Section 652(c)(1) of Public Law 107–67 is amended by striking ''Section 414(c)'' and inserting ''Section 416(c)''.

CHAPTER 13

DEPARTMENT OF VETERANS AFFAIRS

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States for ''General operating expenses'', $2,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT FUND

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Community Development Fund'', $2,000,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38: Provided, That such funds shall be subject to the first through sixth provisos in section 434 of Public Law 107–73: Provided further, That the State of New York, in conjunction with the City of New York, shall, through the Lower Manhattan Redevelopment Corporation (''the corporation''): (1) distribute the funds provided for the ''Community Development Fund''; (2) within 45 days of enactment of this Act, issue the initial criteria and requirements necessary to accept applications from individuals, nonprofits and small businesses for economic losses from the September 11, 2001, terrorist attacks; and (3) begin processing such applications: Provided further, That the corporation shall expeditiously respond to any application from an individual, nonprofit or small business for economic losses under this heading: Provided further, that of the total amount made available for the ''Community Development Fund'', including amounts previously made available by transfer pursuant to the fifth proviso of Public Law 107–38, no less than $500,000,000 shall be made available for individuals, nonprofits or small businesses described in the prior three provisos, with a limit of $500,000 per small business for economic losses: Provided further, That amounts made available in the previous proviso shall only be available for individuals, nonprofits or small businesses located in New York City in the area located on or south of West 14th Street (west of its intersection with 5th Avenue), or on or south of East 14th Street (east of its intersection with 5th Street): Provided further, That, of the amount provided in this paragraph, $10,000,000 shall be used for a program to aid the travel and tourism industry in New York City.

MANAGEMENT AND ADMINISTRATION

OFFICE OF INSPECTOR GENERAL

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Office of Inspector General'', $1,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

INDEPENDENT AGENCIES

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NATIONAL INSTITUTES OF HEALTH

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States for ''National Institute of Environmental Health Sciences'' for carrying out under current authorities, worker training, research, and education activities, $10,500,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

Public Law 107–73 is amended under this heading by adding ''and section 126(g) of the Superfund Amendments and Reauthorization Act of 1986,'' after the words, ''as amended,''.

ENVIRONMENTAL PROTECTION AGENCY

SCIENCE AND TECHNOLOGY

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, and to support activities related to countering terrorism, for ''Science and technology'', $90,308,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, and to support activities related to countering terrorism, for ''Environmental programs and management'', $39,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

HAZARDOUS SUBSTANCE SUPERFUND

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, and to support activities related to countering terrorism, for ''Hazardous substance superfund'', $41,292,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

STATE AND TRIBAL ASSISTANCE GRANTS

For making grants for emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, and to support activities related to countering potential biological and chemical threats to populations, for ''State and tribal assistance grants'', $5,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

The referenced statement of the managers under this heading in Public Law 107–73 is deemed to be amended by striking ''Florida Department of Environmental Protection'' in reference to item number 92, and inserting ''Southwest Florida Water Management District''; and by striking ''Southeast'' in reference to item number 9, and inserting ''Southwest''.

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking ''repairs to water and sewer lines'' in reference to item number 171 and inserting ''water and waterwater infrastructure improvements''.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Disaster relief'', $4,356,871,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

SALARIES AND EXPENSES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Salaries and expenses'', $25,000,000 to remain available until expended, to be obligated from amounts made available in Public Law 107–38 of which not less than $10,000,000 shall be used to enhance the capabilities of the National Security Division.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Emergency management planning and assistance'', $10,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38, which shall be available for support of the 2002 Winter Olympics.

For an additional amount for emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States and to support activities related to countering terrorism, for ''Emergency management planning and assistance'', $210,000,000, to remain available until September 30, 2003, for programs as authorized by section 33 of the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), as in effect on December 7, 2001, to be obligated from amounts made available in Public Law 107–38: Provided, That up to 5 percent of this amount shall be transferred to ''Salaries and expenses'' for program administration.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Human space flight'', $76,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

SCIENCE, AERONAUTICS AND TECHNOLOGY

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Science, aeronautics and technology'', $32,500,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for ''Research and related activities'',

$300,000 to remain available until expended, to be obligated from amounts made available in Public Law 107–38.

GENERAL PROVISIONS, THIS CHAPTER

SEC. 1301.(a) This section may be cited as the ''Unity in the Spirit of America Act'' or the ''USA Act''.

(b) The National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.) is amended by inserting before title V the following:

''TITLE IV—PROJECTS HONORING VICTIMS OF TERRORIST ATTACKS

''SEC. 401. PROJECTS.

''(a) DEFINITION.—In this section, the term 'Foundation' means the Points of Light Foundation funded under section 301, or another nonprofit private organization, that enters into an agreement with the Corporation to carry out this section.

''(b) IDENTIFICATION OF PROJECTS.—

''(1) ESTIMATED NUMBER.—Not later than March 1, 2002, the Foundation, after obtaining the guidance of the heads of appropriate Federal agencies, such as the Director of the Office of Homeland Security and the Attorney General, shall—

''(A) make an estimate of the number of victims killed as a result of the terrorist attacks on September 11, 2001 (referred to in this section as the 'estimated number'); and

''(B) compile a list that specifies, for each individual that the Foundation determines to be such a victim, the name of the victim and the State in which the victim resided.

''(2) IDENTIFIED PROJECTS.—The Foundation may identify approximately the estimated number of community-based national and community service projects that meet the requirements of subsection (d). The Foundation may name projects in honor of victims described in subsection (b)(1)(A), after obtaining the permission of an appropriate member of the victim's family and the entity carrying out the project.

''(c) ELIGIBLE ENTITIES.—To be eligible to have a project named under this section, the entity carrying out the project shall be a political subdivision of a State, a business, a nonprofit organization (which may be a religious organization), an Indian tribe, or an institution of higher education.

''(d) PROJECTS.—The Foundation shall name, under this section, projects—

''(1) that advance the goals of unity, and improving the quality of life in communities; and

''(2) that will be planned, or for which implementation will begin, within a reasonable period after the date of enactment of the Unity in the Spirit of America Act, as determined by the Foundation.

''(e) WEBSITE AND DATABASE.—The Foundation shall create and maintain websites and databases, to describe projects named under this section and serve as appropriate vehicles for recognizing the projects.''.

SEC. 1302. Within funds previously appropriated as authorized under the Native American Housing and Self Determination Act of 1996 (Pub. L. 104–330, §1(a), 110 Stat. 4016) and made available to Cook Inlet Housing Authority, Cook Inlet Housing Authority may use up to $9,500,000 of such funds to construct student housing for Native college students, including an on-site computer lab and related study facilities, and, notwithstanding any provision of such Act to the contrary, Cook Inlet Housing Authority may use a portion of such funds to establish a reserve fund and to provide for maintenance of the project.

SEC. 1303. Of the amounts made available under both the heading ''Housing Certificate Fund'' and the heading ''Salaries and expenses'' in title II of Public Law 107–73, not to exceed $11,300,000 shall be for the recordation and liquidation of obligations and deficiencies incurred in prior years in connection with the provision of technical assistance authorized under section 514 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (''section 514''), and notwithstanding any other provision of law, for new obligations for such technical assistance: Provided, That of the $11,300,000 made available, up to $1,300,000 shall be for reimbursement of vouchers submitted by section 514 grantees as of October 15, 2001: Provided further, That of the total amount provided under the heading ''Salaries and expenses'' in title II of Public Law 107–73, $500,000 shall be made available from salaries and expenses allocated to the Office of General Counsel and $1,000,000 shall be made available from salaries and expenses allocated to the Office of Multifamily Housing Assistance Restructuring in the Department of Housing and Urban Development for new obligations for the provision of technical assistance authorized under section 514: Provided further, That of the $11,300,000 provided under this section, no more than $10,000,000 shall be made available for new obligations for technical assistance under section 514: Provided further, That from amounts made available under this section, the Inspector General of the Department of Housing and Urban Development (''HUD Inspector General'') shall audit each provision of technical assistance obligated under the requirements of section 514 over the last 4 years: Provided further, That to the extent the HUD Inspector General determines that the use of any funding for technical assistance does not meet the requirements of section 514, the Secretary of Housing and Urban Development (''Secretary'') shall recapture any such funds: Provided further, That no funds appropriated under title II of Public Law 107–73 and subsequent appropriations acts for the Department of Housing and Urban Development shall be made available for four years to any entity (or any subsequent entity comprised of significantly the same officers) that has been identified as having violated the requirements of section 514 by the HUD Inspector General: Provided further, That, notwithstanding any other provision of law, no funding for technical assistance shall be available for carryover from any previous year: Provided further, That the recordation and liquidation of obligations and deficiencies under this heading shall not pardon or release an officer or employee of the United States Government for an act or acts in violation of the Anti-deficiency Act (31 U.S.C. 1341): Provided further, That the Secretary shall implement the provisions under this section in a manner that does not accelerate outlays.

SEC. 1304. The referenced statement of the managers pertaining to economic development initiatives under the heading ''Community Development Fund'' in Public Law 107–73 is deemed to be amended by striking ''Willacacy County Boys and Girls Club in Willacacy County, Texas'' in reference to an appropriation for the Willacy County Boys and Girls Club, and inserting ''Willacy County Boys and Girls Club in Willacy County, Texas''; by striking ''Acres Home Community Development Corporation'' in reference to an appropriation in Houston, Texas, and inserting ''Old Acres Homes Citizens Council''; and by striking ''$250,000 to the Good Shepard School in Braddock, Pennsylvania for facility renovation;'' in reference to an appropriation in Braddock, Pennsylvania, and inserting ''$250,000 for facility renovation, of which $50,000 is for the Good Shepard School in Braddock, Pennsylvania and $200,000 is for the Phipps Conservatory and Botanical Gardens in Pittsburgh, Pennsylvania;''.

CHAPTER 14

GENERAL PROVISIONS, THIS DIVISION

SEC. 1401. Amounts which may be obligated pursuant to this division are subject to the terms and conditions provided in Public Law 107–38.

SEC. 1402. No part of any appropriation contained in this division shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 1403. Notwithstanding any other provision of law, of the funds made available in this or any other Act, funds may be transferred to the Department of Defense from an agency receiving National Guard services related to homeland security to cover the costs of such services that the agency incurred after the date of enactment of this Act: Provided, That such authority to transfer shall expire on April 30, 2002: Provided further, That each agency receiving National Guard services related to homeland security shall submit to the House and Senate Committees on Appropriations a detailed report of the National Guard's homeland defense activities and expenses incurred after the date of enactment of this Act and planned for the remainder of fiscal year 2002 for that agency and any proposed transfers fifteen days prior to such transfers pursuant to this authority.

This division may be cited as the ''Emergency Supplemental Act, 2002''.

DIVISION C—SPENDING LIMITS AND BUDGETARY ALLOCATIONS FOR FISCAL YEAR 2002

SEC. 101. (a) DISCRETIONARY SPENDING LIMITS.—Section 251(c)(6) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking subparagraph (A) and inserting the following:

''(A) for the discretionary category: $681,441,000,000 in new budget authority and $670,206,000,000 in outlays;'';

(2) in subparagraph (C), by striking the second ''and'' after the semicolon; and

(3) in subparagraph (D), by striking ''$1,232,000,000'' and inserting ''$1,473,000,000''.

(b) REVISED AGGREGATES AND ALLOCATIONS.—Upon the enactment of this section, the chairman of the Committee on the Budget of the House of Representatives and the chairman of the Committee on the Budget of the Senate shall each—

(1) revise the aggregate levels of new budget authority and outlays for fiscal year 2002 set in sections 101(2) and 101(3) of the concurrent resolution on the budget for fiscal year 2002 (H. Con. Res. 83, 107th Congress), to the extent necessary to reflect the revised limits on discretionary budget authority and outlays for fiscal year 2002 provided in subsection (a);

(2) revise allocations under section 302(a) of the Congressional Budget Act of 1974 to the Committee on Appropriations of their respective House as initially set forth in the joint explanatory statement of managers accompanying the conference report on that concurrent resolution, to the extent necessary to reflect the revised limits on discretionary budget authority and outlays for fiscal year 2002 provided in subsection (a); and

(3) publish those revised aggregates and allocations in the Congressional Record.

(c) REPEAL OF SECTION 203 OF BUDGET RESOLUTION FOR FISCAL YEAR 2002.—Section 203 of the concurrent resolution on the budget for fiscal year 2002 (H. Con. Res. 83, 107th Congress) is repealed.

(d) ADJUSTMENTS.—If, for fiscal year 2002, the amount of new budget authority provided in appropriation Acts exceeds the discretionary spending limit on new budget authority for any category due to technical estimates made by the Director of the Office of Management and

Budget, the Director shall make an adjustment equal to the amount of the excess, but not to exceed an amount equal to 0.12 percent of the sum of the adjusted discretionary limits on new budget authority for all categories for fiscal year 2002.

SEC. 102. PAY-AS-YOU-GO ADJUSTMENT.—In preparing the final sequestration report for fiscal year 2002 required by section 254(f)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985, the Director of the Office of Management and Budget shall change any balance of direct spending and receipts legislation for fiscal years 2001 and 2002 under section 252 of that Act to zero.

SEC. 103. When the President submits a budget of the United States Government under section 1105(a) of title 31, United States Code, for fiscal year 2003, he shall submit a report to the Congress that identifies any emergency-designated funding (pursuant to section 251(b)(2)(A) or section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985) in legislation enacted after September 11, 2001, and before such submission in response to the events of September 11, 2001, that is of an ongoing and recurring nature.

SEC. 104. (a) Adjustments made to the section 302(a) allocations pursuant to section 101(b) shall be deemed to be allocations set forth in the joint explanatory statement of managers accompanying the concurrent resolution on the budget for fiscal year 2002 for all purposes under titles III and IV of the Congressional Budget Act of 1974.

(b) REPEALER.—Section 221(d)(2) of the concurrent resolution on the budget for fiscal year 2002 (H. Con. Res. 83, 107th Congress, 1st session) is repealed.

DIVISION D—MISCELLANEOUS PROVISIONS

TITLE I—CONVEYANCE OF HOMESTAKE MINE

SEC. 101. SHORT TITLE.

This title may be cited as the ''Homestake Mine Conveyance Act of 2001''.

SEC. 102. FINDINGS.

Congress finds the following:

(1) The United States is among the leading nations in the world in conducting basic scientific research.

(2) That leadership position strengthens the economy and national defense of the United States and provides other important benefits.

(3) The Homestake Mine in Lead, South Dakota, owned by the Homestake Mining Company of California, is approximately 8,000 feet deep and is situated in a unique physical setting that is ideal for carrying out certain types of particle physics and other research.

(4) The Mine has been selected by the National Underground Science Laboratory Committee, an independent panel of distinguished scientists, as the preferred site for the construction of the National Underground Science Laboratory.

(5) Such a laboratory would be used to conduct scientific research that would be funded and recognized as significant by the United States.

(6) The establishment of the laboratory is in the national interest and would substantially improve the capability of the United States to conduct important scientific research.

(7) For economic reasons, Homestake intends to cease operations at the Mine in 2001.

(8) On cessation of operations of the Mine, Homestake intends to implement reclamation actions that would preclude the establishment of a laboratory at the Mine.

(9) Homestake has advised the State that, after cessation of operations at the Mine, instead of closing the entire Mine, Homestake is willing to donate the underground portion of the Mine and certain other real and personal property of substantial value at the Mine for use as the National Underground Science Laboratory.

(10) Use of the Mine as the site for the laboratory, instead of other locations under consideration, would result in a savings of millions of dollars for the Federal Government.

(11) If the Mine is selected as the site for the laboratory, it is essential that closure of the Mine not preclude the location of the laboratory at the Mine.

(12) Homestake is unwilling to donate, and the State is unwilling to accept, the property at the Mine for the laboratory if Homestake and the State would continue to have potential liability with respect to the transferred property.

(13) To secure the use of the Mine as the location for the laboratory and to realize the benefits of the proposed laboratory it is necessary for the United States to—

(A) assume a portion of any potential future liability of Homestake concerning the Mine; and

(B) address potential liability associated with the operation of the laboratory.

SEC. 103. DEFINITIONS.

In this title:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Environmental Protection Agency.

(2) AFFILIATE.—

(A) IN GENERAL.—The term ''affiliate'' means any corporation or other person that controls, is controlled by, or is under common control with Homestake.

(B) INCLUSIONS.—The term ''affiliate'' includes a director, officer, or employee of an affiliate.

(3) CONVEYANCE.—The term ''conveyance'' means the conveyance of the Mine to the State under section 104(a).

(4) FUND.—The term ''Fund'' means the Environment and Project Trust Fund established under section 108.

(5) HOMESTAKE.—

(A) IN GENERAL.—The term ''Homestake'' means the Homestake Mining Company of California, a California corporation.

(B) INCLUSION.—The term ''Homestake'' includes—

(i) a director, officer, or employee of Homestake;

(ii) an affiliate of Homestake; and

(iii) any successor of Homestake or successor to the interest of Homestake in the Mine.

(6) INDEPENDENT ENTITY.—The term ''independent entity'' means an independent entity selected jointly by Homestake, the South Dakota Department of Environment and Natural Resources, and the Administrator—

(A) to conduct a due diligence inspection under section 104(b)(2)(A); and

(B) to determine the fair value of the Mine under section 105(a).

(7) INDIAN TRIBE.—The term ''Indian tribe'' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(8) LABORATORY.—

(A) IN GENERAL.—The term ''laboratory'' means the national underground science laboratory proposed to be established at the Mine after the conveyance.

(B) INCLUSION.—The term ''laboratory'' includes operating and support facilities of the laboratory.

(9) MINE.—

(A) IN GENERAL.—The term ''Mine'' means the portion of the Homestake Mine in Lawrence County, South Dakota, proposed to be conveyed to the State for the establishment and operation of the laboratory.

(B) INCLUSIONS.—The term ''Mine'' includes—

(i) real property, mineral and oil and gas rights, shafts, tunnels, structures, backfill, broken rock, fixtures, facilities, and personal property to be conveyed for establishment and operation of the laboratory, as agreed upon by Homestake and the State; and

(ii) any water that flows into the Mine from any source.

(C) EXCLUSIONS.—The term ''Mine'' does not include—

(i) the feature known as the ''Open Cut'';

(ii) any tailings or tailings storage facility (other than backfill in the portion of the Mine described in subparagraph (A)); or

(iii) any waste rock or any site used for the dumping of waste rock (other than broken rock in the portion of the Mine described in subparagraph (A)).

(10) PERSON.—The term ''person'' means—

(A) an individual;

(B) a trust, firm, joint stock company, corporation (including a government corporation), partnership, association, limited liability company, or any other type of business entity;

(C) a State or political subdivision of a State;

(D) a foreign governmental entity;

(E) an Indian tribe; and

(F) any department, agency, or instrumentality of the United States.

(11) PROJECT SPONSOR.—The term ''project sponsor'' means an entity that manages or pays the costs of 1 or more projects that are carried out or proposed to be carried out at the laboratory.

(12) SCIENTIFIC ADVISORY BOARD.—The term ''Scientific Advisory Board'' means the entity designated in the management plan of the laboratory to provide scientific oversight for the operation of the laboratory.

(13) STATE.—

(A) IN GENERAL.—The term ''State'' means the State of South Dakota.

(B) INCLUSIONS.—The term ''State'' includes an institution, agency, officer, or employee of the State.

SEC. 104. CONVEYANCE OF REAL PROPERTY.

(a) IN GENERAL.—

(1) DELIVERY OF DOCUMENTS.—Subject to paragraph (2) and subsection (b) and notwithstanding any other provision of law, on the execution and delivery by Homestake of 1 or more quitclaim deeds or bills of sale conveying to the State all right, title, and interest of Homestake in and to the Mine, title to the Mine shall pass from Homestake to the State.

(2) CONDITION OF MINE ON CONVEYANCE.—The Mine shall be conveyed as is, with no representations as to the condition of the property.

(b) REQUIREMENTS FOR CONVEYANCE.—

(1) IN GENERAL.—The Administrator's acceptance of the final report or certification of the independent entity under paragraph (4) is a condition precedent of the conveyance and of the assumption of liability by the United States in accordance with this title.

(2) DUE DILIGENCE INSPECTION.—

(A) IN GENERAL.—As a condition precedent of conveyance and of Federal participation described in this title, Homestake shall permit an independent entity to conduct a due diligence inspection of the Mine to determine whether any condition of the Mine may present an imminent and substantial endangerment to public health or the environment.

(B) CONSULTATION.—As a condition precedent of the conduct of a due diligence inspection, the Administrator, in consultation with Homestake, the South Dakota Department of Environment and Natural Resources, and the independent entity, shall define the methodology and standards to be used, and other factors to be considered, by the independent entity in—

(i) the conduct of the due diligence inspection;

(ii) the scope of the due diligence inspection; and

(iii) the time and duration of the due diligence inspection.

(C) PARTICIPATION BY HOMESTAKE.—Nothing in this paragraph requires Homestake to participate in the conduct of the due diligence inspection.

(3) REPORT TO THE ADMINISTRATOR.—

(A) IN GENERAL.—The independent entity shall submit to the Administrator a report that—

(i) describes the results of the due diligence inspection under paragraph (2); and

(ii) identifies any condition of or in the Mine that may present an imminent and substantial endangerment to public health or the environment.

(B) PROCEDURE.—

(i) DRAFT REPORT.—Before finalizing the report under this paragraph, the independent entity shall—

(I) issue a draft report;

(II) submit to the Administrator, Homestake, and the State a copy of the draft report;

(III) issue a public notice requesting comments on the draft report that requires all such comments to be filed not later than 45 days after issuance of the public notice; and

(IV) during that 45-day public comment period, conduct at least 1 public hearing in Lead, South Dakota, to receive comments on the draft report.

(ii) FINAL REPORT.—In the final report submitted to the Administrator under this paragraph, the independent entity shall respond to, and incorporate necessary changes suggested by, the comments received on the draft report.

(4) REVIEW AND APPROVAL BY ADMINISTRATOR.—

(A) IN GENERAL.—Not later than 60 days after receiving the final report under paragraph (3), the Administrator shall—

(i) review the report; and

(ii) notify the State in writing of acceptance or rejection of the final report.

(B) CONDITIONS FOR REJECTION.—The Administrator may reject the final report if the report discloses 1 or more conditions that—

(i) as determined by the Administrator, may present an imminent and substantial endangerment to the public health or the environment and require a response action; or

(ii) otherwise make the conveyance in section 104, or the assumption of liability, the release of liability, or the indemnification in section 106 contrary to the public interest.

(C) RESPONSE ACTIONS AND CERTIFICATION.—

(i) RESPONSE ACTIONS.—

(I) IN GENERAL.—If the Administrator rejects the final report, Homestake may carry out or bear the cost of, or permit the State or another person to carry out or bear the cost of, such response actions as are necessary to correct any condition identified by the Administrator under subparagraph (B)(i) that may present an imminent and substantial endangerment to public health or the environment.

(II) LONG-TERM RESPONSE ACTIONS.—

(aa) IN GENERAL.—In a case in which the Administrator determines that a condition identified by the Administrator under subparagraph (B)(i) requires continuing response action, or response action that can be completed only as part of the final closure of the laboratory, it shall be a condition of conveyance that Homestake, the State, or another person deposit into the Fund such amount as is estimated by the independent entity, on a net present value basis and after taking into account estimated interest on that basis to be sufficient to pay the costs of the long-term response action or the response action that will be completed as part of the final closure of the laboratory.

(bb) LIMITATION ON USE OF FUNDS.—None of the funds deposited into the Fund under item (aa) shall be expended for any purpose other than to pay the costs of the long-term response action, or the response action that will be completed as part of the final closure of the Mine, identified under that item.

(ii) CONTRIBUTION BY HOMESTAKE.—The total amount that Homestake may expend, pay, or deposit into the Fund under subclauses (I) and (II) of clause (i) shall not exceed—

(I) $75,000,000; less

(II) the fair value of the Mine as determined under section 105(a).

(iii) CERTIFICATION.—

(I) IN GENERAL.—After any response actions described in clause (i)(I) are carried out and any required funds are deposited under clause (i)(II), the independent entity may certify to the Administrator that the conditions for rejection identified by the Administrator under subparagraph (B) have been corrected.

(II) ACCEPTANCE OR REJECTION OF CERTIFICATION.—Not later than 60 days after an independent entity makes a certification under subclause (I), the Administrator shall accept or reject the certification.

(c) REVIEW OF CONVEYANCE.—For the purposes of the conveyance, the requirements of this section shall be considered to be sufficient to meet any requirement of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

SEC. 105. ASSESSMENT OF PROPERTY.

(a) VALUATION OF PROPERTY.—The independent entity shall assess the fair value of the Mine.

(b) FAIR VALUE.—For the purposes of this section, the fair value of the Mine shall be the fair market value as determined by an appraisal in conformance with the Uniform Appraisal Standards for Federal Land Acquisition. To the extent appraised items only have value to the Federal Government for the purpose of constructing the laboratory, the appraiser shall also add to the assessment of fair value the estimated cost of replacing the shafts, winzes, hoists, tunnels, ventilation system and other equipment and improvements at the Mine that are expected to be used at, or that will be useful to, the laboratory.

(c) REPORT.—Not later than the date on which each report developed in accordance with section 104(b)(3) is submitted to the Administrator, the independent entity described in subsection (a) shall submit to the State a report that identifies the fair value assessed under subsection (a).

SEC. 106. LIABILITY.

(a) ASSUMPTION OF LIABILITY.—

(1) ASSUMPTION.—Subject to paragraph (2), notwithstanding any other provision of law, on completion of the conveyance in accordance with this title, the United States shall assume any and all liability relating to the Mine and laboratory, including liability for—

(A) damages;

(B) reclamation;

(C) the costs of response to any hazardous substance (as defined in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601)), contaminant, or other material on, under, or relating to the Mine and laboratory; and

(D) closure of the Mine and laboratory.

(2) CLAIMS AGAINST UNITED STATES.—In the case of any claim brought against the United States, the United States shall be liable for—

(A) damages under paragraph (1)(A), only to the extent that an award of damages is made in a civil action brought under chapter 171 of title 28, United States Code, notwithstanding that the act or omission giving rise to the claim was not committed by an employee of the United States; and

(B) response costs under paragraph (1)(C), only to the extent that an award of response costs is made in a civil action brought under—

(i) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.);

(ii) the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.);

(iii) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.); or

(iv) any other applicable Federal environmental law, as determined by the Administrator.

(b) LIABILITY PROTECTION.—On completion of the conveyance, neither Homestake nor the State shall be liable to any person or the United States for injuries, costs, injunctive relief, reclamation, damages (including damages to natural resources or the environment), or expenses, or liable under any other claim (including claims for indemnification or contribution, claims by third parties for death, personal injury, illness, or loss of or damage to property, or claims for economic loss), under any law (including a regulation) for any claim arising out of or in connection with contamination, pollution, or other condition, use, or closure of the Mine and laboratory, regardless of when a condition giving rise to the liability originated or was discovered.

(c) INDEMNIFICATION.—Notwithstanding any other provision of law, on completion of the conveyance in accordance with this title, the United States shall indemnify, defend, and hold harmless Homestake and the State from and against—

(1) any and all liabilities and claims described in subsection (a), without regard to any limitation under subsection (a)(2); and

(2) any and all liabilities and claims described in subsection (b).

(d) WAIVER OF SOVEREIGN IMMUNITY.—For purposes of this title, the United States waives any claim to sovereign immunity with respect to any claim of Homestake or the State under this title.

(e) TIMING FOR ASSUMPTION OF LIABILITY.—If the conveyance is effectuated by more than 1 legal transaction, the assumption of liability, liability protection, indemnification, and waiver of sovereign immunity provided for under this section shall apply to each legal transaction, as of the date on which the transaction is completed and with respect to such portion of the Mine as is conveyed under that transaction.

(f) EXCEPTIONS FOR CERTAIN CLAIMS.—Nothing in this section constitutes an assumption of liability by the United States, or relief of liability of Homestake, for—

(1) any unemployment, worker's compensation, or other employment-related claim or cause of action of an employee of Homestake that arose before the date of conveyance;

(2) any claim or cause of action that arose before the date of conveyance, other than claims relating to environmental response costs or natural resource damages; or

(3) any violation of any provision of criminal law.

(g) EXCEPTION FOR OFF-SITE ENVIRONMENTAL CLAIMS.—Nothing in this title constitutes an assumption of liability by the United States, relief of liability for Homestake, or obligation to indemnify Homestake, for any claim, injury, damage, liability, or reclamation or cleanup obligation with respect to any property or asset that is not conveyed under this title, except to the extent that any such claim, injury, damage, liability, or reclamation or cleanup obligation is based on activities or events at the Mine subsequent to the date of conveyance.

SEC. 107. INSURANCE COVERAGE.

(a) PROPERTY AND LIABILITY INSURANCE.—

(1) IN GENERAL.—To the extent property and liability insurance is available and subject to the requirements described in paragraph (2), the State shall purchase property and liability insurance for the Mine and the operation of the

laboratory to provide coverage against the liability described in subsections (a) and (b) of section 106.

(2) REQUIREMENTS.—The requirements referred to in paragraph (1) are the following:

(A) TERMS OF INSURANCE.—In determining the type, extent of coverage, and policy limits of insurance purchased under this subsection, the State shall—

(i) periodically consult with the Administrator and the Scientific Advisory Board; and

(ii) consider certain factors, including—

(I) the nature of the projects and experiments being conducted in the laboratory;

(II) the availability and cost of commercial insurance; and

(III) the amount of funding available to purchase commercial insurance.

(B) ADDITIONAL TERMS.—The insurance purchased by the State under this subsection may provide coverage that is—

(i) secondary to the insurance purchased by project sponsors; and

(ii) in excess of amounts available in the Fund to pay any claim.

(3) FINANCING OF INSURANCE PURCHASE.—

(A) IN GENERAL.—Subject to section 108, the State may finance the purchase of insurance required under this subsection by using—

(i) funds made available from the Fund; and

(ii) such other funds as are received by the State for the purchase of insurance for the Mine and laboratory.

(B) NO REQUIREMENT TO USE STATE FUNDS.—Nothing in this title requires the State to use State funds to purchase insurance required under this subsection.

(4) ADDITIONAL INSURED.—Any insurance purchased by the State under this subsection shall—

(A) name the United States as an additional insured; or

(B) otherwise provide that the United States is a beneficiary of the insurance policy having the primary right to enforce all rights of the United States under the policy.

(5) TERMINATION OF OBLIGATION TO PURCHASE INSURANCE.—The obligation of the State to purchase insurance under this subsection shall terminate on the date on which—

(A) the Mine ceases to be used as a laboratory; or

(B) sufficient funding ceases to be available for the operation and maintenance of the Mine or laboratory.

(b) PROJECT INSURANCE.—

(1) IN GENERAL.—The State, in consultation with the Administrator and the Scientific Advisory Board, may require, as a condition of approval of a project for the laboratory, that a project sponsor provide property and liability insurance or other applicable coverage for potential liability associated with the project described in subsections (a) and (b) of section 106.

(2) ADDITIONAL INSURED.—Any insurance obtained by the project sponsor under this section shall—

(A) name the State and the United States as additional insureds; or

(B) otherwise provide that the State and the United States are beneficiaries of the insurance policy having the primary right to enforce all rights under the policy.

(c) STATE INSURANCE.—

(1) IN GENERAL.—To the extent required by State law, the State shall purchase, with respect to the operation of the Mine and the laboratory—

(A) unemployment compensation insurance; and

(B) worker's compensation insurance.

(2) PROHIBITION ON USE OF FUNDS FROM FUND.—A State shall not use funds from the Fund to carry out paragraph (1).

SEC. 108. ENVIRONMENT AND PROJECT TRUST FUND.

(a) ESTABLISHMENT.—On completion of the conveyance, the State shall establish, in an interest-bearing account at an accredited financial institution located within the State, the Environment and Project Trust Fund.

(b) AMOUNTS.—The Fund shall consist of—

(1) an annual deposit from the operation and maintenance funding provided for the laboratory in an amount to be determined—

(A) by the State, in consultation with the Administrator and the Scientific Advisory Board; and

(B) after taking into consideration—

(i) the nature of the projects and experiments being conducted at the laboratory;

(ii) available amounts in the Fund;

(iii) any pending costs or claims that may be required to be paid out of the Fund; and

(iv) the amount of funding required for future actions associated with the closure of the facility;

(2) an amount determined by the State, in consultation with the Administrator and the Scientific Advisory Board, and to be paid by the appropriate project sponsor, for each project to be conducted, which amount—

(A) shall be used to pay—

(i) costs incurred in removing from the Mine or laboratory equipment or other materials related to the project;

(ii) claims arising out of or in connection with the project; and

(iii) if any portion of the amount remains after paying the expenses described in clauses (i) and (ii), other costs described in subsection (c); and

(B) may, at the discretion of the State, be assessed—

(i) annually; or

(ii) in a lump sum as a prerequisite to the approval of the project;

(3) interest earned on amounts in the Fund, which amount of interest shall be used only for a purpose described in subsection (c); and

(4) all other funds received and designated by the State for deposit in the Fund.

(c) EXPENDITURES FROM FUND.—Amounts in the Fund shall be used only for the purposes of funding—

(1) waste and hazardous substance removal or remediation, or other environmental cleanup at the Mine;

(2) removal of equipment and material no longer used, or necessary for use, in conjunction with a project conducted at the laboratory;

(3) a claim arising out of or in connection with the conducting of such a project;

(4) purchases of insurance by the State as required under section 107;

(5) payments for and other costs relating to liability described in section 106; and

(6) closure of the Mine and laboratory.

(d) FEDERAL PAYMENTS FROM FUND.—The United States—

(1) to the extent the United States assumes liability under section 106—

(A) shall be a beneficiary of the Fund; and

(B) may direct that amounts in the Fund be applied to pay amounts and costs described in this section; and

(2) may take action to enforce the right of the United States to receive 1 or more payments from the Fund.

(e) NO REQUIREMENT OF DEPOSIT OF PUBLIC FUNDS.—Nothing in this section requires the State to deposit State funds as a condition of the assumption by the United States of liability, or the relief of the State or Homestake from liability, under section 106.

SEC. 109. WASTE ROCK MIXING.

After completion of the conveyance, the State shall obtain the approval of the Administrator before disposing of any material quantity of laboratory waste rock if—

(1) the disposal site is on land not conveyed under this title; and

(2) the State determines that the disposal could result in commingling of laboratory waste rock with waste rock disposed of by Homestake before the date of conveyance.

SEC. 110. REQUIREMENTS FOR OPERATION OF LABORATORY.

After the conveyance, nothing in this title exempts the laboratory from compliance with any law (including a Federal environmental law).

SEC. 111. CONTINGENCY.

This title shall be effective contingent on approval by the National Science Board and the making of an award by the National Science Foundation for the establishment of the laboratory at the Mine.

SEC. 112. OBLIGATION IN THE EVENT OF NONCONVEYANCE.

If the conveyance under this title does not occur, any obligation of Homestake relating to the Mine shall be limited to such reclamation or remediation as is required under any applicable law other than this title.

SEC. 113. PAYMENT AND REIMBURSEMENT OF COSTS.

The United States may seek payment—

(1) from the Fund, under section 108(d), to pay or reimburse the United States for amounts payable or liabilities incurred under this title; and

(2) from available insurance, to pay or reimburse the United States and the Fund for amounts payable or liabilities incurred under this title.

SEC. 114. CONSENT DECREES.

Nothing in this title affects any obligation of a party under—

(1) the 1990 Remedial Action Consent Decree (Civ. No. 90–5101 D. S.D.); or

(2) the 1999 Natural Resource Damage Consent Decree (Civ. Nos. 97–5078 and 97–5100, D. S.D.).

SEC. 115. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this title.

SEC. 116. CONGRESSIONAL BUDGET ACT.

Notwithstanding Rule 3 of the Budget Scorekeeping Guidelines set forth in the joint explanatory statement of the committee of conference accompanying Conference Report 105–217, the provisions of this title that would have been estimated by the Office of Management and Budget as changing direct spending or receipts under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 were it included in an Act other than an appropriations Act shall be treated as direct spending or receipts legislation, as appropriate, under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, and by the Chairmen of the House and Senate Budget Committees, as appropriate, under the Congressional Budget act.

TITLE II—GENERAL PROVISION, THIS DIVISION

SEC. 201. TRUSTEES OF THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS. (a) MEMBERSHIP.—Section 2(a) of the John F. Kennedy Center Act (20 U.S.C. 76h(a)) is amended—

(1) by striking ''There is hereby'' and inserting the following:

''(1) IN GENERAL.—There is''; and

(2) by striking the second sentence and inserting the following:

''(2) MEMBERSHIP.—The Board shall be composed of—

''(A) the Secretary of Health and Human Services;

''(B) the Librarian of Congress;

''(C) the Secretary of State;

''(D) the Chairman of the Commission of Fine Arts;

''(E) the Mayor of the District of Columbia;

''(F) the Superintendent of Schools of the District of Columbia;

''(G) the Director of the National Park Service;

''(H) the Secretary of Education;

''(I) the Secretary of the Smithsonian Institution;

''(J)(i) the Speaker and the Minority Leader of the House of Representatives;

''(ii) the chairman and ranking minority member of the Committee on Public Works and Transportation of the House of Representatives; and

''(iii) 3 additional Members of the House of Representatives appointed by the Speaker of the House of Representatives;

''(K)(i) the Majority Leader and the Minority Leader of the Senate;

''(ii) the chairman and ranking minority member of the Committee on Environment and Public Works of the Senate; and

''(iii) 3 additional Members of the Senate appointed by the President of the Senate; and

''(L) 36 general trustees, who shall be citizens of the United States, to be appointed in accordance with subsection (b).''.

(b) TERMS OF OFFICE FOR NEW GENERAL TRUSTEES.—Section 2(b) of the John F. Kennedy Center Act (20 U.S.C. 76h(b)) shall apply to each general trustee of the John F. Kennedy Center for the Performing Arts whose position is established by the amendment made by subsection (a)(2) (referred to in this subsection as a ''new general trustee''), except that the initial term of office of each new general trustee shall—

(1) commence on the date on which the new general trustee is appointed by the President; and

(2) terminate on September 1, 2007.

This Act may be cited as the ''Department of Defense and Emergency Supplemental Appropriations for Recovery from and Response to Terrorist Attacks on the United States Act, 2002''.

And the Senate agree to the same.

For consideration of Division A of the House bill and Division A of the Senate amendment, and modifications committed to conference:

JERRY LEWIS,
BILL YOUNG,
JOE SKEEN,
DAVE HOBSON,
HENRY BONILLA,
GEORGE R. NETHERCUTT, Jr.,
RANDY ''DUKE'' CUNNINGHAM,
RODNEY P. FRELINGHUYSEN,
TODD TIAHRT,
JOHN P. MURTHA,
NORMAN D. DICKS,
MARTIN OLAV SABO,
PETER J. VISCLOSKY,
JAMES P. MORAN,
DAVID R. OBEY,
(except for aircraft leasing),

For consideration of all other matters of the House bill and other matters of the Senate amendment, and modifications committed to conference:

BILL YOUNG,
JERRY LEWIS,
DAVID OBEY,
Managers on the Part of the House.

DANIEL K. INOUYE,
ERNEST F. HOLLINGS,
ROBERT C. BYRD,
PATRICK J. LEAHY,
TOM HARKIN,
BYRON L. DORGAN,
RICHARD J. DURBIN,
HARRY REID,
DIANNE FEINSTEIN,
HERB KOHL,
TED STEVENS,
THAD COCHRAN,
ARLEN SPECTOR,
PETE DOMENICI,
CHRISTOPHER BOND,
MITCH MCCONNEL,
RICAHRD C. SHELBY,
JUDD GREGG,
KAY BAILEY HUTCHISON,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3338), making appropriations for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The conference agreement on the Department of Defense Appropriations Act, 2002, incorporates some of the provisions of both the House and Senate versions of the bill. The language and allocations set forth in House Report 107–298 and Senate Report 107–109 should be complied with unless specifically addressed in the accompanying bill and statement of the managers to the contrary.

Senate Amendment: The Senate deleted the entire House bill after the enacting clause and inserted the Senate bill. The conference agreement includes a revised bill.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

The conferees agree that for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119) and by the Budget Enforcement Act of 1990 (Public Law 101–508), the term program, project, and activity for appropriations contained in this Act shall be defined as the most specific level of budget items identified in the Department of Defense Appropriations Act, 2002, the accompanying House and Senate Committee reports, the conference report and accompanying joint explanatory statement of the managers of the Committee of Conference, the related classified annexes and reports, and the P–1 and R–1 budget justification documents as subsequently modified by Congressional action. The following exception to the above definition shall apply:

For the Military Personnel and the Operation and Maintenance accounts, the term ''program, project, and activity'' is defined as the appropriations accounts contained in the Department of Defense Appropriations Act. At the time the President submits his budget for fiscal year 2003, the conferees direct the Department of Defense to transmit to the congressional defense committees budget justification documents to be known as the ''M–1'' and ''O–1'' which shall identify, at the budget activity, activity group, and subactivity group level, the amount requested by the President to be appropriated to the Department of Defense for operation and maintenance in any budget request, or amended budget request, for fiscal year 2003.

TITLE I—MILITARY PERSONNEL

The conferees agree to the following amounts for the Military Personnel accounts:

[In thousands of dollars]

	Budget	House	Senate	Conference
Active Personnel:				
Army	23,626,684	23,336,884	23,446,734	23,752,384
Navy	19,606,984	19,574,184	19,465,964	19,551,484
Marine Corps	7,365,040	7,343,640	7,335,370	7,345,340
Air Force	20,151,514	19,784,614	20,032,704	19,724,014
Reserve Personnel:				
Army	2,604,197	2,629,197	2,670,197	2,670,197
Navy	1,643,523	1,644,823	1,650,523	1,654,523
Marine Corps	463,300	466,800	466,300	471,200
Air Force	1,055,160	1,055,160	1,061,160	1,061,160
National Guard Personnel:				
Army	4,014,135	4,004,225	4,052,695	4,041,695
Air Force	1,776,744	1,777,654	1,783,744	1,784,654
Total, Military Personnel	82,307,281	81,617,291	81,965,391	82,056,651

PERSONNEL UNDEREXECUTION SAVINGS

The conferees recommend a total reduction of $313,200,000, instead of $324,200,000 as proposed by the House, to the Active Military Personnel accounts due to lower than budgeted fiscal year 2001 end strengths, and differences in the actual grade mix of officers and enlisted recommended in the budget request. The General Accounting Office estimates that the active components will have fewer personnel on board to begin fiscal year 2002, and as a result, the fiscal year 2002 pay and allowances requirements for personnel are incorrect and the budgets overstated.

PERMANENT CHANGE OF STATION MOVES

The conferees recommend a total reduction of $180,000,000, instead of $317,000,000 as proposed by the Senate to the active Military Personnel accounts for permanent change of station (PCS) moves. The conferees direct the Secretary of Defense to develop a comprehensive plan to reduce the quantity of PCS moves by 25 percent by the end of fiscal year 2004, and to report to the congressional defense committees on that plan no later than May 1, 2002.

FORCE STRUCTURE CHANGES

The conferees recommend a total of $88,500,000 in the Military Personnel and Operation and Maintenance accounts for force structure that was not included in the budget request, as follows:

[In thousands of dollars]

	Milpers	O&M	Proc.	Total
Air Force B-52 aircraft	2,300	26,000	14,300	42,600
Army Reserve Full-Time Support	10,000	.....	.....	10,000
Army National Guard Full-Time Support	24,700	11,200	.....	35,900

Active End Strength

[Fiscal year 2002]

	Budget	Conference	Conference vs. budget
Army	480,000	480,000	.....
Navy	376,000	376,000	.....
Marine Corps	172,600	172,600	.....
Air Force	358,800	358,800	.....
Total, Active Personnel	1,387,400	1,387,400	.....

MILITARY PERSONNEL, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
50 MILITARY PERSONNEL, ARMY				
100 ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER				
150 BASIC PAY	3,865,263	3,865,263	3,865,263	3,865,263
200 RETIRED PAY ACCRUAL	1,171,175	1,171,175	1,171,175	1,171,175
350 BASIC ALLOWANCE FOR HOUSING	676,228	676,228	676,228	676,228
400 BASIC ALLOWANCE FOR SUBSISTENCE	147,368	147,368	147,368	147,368
450 INCENTIVE PAYS	79,159	79,159	79,159	79,159
500 SPECIAL PAYS	205,842	205,842	205,842	205,842
550 ALLOWANCES	51,775	51,775	51,775	51,775
600 SEPARATION PAY	117,589	117,589	113,364	117,589
650 SOCIAL SECURITY TAX	293,508	293,508	293,508	293,508
700 TOTAL, BUDGET ACTIVITY 1	6,607,907	6,607,907	6,603,682	6,607,907
750 ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL				
800 BASIC PAY	8,638,466	8,638,466	8,638,466	8,638,466
850 RETIRED PAY ACCRUAL	2,617,455	2,617,455	2,617,455	2,617,455
1000 BASIC ALLOWANCE FOR HOUSING	1,465,398	1,465,398	1,465,398	1,465,398
1050 INCENTIVE PAYS	68,302	68,302	68,302	68,302
1100 SPECIAL PAYS	425,723	419,723	425,723	419,723
1150 ALLOWANCES	376,594	376,594	376,594	376,594

(In thousands of dollars)

	Budget	House	Senate	Conference
1200 SEPARATION PAY	353,912	353,912	340,187	353,912
1250 SOCIAL SECURITY TAX	653,092	653,092	653,092	653,092
1300 TOTAL, BUDGET ACTIVITY 2	14,598,942	14,592,942	14,585,217	14,592,942
1350 ACTIVITY 3: PAY AND ALLOWANCES OF CADETS 1400 ACADEMY CADETS	46,889	46,889	46,889	46,889
1500 ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL 1550 BASIC ALLOWANCE FOR SUBSISTENCE	824,176	824,176	824,176	824,176
1600 SUBSISTENCE-IN-KIND	491,998	491,998	491,998	491,998
1650 TOTAL, BUDGET ACTIVITY 4	1,316,174	1,316,174	1,316,174	1,316,174
1700 ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL 1750 ACCESSION TRAVEL	166,279	166,279	166,279	166,279
1800 TRAINING TRAVEL	43,478	43,478	43,478	43,478
1850 OPERATIONAL TRAVEL	136,517	136,517	136,517	136,517
1900 ROTATIONAL TRAVEL	552,859	552,859	552,859	552,859
1950 SEPARATION TRAVEL	138,145	138,145	138,145	138,145
2000 TRAVEL OF ORGANIZED UNITS	1,706	1,706	1,706	1,706
2050 NON-TEMPORARY STORAGE	28,365	28,365	28,365	28,365
2100 TEMPORARY LODGING EXPENSE	20,573	20,573	20,573	20,573
2110 EXCESS PCS MOVES	---	---	-110,000	-80,000
2200 TOTAL, BUDGET ACTIVITY 5	1,087,922	1,087,922	977,922	1,007,922

(In thousands of dollars)

	Budget	House	Senate	Conference
2250 ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS				
2300 APPREHENSION OF MILITARY DESERTERS	608	608	608	608
2350 INTEREST ON UNIFORMED SERVICES SAVINGS	202	202	202	202
2400 DEATH GRATUITIES	7,632	7,632	7,632	7,632
2450 UNEMPLOYMENT BENEFITS	81,940	81,940	81,940	81,940
2500 SURVIVOR BENEFITS	6,560	6,560	6,560	6,560
2550 EDUCATION BENEFITS	23,917	23,917	23,917	23,917
2600 ADOPTION EXPENSES	250	250	250	250
2610 SPECIAL COMPENSATION FOR SEVERELY DISABLED RETIREES	4,800	4,800	4,800	4,800
2620 TRANSPORTATION SUBSIDY	2,040	2,040	2,040	2,040
2700 TOTAL, BUDGET ACTIVITY 6	127,949	127,949	127,949	127,949
2710 LESS REIMBURSABLES	-159,099	-159,099	-159,099	-159,099
2715 REALIGNMENT TO RP,A	---	---	-52,000	-52,000
2720 PERSONNEL UNDEREXECUTION	---	-104,300	---	-102,200
2800 VARIANCES IN PERSONNEL STRENGTH TOTALS	---	-145,600	---	---
2805 INDIVIDUALS IN APPELLATE REVIEW	---	-8,000	---	-8,000
2810 END OF YEAR RETIREMENTS	---	-5,000	---	-5,000
2815 $30,000 LUMP SUM BONUS	---	-20,900	---	-20,900
2820 BALKANS OPERATIONS	---	---	---	399,800
2845 TOTAL, MILITARY PERSONNEL, ARMY	23,626,684	23,336,884	23,446,734	23,752,384

Adjustments to Budget Activities

Adjustments to the budget activities are as follows:

(In thousands of dollars)

Budget Activity 2: Pay and Allowances of Enlisted		
1100	Special Pays/Loan Repayment Program	-6,000
Budget Activity 5: Permanent Change of Station Travel		
2110	Excess PCS Moves	-80,000
Undistributed:		
2715	Realignment to Reserve Personnel, Army	-52,000
2720	Personnel Underexecution	-102,200
2805	Individuals in Appellate Review	–8,000
2810	End of Year Retirements	–5,000
2815	$30,000 Lump Sum Bonus	–20,900
2820	Balkans Operations	399,800

MILITARY PERSONNEL, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
2850 MILITARY PERSONNEL, NAVY				
2900 ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER 2950 BASIC PAY	2,775,735	2,775,735	2,775,735	2,775,735
3000 RETIRED PAY ACCRUAL	841,048	841,048	841,048	841,048
3150 BASIC ALLOWANCE FOR HOUSING	666,155	666,155	666,155	666,155
3200 BASIC ALLOWANCE FOR SUBSISTENCE	105,829	105,829	105,829	105,829
3250 INCENTIVE PAYS	177,748	177,748	177,748	177,748
3300 SPECIAL PAYS	233,049	233,049	233,049	233,049
3350 ALLOWANCES	57,085	57,085	57,085	57,085
3400 SEPARATION PAY	67,735	67,735	65,035	67,735
3450 SOCIAL SECURITY TAX	211,110	211,110	211,110	211,110
3500 TOTAL, BUDGET ACTIVITY 1	5,135,494	5,135,494	5,132,794	5,135,494
3550 ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL 3600 BASIC PAY	7,054,710	7,054,710	7,054,710	7,054,710
3650 RETIRED PAY ACCRUAL	2,135,153	2,135,153	2,135,153	2,135,153
3800 BASIC ALLOWANCE FOR HOUSING	1,841,733	1,841,733	1,841,733	1,841,733
3850 INCENTIVE PAYS	89,291	89,291	89,291	89,291
3900 SPECIAL PAYS	737,527	737,527	737,527	737,527
3950 ALLOWANCES	385,571	385,571	385,571	385,571
4000 SEPARATION PAY	229,464	229,464	216,144	229,464
4050 SOCIAL SECURITY TAX	534,691	534,691	534,691	534,691
4100 TOTAL, BUDGET ACTIVITY 2	13,008,140	13,008,140	12,994,820	13,008,140

(In thousands of dollars)

	Budget	House	Senate	Conference
4150 ACTIVITY 3: PAY AND ALLOWANCES OF MIDSHIPMEN				
4200 MIDSHIPMEN	44,156	44,156	44,156	44,156
4300 ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL				
4350 BASIC ALLOWANCE FOR SUBSISTENCE	560,071	560,071	560,071	560,071
4400 SUBSISTENCE-IN-KIND	334,900	334,900	334,900	334,900
4450 TOTAL, BUDGET ACTIVITY 4	894,971	894,971	894,971	894,971
4500 ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL				
4550 ACCESSION TRAVEL	57,995	57,995	57,995	57,995
4600 TRAINING TRAVEL	54,827	54,827	54,827	54,827
4650 OPERATIONAL TRAVEL	168,177	168,177	168,177	168,177
4700 ROTATIONAL TRAVEL	258,533	258,533	258,533	258,533
4750 SEPARATION TRAVEL	106,049	106,049	106,049	106,049
4800 TRAVEL OF ORGANIZED UNITS	18,720	18,720	18,720	18,720
4850 NON-TEMPORARY STORAGE	11,402	11,402	11,402	11,402
4900 TEMPORARY LODGING EXPENSE	6,964	6,964	6,964	6,964
4950 OTHER	7,140	7,140	7,140	7,140
4955 EXCESS PCS MOVES	---	---	-75,000	-30,000
5000 TOTAL, BUDGET ACTIVITY 5	689,807	689,807	614,807	659,807

(In thousands of dollars)

	Budget	House	Senate	Conference
5050 ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS				
5100 APPREHENSION OF MILITARY DESERTERS	812	812	812	812
5150 INTEREST ON UNIFORMED SERVICES SAVINGS	206	206	206	206
5200 DEATH GRATUITIES	1,314	1,314	1,314	1,314
5250 UNEMPLOYMENT BENEFITS	44,085	42,885	44,085	41,685
5300 SURVIVOR BENEFITS	2,366	2,366	2,366	2,366
5350 EDUCATION BENEFITS	7,866	7,866	7,866	7,866
5400 ADOPTION EXPENSES	232	232	232	232
5410 SPECIAL COMPENSATION FOR SEVERELY DISABLED RETIREES	5,946	5,946	5,946	5,946
5420 TRANSPORTATION SUBSIDY	9,573	9,573	9,573	9,573
5500 TOTAL, BUDGET ACTIVITY 6	72,400	71,200	72,400	70,000
5510 LESS REIMBURSABLES	-237,984	-237,984	-237,984	-237,984
5515 RECALCULATION OF OBLIGATION REQUIREMENTS	---	---	-50,000	-20,000
5615 INDIVIDUALS IN APPELLATE REVIEW	---	-8,000	---	-8,000
5620 END OF YEAR RETIREMENTS	---	-5,000	---	-5,000
5625 $30,000 LUMP SUM BONUS	---	-18,600	---	-18,600
5630 BALKANS OPERATIONS	---	---	---	28,500
5645 TOTAL, MILITARY PERSONNEL, NAVY	19,606,984	19,574,184	19,465,964	19,551,484

Adjustments to Budget Activities

Adjustments to the budget activities are as follows:

(In thousands of dollars)

Budget Activity 5: Permanent Change of Station Travel	
4955 Excess PCS Moves	-30,000
Budget Activity 6: Other Military Personnel Costs	
5250 Unemployment Benefits	–2,400
Undistributed:	
5515 Recalculation of Obligation Requirements	–20,000
5615 Individuals in Appellate Review	–8,000
5620 End of Year Retirements	–5,000
5625 $30,000 Lump Sum Bonus	–18,600
5630 Balkans Operations	28,500

MILITARY PERSONNEL, MARINE CORPS

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
5650 MILITARY PERSONNEL, MARINE CORPS				
5700 ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER 5750 BASIC PAY	903,682	903,682	903,682	903,682
5800 RETIRED PAY ACCRUAL	273,877	273,877	273,877	273,877
5950 BASIC ALLOWANCE FOR HOUSING	176,837	176,837	176,837	176,837
6000 BASIC ALLOWANCE FOR SUBSISTENCE	35,550	35,550	35,550	35,550
6050 INCENTIVE PAYS	45,350	45,350	45,350	45,350
6100 SPECIAL PAYS	1,709	1,709	1,709	1,709
6150 ALLOWANCES	22,542	22,542	22,542	22,542
6200 SEPARATION PAY	18,606	18,606	17,936	18,606
6250 SOCIAL SECURITY TAX	68,428	68,428	68,428	68,428
6300 TOTAL, BUDGET ACTIVITY 1	1,546,581	1,546,581	1,545,911	1,546,581
6350 ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL 6400 BASIC PAY	3,055,191	3,055,191	3,055,191	3,055,191
6450 RETIRED PAY ACCRUAL	923,625	923,625	923,625	923,625
6600 BASIC ALLOWANCE FOR HOUSING	529,819	529,819	529,819	529,819
6650 INCENTIVE PAYS	8,356	8,356	8,356	8,356
6700 SPECIAL PAYS	113,910	105,310	113,910	113,910
6750 ALLOWANCES	172,907	172,907	172,907	172,907
6800 SEPARATION PAY	84,134	84,134	81,134	84,134
6850 SOCIAL SECURITY TAX	233,186	233,186	233,186	233,186
6900 TOTAL, BUDGET ACTIVITY 2	5,121,128	5,112,528	5,118,128	5,121,128

(In thousands of dollars)

	Budget	House	Senate	Conference
6950 ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL				
7000 BASIC ALLOWANCE FOR SUBSISTENCE	251,101	251,101	251,101	251,101
7050 SUBSISTENCE-IN-KIND	184,872	184,872	184,872	184,872
7100 TOTAL, BUDGET ACTIVITY 4	435,973	435,973	435,973	435,973
7150 ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL				
7200 ACCESSION TRAVEL	32,434	32,434	32,434	32,434
7250 TRAINING TRAVEL	7,777	7,777	7,777	7,777
7300 OPERATIONAL TRAVEL	63,286	63,286	63,286	63,286
7350 ROTATIONAL TRAVEL	97,884	97,884	97,884	97,884
7400 SEPARATION TRAVEL	45,310	45,310	45,310	45,310
7450 TRAVEL OF ORGANIZED UNITS	599	599	599	599
7500 NON-TEMPORARY STORAGE	3,029	3,029	3,029	3,029
7550 TEMPORARY LODGING EXPENSE	6,056	6,056	6,056	6,056
7600 OTHER	1,181	1,181	1,181	1,181
7605 EXCESS PCS MOVES	---	---	-26,000	-10,000
7650 TOTAL, BUDGET ACTIVITY 5	257,556	257,556	231,556	247,556

(In thousands of dollars)

	Budget	House	Senate	Conference
7700 ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS				
7750 APPREHENSION OF MILITARY DESERTERS	920	920	920	920
7800 INTEREST ON UNIFORMED SERVICES SAVINGS	15	15	15	15
7850 DEATH GRATUITIES	984	984	984	984
7900 UNEMPLOYMENT BENEFITS	24,738	22,238	24,738	19,738
7950 SURVIVOR BENEFITS	1,287	1,287	1,287	1,287
8000 EDUCATION BENEFITS	3,046	3,046	3,046	3,046
8050 ADOPTION EXPENSES	48	48	48	48
8060 SPECIAL COMPENSATION FOR SEVERELY DISABLED RETIREES	1,870	1,870	1,870	1,870
8070 TRANSPORTATION SUBSIDY	2,611	2,611	2,611	2,611
8150 TOTAL, BUDGET ACTIVITY 6	35,519	33,019	35,519	30,519
8160 LESS REIMBURSABLES	-31,717	-31,717	-31,717	-31,717
8245 INDIVIDUALS IN APPELLATE REVIEW	---	-4,000	---	-4,000
8250 END OF YEAR RETIREMENTS	---	-2,000	---	-2,000
8255 $30,000 LUMP SUM BONUS	---	-4,300	---	-4,300
8260 BALKANS OPERATIONS	---	---	---	5,600
8295 TOTAL, MILITARY PERSONNEL, MARINE CORPS	7,365,040	7,343,640	7,335,370	7,345,340

Adjustments to Budget Activities

Adjustments to the budget activities are as follows:

(In thousands of dollars)

Budget Activity 5: Permanent Change of Station Travel	
7605 Excess PCS Moves	–10,000
Budget Activity 6: Other Military Personnel Costs	
7900 Unemployment Benefits	-5,000
Undistributed:	
8245 Individuals in Appellate Review	-4,000
8250 End of Year Retirements	–2,000
8255 $30,000 Lump Sum Bonus	-4,300
8260 Balkans Operations	5,600

MILITARY PERSONNEL, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
8300 MILITARY PERSONNEL, AIR FORCE				
8350 ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER				
8400 BASIC PAY	3,746,846	3,746,846	3,746,846	3,746,846
8450 RETIRED PAY ACCRUAL	1,135,294	1,135,294	1,135,294	1,135,294
8600 BASIC ALLOWANCE FOR HOUSING	710,354	710,354	710,354	710,354
8650 BASIC ALLOWANCE FOR SUBSISTENCE	138,009	138,009	138,009	138,009
8700 INCENTIVE PAYS	295,823	295,823	295,823	295,823
8750 SPECIAL PAYS	233,941	201,841	233,941	201,841
8800 ALLOWANCES	52,559	52,559	52,559	52,559
8850 SEPARATION PAY	106,401	106,401	102,851	106,401
8900 SOCIAL SECURITY TAX	284,345	284,345	284,345	284,345
8950 TOTAL, BUDGET ACTIVITY 1	6,703,572	6,671,472	6,700,022	6,671,472
9000 ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL				
9050 BASIC PAY	6,753,308	6,753,308	6,753,308	6,753,308
9100 RETIRED PAY ACCRUAL	2,046,252	2,046,252	2,046,252	2,046,252
9250 BASIC ALLOWANCE FOR HOUSING	1,405,298	1,405,298	1,405,298	1,405,298
9300 INCENTIVE PAYS	33,817	33,817	33,817	33,817
9350 SPECIAL PAYS	460,273	417,773	460,273	460,273
9400 ALLOWANCES	373,266	373,266	373,266	373,266
9450 SEPARATION PAY	189,867	189,867	177,307	189,867
9500 SOCIAL SECURITY TAX	516,628	516,628	516,628	516,628
9550 TOTAL, BUDGET ACTIVITY 2	11,778,709	11,736,209	11,766,149	11,778,709

(In thousands of dollars)

	Budget	House	Senate	Conference
9600 ACTIVITY 3: PAY AND ALLOWANCES OF CADETS				
9650 ACADEMY CADETS	48,773	48,773	48,773	48,773
9750 ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL				
9800 BASIC ALLOWANCE FOR SUBSISTENCE	695,708	695,708	695,708	695,708
9850 SUBSISTENCE-IN-KIND	115,082	115,082	115,082	115,082
9900 TOTAL, BUDGET ACTIVITY 4	810,790	810,790	810,790	810,790
9950 ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL				
10000 ACCESSION TRAVEL	65,630	65,630	65,630	65,630
10050 TRAINING TRAVEL	62,786	62,786	62,786	62,786
10100 OPERATIONAL TRAVEL	160,876	160,876	160,876	160,876
10150 ROTATIONAL TRAVEL	475,714	475,714	475,714	475,714
10200 SEPARATION TRAVEL	98,628	98,628	98,628	98,628
10250 TRAVEL OF ORGANIZED UNITS	6,370	6,370	6,370	6,370
10300 NON-TEMPORARY STORAGE	21,575	21,575	21,575	21,575
10350 TEMPORARY LODGING EXPENSE	37,831	37,831	37,831	37,831
10410 EXCESS PCS MOVES	---	---	-106,000	-60,000
10450 TOTAL, BUDGET ACTIVITY 5	929,410	929,410	823,410	869,410

(In thousands of dollars)

	Budget	House	Senate	Conference
10500 ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS				
10550 APPREHENSION OF MILITARY DESERTERS	100	100	100	100
10600 INTEREST ON UNIFORMED SERVICES SAVINGS	595	595	595	595
10650 DEATH GRATUITIES	1,506	1,506	1,506	1,506
10700 UNEMPLOYMENT BENEFITS	33,272	28,572	33,272	23,872
10750 SURVIVOR BENEFITS	2,908	2,908	2,908	2,908
10800 EDUCATION BENEFITS	3,415	3,415	3,415	3,415
10850 ADOPTION EXPENSES	800	800	800	800
10860 SPECIAL COMPENSATION FOR SEVERELY DISABLED RETIREES	15,000	15,000	15,000	15,000
10870 TRANSPORTATION SUBSIDY	13,100	13,100	13,100	13,100
10950 TOTAL, BUDGET ACTIVITY 6	70,696	65,996	70,696	61,296
10960 LESS REIMBURSABLES	-190,436	-190,436	-190,436	-190,436
10965 PERSONNEL UNDEREXECUTION	---	-206,000	---	-206,000
10970 B-52 FORCE STRUCTURE	---	---	3,300	2,300
11020 VARIANCES IN PERSONNEL STRENGTH TOTALS	---	-49,900	---	-121,600
11030 INDIVIDUALS IN APPELLATE REVIEW	---	-8,000	---	-8,000
11040 END OF YEAR RETIREMENTS	---	-5,000	---	-5,000
11045 $30,000 LUMP SUM BONUS	---	-18,700	---	-18,700
11050 BALKANS OPERATIONS	---	---	---	31,000
11140 TOTAL, MILITARY PERSONNEL, AIR FORCE	20,151,514	19,784,614	20,032,704	19,724,014

Adjustments to Budget Activities

Adjustments to the budget activities are as follows:

(In thousands of dollars)

Budget Activity 1: Pay and Allowances of Officers		
8750	Special Pays/Critical Skills Accession Bonus	-13,100
8750	Special Pays/Critical Skills Retention Bonus	-19,000
Budget Activity 5: Permanent Change of Station Travel		
10410	Excess PCS Moves	-60,000
Budget Activity 6: Other Military Personnel Costs		
10700	Unemployment Benefits	-9,400
Undistributed:		
10965	Personnel Underexecution	-206,000
10970	B-52 Force Structure	2,300
11020	Variances in Personnel Strength Totals	-121,600
11030	Individuals in Appellate Review	-8,000
11040	End of Year Retirements	-5,000
11045	$30,000 Lump Sum Bonus	–18,700
11050	Balkans Operations	31,000

NATIONAL GUARD AND RESERVE FORCES

The conferees agree to provide $11,683,429,000 in Reserve Personnel appropriations, $12,700,844,000 in Operation and Maintenance appropriations, and $669,130,000 in the National Guard and Reserve Equipment appropriation. These funds support a Selected Reserve end strength of 864,658 as shown below.

Selected Reserve End Strength
(Fiscal Year 2002)

	Budget	Conference	Conference vs. Budget
Selected Reserve:			
Army Reserve.....	205,000	205,000	---
Navy Reserve	87,000	87,000	---
Marine Corps Reserve.....	39,558	39,558	---
Air Force Reserve	74,700	74,700	---
Army National Guard.....	350,000	350,000	---
Air National Guard.....	108,400	108,400	---
Total	864,658	864,658	---
AGR/TARS:			
Army Reserve	13,108	13,406	+298
Navy Reserve	14,811	14,811	---
Marine Corps Reserve.....	2,261	2,261	---
Air Force Reserve	1,437	1,437	---
Army National Guard.....	22,974	23,698	+724
Air National Guard.....	11,591	11,591	---
Total	66,182	67,204	+1,022
Technicians:			
Army Reserve	7,094	7,344	+250
Air Force Reserve	9,818	9,818	---
Army National Guard	24,728	25,215	+487
Air National Guard	22,772	22,772	---
Total	64,412	65,149	+737

RESERVE PERSONNEL, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
11150 RESERVE PERSONNEL, ARMY				
11200 ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING				
11250 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48).....	1,030,438	1,030,438	1,030,438	1,030,438
11300 PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY).....	33,055	33,055	33,055	33,055
11350 PAY GROUP F TRAINING (RECRUITS).....	148,589	148,589	148,589	148,589
11400 PAY GROUP P TRAINING (PIPELINE RECRUITS).....	12,113	12,113	12,113	12,113
11405 REALIGNMENT FROM MP,A.....	---	---	52,000	52,000
11500 TOTAL, BUDGET ACTIVITY 1.....	1,224,195	1,224,195	1,276,195	1,276,195
11550 ACTIVITY 2: OTHER TRAINING AND SUPPORT				
11600 MOBILIZATION TRAINING.....	17,360	17,360	17,360	17,360
11650 SCHOOL TRAINING.....	97,336	97,336	100,336	100,336
11700 SPECIAL TRAINING.....	92,849	92,849	93,849	93,849
11750 ADMINISTRATION AND SUPPORT.....	1,012,695	1,012,695	1,022,695	1,022,695
11800 EDUCATION BENEFITS.....	35,596	35,596	35,596	35,596
11850 ROTC - SENIOR, JUNIOR.....	79,199	79,199	79,199	79,199
11900 HEALTH PROFESSION SCHOLARSHIP.....	28,902	28,902	28,902	28,902
11950 OTHER PROGRAMS.....	16,065	16,065	16,065	16,065
11960 TOTAL, BUDGET ACTIVITY 2.....	1,380,002	1,380,002	1,394,002	1,394,002
12020 INACTIVE DUTY TRAINING SHORTFALL.....	---	25,000	---	---
12090 TOTAL RESERVE PERSONNEL, ARMY.....	2,604,197	2,629,197	2,670,197	2,670,197

Adjustments to Budget Activities

Adjustments to the budget activities are as follows:

(In thousands of dollars)

Budget Activity 1: Unit and Individual Training		
11405	Realignment from Military Personnel, Army	52,000
Budget Activity 2: Other Training and Support		
11650	School Training/Duty MOS Qualification Training	3,000
11700	Special Training/Professional Development Training	1,000
11750	Administration and Support/Additional AGR End Strength	10,000

RESERVE PERSONNEL, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
12100 RESERVE PERSONNEL, NAVY				
12150 ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING				
12200 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48).....	671,659	671,659	671,659	671,659
12225 PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY).....	3,687	3,687	3,687	3,687
12250 PAY GROUP F TRAINING (RECRUITS).....	2,329	2,329	2,329	2,329
12350 TOTAL, BUDGET ACTIVITY 1.....	677,675	677,675	677,675	677,675
12400 ACTIVITY 2: OTHER TRAINING AND SUPPORT				
12450 MOBILIZATION TRAINING.....	3,747	3,747	3,747	3,747
12500 SCHOOL TRAINING.....	9,872	9,872	13,872	13,872
12550 SPECIAL TRAINING.....	44,035	44,035	47,035	47,035
12600 ADMINISTRATION AND SUPPORT.....	846,211	846,211	846,211	846,211
12650 EDUCATION BENEFITS.....	1,793	1,793	1,793	1,793
12700 ROTC - SENIOR, JUNIOR.....	33,722	33,722	33,722	33,722
12750 HEALTH PROFESSION SCHOLARSHIP.....	26,468	26,468	26,468	26,468
12820 TOTAL BUDGET ACTIVITY 2.....	965,848	965,848	972,848	972,848
12860 PERSONNEL UNDEREXECUTION.....	---	-2,700	---	---
12870 ADT FLEET SUPPORT.....	---	4,000	---	4,000
12940 TOTAL, RESERVE PERSONNEL, NAVY.....	1,643,523	1,644,823	1,650,523	1,654,523

Adjustments to Budget Activities

Adjustments to the budget activities are as follows:

(In thousands of dollars)

Budget Activity 2: Other Training and Support		
12500	School Training	4,000
12550	Special Training	3,000
Undistributed:		
12870	ADT Fleet Support	4,000

RESERVE PERSONNEL, MARINE CORPS

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
12950 RESERVE PERSONNEL, MARINE CORPS				
13000 ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING				
13050 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48).....	169,464	169,464	169,464	169,464
13100 PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY).....	15,336	15,336	15,336	15,336
13150 PAY GROUP F TRAINING (RECRUITS).....	68,584	68,584	68,584	68,584
13200 PAY GROUP P TRAINING (PIPELINE RECRUITS).....	146	146	146	146
13300 TOTAL, BUDGET ACTIVITY 1.....	253,530	253,530	253,530	253,530
13350 ACTIVITY 2: OTHER TRAINING AND SUPPORT				
13400 MOBILIZATION TRAINING.....	2,220	2,220	2,220	2,220
13450 SCHOOL TRAINING.....	10,322	10,322	11,322	11,322
13500 SPECIAL TRAINING.....	29,821	29,821	31,821	31,821
13550 ADMINISTRATION AND SUPPORT.....	134,136	134,136	134,136	134,136
13600 EDUCATION BENEFITS.....	14,793	14,793	14,793	14,793
13650 ROTC - SENIOR, JUNIOR.....	18,478	18,478	18,478	18,478
13710 TOTAL, BUDGET ACTIVITY 2.....	209,770	209,770	212,770	212,770
13740 PERSONNEL UNDEREXECUTION.....	---	-1,400	---	---
13750 ACTIVE DUTY FOR SPECIAL WORK.....	---	4,900	---	4,900
13840 TOTAL, RESERVE PERSONNEL, MARINE CORPS.....	463,300	466,800	466,300	471,200

Adjustments to Budget Activities

Adjustments to the budget activities are as follows:

(In thousands of dollars)

Budget Activity 2: Other Training and Support	
13450 School Training	1,000
13500 Special Training	2,000
Undistributed:	
13750 Active Duty for Special Work	4,900

RESERVE PERSONNEL, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
13850 RESERVE PERSONNEL, AIR FORCE				
13900 ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING				
13950 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48).....	503,409	515,909	503,409	515,909
14000 PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY).....	94,910	94,910	94,910	94,910
14050 PAY GROUP F TRAINING (RECRUITS).....	14,405	14,405	14,405	14,405
14100 OTHER.....	80	80	80	80
14150 TOTAL, BUDGET ACTIVITY 1.....	612,804	625,304	612,804	625,304
14200 ACTIVITY 2: OTHER TRAINING AND SUPPORT				
14250 MOBILIZATION TRAINING.....	1,800	1,800	1,800	1,800
14300 SCHOOL TRAINING.....	68,893	68,893	72,893	72,893
14350 SPECIAL TRAINING.....	159,365	159,365	161,365	161,365
14400 ADMINISTRATION AND SUPPORT.....	128,884	120,384	128,884	120,384
14450 EDUCATION BENEFITS.....	5,706	5,706	5,706	5,706
14500 ROTC - SENIOR, JUNIOR.....	52,299	52,299	52,299	52,299
14550 HEALTH PROFESSION SCHOLARSHIP.....	25,409	21,409	25,409	21,409
14600 TOTAL, BUDGET ACTIVITY 2.....	442,356	429,856	448,356	435,856
14690 TOTAL, RESERVE PERSONNEL, AIR FORCE.....	1,055,160	1,055,160	1,061,160	1,061,160

Adjustments to Budget Activities

Adjustments to the budget activities are as follows:

(In thousands of dollars)

Budget Activity 1: Unit and Individual Training		
13950	Pay Group A Training/Realignment of Funds	12,500
Budget Activity 2: Other Training and Support		
14300	School Training	4,000
14350	Special Training	2,000
14400	Administration and Support/Realignment of Funds	–8,500
14550	Health Profession Scholarship/Realignment of Funds	–4,000

NATIONAL GUARD PERSONNEL, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
14700 NATIONAL GUARD PERSONNEL, ARMY				
14750 ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING				
14800 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48).....	1,736,084	1,736,084	1,736,084	1,736,084
14850 PAY GROUP F TRAINING (RECRUITS).....	231,028	231,028	231,028	231,028
14900 PAY GROUP P TRAINING (PIPELINE RECRUITS).....	22,493	22,493	22,493	22,493
14905 REALIGNMENT TO BA 2.....	---	---	-50,000	-50,000
15000 TOTAL, BUDGET ACTIVITY 1.....	1,989,605	1,989,605	1,939,605	1,939,605
15050 ACTIVITY 2: OTHER TRAINING AND SUPPORT				
15100 SCHOOL TRAINING.....	189,410	189,410	202,410	196,410
15150 SPECIAL TRAINING.....	67,352	67,352	67,352	67,352
15200 ADMINISTRATION AND SUPPORT.....	1,709,542	1,709,542	1,734,242	1,734,242
15250 EDUCATION BENEFITS.....	58,226	58,226	58,226	58,226
15255 REALIGNMENT FROM BA 1.....	---	---	50,000	50,000
15350 TOTAL, BUDGET ACTIVITY 2.....	2,024,530	2,024,530	2,112,230	2,106,230
15355 PERSONNEL UNDEREXECUTION.....	---	-9,800	---	-5,000
15400 EMERGENCY SPILL RESPONSE PROGRAM.....	---	---	860	860
15445 TOTAL, NATIONAL GUARD PERSONNEL, ARMY.....	4,014,135	4,004,335	4,052,695	4,041,695

Adjustments to Budget Activities

Adjustments to the budget activities are as follows:

(In thousands of dollars)

Budget Activity 1: Unit and Individual Training	
14905 Realignment to Budget Activity Two	–50,000
Budget Activity 2: Other Training and Support	
15100 School Training/Duty MOS Qualification Training	5,000
15100 School Training/Professional Development Training	2,000
15200 Administration and Support/Additional AGR End Strength	24,700
15255 Realignment from Budget Activity One	50,000
Undistributed:	
15355 Personnel Underexecution	–5,000
15400 Emergency Spill Response and Preparedness Program	860

NATIONAL GUARD PERSONNEL, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
15450 NATIONAL GUARD PERSONNEL, AIR FORCE				
15500 ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING				
15550 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48).....	723,053	723,053	723,053	723,053
15600 PAY GROUP F TRAINING (RECRUITS).....	39,284	39,284	39,284	39,284
15650 PAY GROUP P TRAINING (PIPELINE RECRUITS).....	1,070	1,070	1,070	1,070
15750 TOTAL, BUDGET ACTIVITY 1.....	763,407	763,407	763,407	763,407
15800 ACTIVITY 2: OTHER TRAINING AND SUPPORT				
15850 SCHOOL TRAINING.....	122,069	122,069	129,069	129,069
15900 SPECIAL TRAINING.....	86,171	86,171	86,171	86,171
15950 ADMINISTRATION AND SUPPORT.....	790,097	790,097	790,097	790,097
16000 EDUCATION BENEFITS.....	15,000	15,000	15,000	15,000
16100 TOTAL, BUDGET ACTIVITY 2.....	1,013,337	1,013,337	1,020,337	1,020,337
16175 AGR'S FOR BMRST PROGRAM.....	---	910	---	910
16200 TOTAL, NATIONAL GUARD PERSONNEL, AIR FORCE.....	1,776,744	1,777,654	1,783,744	1,784,654

Adjustments to Budget Activities

Adjustments to the budget activities are as follows:

(In thousands of dollars)

Budget Activity 2: Other Training and Support	
15850 School Training	7,000
Undistributed:	
16175 AGR's for BMRST Program	910

TITLE II - OPERATION AND MAINTENANCE

A summary of the conference agreement on the items addressed by either the House or Senate is as follows:

(In thousands of dollars)

		Budget	House	Senate	Conference
50000	RECAPITULATION				
50050	O & M, ARMY	21,191,680	21,021,944	22,941,588	22,335,074
50100	TRANSFER - STOCKPILE	---	---	---	---
50150	O & M, NAVY	26,961,382	26,628,075	27,038,067	26,876,636
50200	TRANSFER - STOCKPILE	---	---	---	---
50250	O & M, MARINE CORPS	2,892,314	2,939,434	2,903,863	2,931,934
50300	O & M, AIR FORCE	26,146,770	25,842,968	26,303,436	26,026,789
50350	TRANSFER - STOCKPILE	---	---	---	---
50400	O & M, DEFENSEWIDE	12,518,631	12,122,590	12,864,644	12,773,270
50500	O & M, ARMY RESERVE	1,787,246	1,788,546	1,771,246	1,771,246
50550	O & M, NAVY RESERVE	1,003,690	1,003,690	1,003,690	1,003,690
50600	O & M, MARINE CORPS RESERVE	144,023	144,023	144,023	144,023
50650	O & M, AIR FORCE RESERVE	2,029,866	2,029,866	2,023,866	2,024,866
50700	O & M, ARMY NATIONAL GUARD	3,677,359	3,723,759	3,743,808	3,768,058
50750	O & M, AIR NATIONAL GUARD	3,867,361	3,972,161	3,998,361	3,988,961

(In thousands of dollars)

		Budget	House	Senate	Conference
50790	OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND.....	2,844,226	2,744,226	---	50,000
50800	UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES...	9,096	9,096	9,096	9,096
50850	ENVIRONMENTAL RESTORATION, ARMY.....	389,800	389,800	389,800	389,800
50900	ENVIRONMENTAL RESTORATION, NAVY.....	257,517	257,517	257,517	257,517
50950	ENVIRONMENTAL RESTORATION, AIR FORCE.....	385,437	385,437	385,437	385,437
51000	ENVIRONMENTAL RESTORATION, DEFENSE-WIDE.....	23,492	23,492	23,492	23,492
51050	ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES	190,255	190,255	230,255	222,255
51200	OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID.....	49,700	49,700	44,700	49,700
51300	FORMER SOVIET UNION THREAT REDUCTION.....	403,000	---	357,000	---
51350	PENTAGON RENOVATION TRANSFER FUND.....	---	---	---	---
51450	QUALITY OF LIFE ENHANCEMENTS, DEFENSE.....	---	---	---	---
51460	SUPPORT FOR INTERNATIONAL SPORTING COMPETITIONS.....	15,800	15,800	15,800	15,800
51600	GRAND TOTAL, O & M.....	106,788,645	105,282,379	106,449,689	105,047,644
51650	TRANSFERS.....	---	---	---	---
51700	TOTAL FUNDS AVAILABLE, O & M.....	106,788,645	105,282,379	106,449,689	105,047,644

INITIAL ENTRY FACILITIES STUDY

The conferees direct the General Accounting Office to report to the congressional defense committees, no later than June 15, 2002, concerning the physical state of the housing and barracks available to military personnel at initial entry and basic training sites for each of the armed services.

OPERATION AND MAINTENANCE, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
100 OPERATION AND MAINTENANCE, ARMY				
150 BUDGET ACTIVITY 1: OPERATING FORCES				
200 LAND FORCES				
250 DIVISIONS	1,171,981	1,188,981	1,171,981	1,184,481
300 CORPS COMBAT FORCES	341,802	341,802	341,802	341,802
350 CORPS SUPPORT FORCES	315,109	315,109	313,609	313,609
400 ECHELON ABOVE CORPS SUPPORT FORCES	476,280	476,280	476,280	476,280
450 LAND FORCES OPERATIONS SUPPORT	997,837	997,837	997,837	997,837
500 LAND FORCES READINESS				
550 FORCE READINESS OPERATIONS SUPPORT	1,132,933	1,132,933	1,142,933	1,140,433
600 LAND FORCES SYSTEMS READINESS	467,197	467,197	467,197	467,197
650 LAND FORCES DEPOT MAINTENANCE	810,561	828,561	810,561	821,861
700 LAND FORCES READINESS SUPPORT				
750 BASE OPERATIONS SUPPORT	2,799,321	2,813,021	2,790,321	2,805,521
800 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (O	1,178,502	1,178,502	1,158,502	1,163,502
850 MANAGEMENT & OPERATIONAL HEADQUARTERS	234,907	234,907	248,607	246,607
900 UNIFIED COMMANDS	77,907	77,907	82,907	80,407
950 MISCELLANEOUS ACTIVITIES	264,215	264,215	264,215	264,215
1045 TOTAL, BUDGET ACTIVITY 1	10,268,552	10,317,252	10,266,752	10,303,752

(In thousands of dollars)

	Budget	House	Senate	Conference
1050 BUDGET ACTIVITY 2: MOBILIZATION				
1100 MOBILITY OPERATIONS				
1200 STRATEGIC MOBILIZATION	385,289	385,289	390,289	387,789
1250 ARMY PREPOSITIONED STOCKS	133,675	133,675	133,675	133,675
1300 INDUSTRIAL PREPAREDNESS	46,442	46,442	71,442	63,942
1325 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (M	16,478	16,478	14,478	14,478
1350 TOTAL, BUDGET ACTIVITY 2	581,884	581,884	609,884	599,884
1400 BUDGET ACTIVITY 3: TRAINING AND RECRUITING				
1450 ACCESSION TRAINING				
1500 OFFICER ACQUISITION	79,842	79,842	79,842	79,842
1550 RECRUIT TRAINING	17,265	17,265	17,265	17,265
1600 ONE STATION UNIT TRAINING	20,485	20,485	20,485	20,485
1650 SENIOR RESERVE OFFICERS' TRAINING CORPS	183,376	183,376	184,626	184,576
1700 BASE OPERATIONS SUPPORT (ACCESSION TRAINING)	80,840	80,840	80,840	80,840
1750 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (A	57,432	57,432	57,432	57,432
1800 BASIC SKILL/ ADVANCE TRAINING				
1850 SPECIALIZED SKILL TRAINING	261,446	263,726	259,446	261,046
1900 FLIGHT TRAINING	403,105	403,105	403,105	403,105
1950 PROFESSIONAL DEVELOPMENT EDUCATION	114,373	114,373	114,373	114,373
2000 TRAINING SUPPORT	485,815	485,815	488,815	487,915
2050 BASE OPERATIONS SUPPORT (BASIC SKILL/ADVANCED TRAINING	898,129	899,729	898,129	900,129
2100 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (B	401,885	401,885	405,385	404,385

(In thousands of dollars)

	Budget	House	Senate	Conference
2150 RECRUITING/OTHER TRAINING				
2200 RECRUITING AND ADVERTISING	442,612	442,612	442,612	442,612
2250 EXAMINING	78,260	78,260	78,260	78,260
2300 OFF-DUTY AND VOLUNTARY EDUCATION	142,515	142,515	142,515	142,515
2350 CIVILIAN EDUCATION AND TRAINING	82,563	82,563	82,563	82,563
2400 JUNIOR RESERVE OFFICERS' TRAINING CORPS	88,873	91,373	88,873	90,173
2450 BASE OPERATIONS SUPPORT (RECRUIT/OTHER TRAINING)	259,491	259,491	259,491	259,491
2500 TOTAL, BUDGET ACTIVITY 3	4,098,307	4,104,687	4,104,057	4,107,007
2550 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
2600 SECURITY PROGRAMS				
2650 SECURITY PROGRAMS	479,506	479,506	479,506	479,506
2700 LOGISTICS OPERATIONS				
2750 SERVICEWIDE TRANSPORTATION	517,218	511,218	517,218	509,218
2800 CENTRAL SUPPLY ACTIVITIES	454,682	462,682	449,682	454,682
2850 LOGISTICS SUPPORT ACTIVITIES	570,911	575,911	570,911	573,911
2900 AMMUNITION MANAGEMENT	357,033	357,033	357,033	357,033

(In thousands of dollars)

	Budget	House	Senate	Conference
2950 SERVICEWIDE SUPPORT				
3000 ADMINISTRATION	536,030	526,030	551,030	540,780
3050 SERVICEWIDE COMMUNICATIONS	532,013	520,013	532,013	532,013
3100 MANPOWER MANAGEMENT	160,159	153,759	160,159	153,759
3150 OTHER PERSONNEL SUPPORT	175,429	175,429	175,429	175,429
3200 OTHER SERVICE SUPPORT	615,653	606,653	620,653	610,953
3250 ARMY CLAIMS	112,947	112,947	112,947	112,947
3300 REAL ESTATE MANAGEMENT	51,431	51,431	51,431	51,431
3350 BASE OPERATIONS SUPPORT (SERVICEWIDE SUPPORT)	1,167,160	1,165,160	1,167,160	1,167,660
3400 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (S	277,609	277,609	280,959	280,209
3550 SUPPORT OF OTHER NATIONS				
3600 INTERNATIONAL MILITARY HEADQUARTERS	180,812	141,812	180,812	150,812
3650 MISC. SUPPORT OF OTHER NATIONS	54,344	54,344	54,344	54,344
3700 TOTAL, BUDGET ACTIVITY 4	6,242,937	6,171,537	6,261,287	6,204,687
3710 CLASSIFIED PROGRAMS UNDISTRIBUTED	---	10,794	40,400	26,794
3740 MEMORIAL EVENTS	---	350	---	350
3835 REPAIRS AT FT. BAKER	---	1,000	---	1,000
3845 DEFENSE JOINT ACCOUNTING SYSTEM	---	-12,500	-12,500	-12,500
3855 WMD-COUNTER-TERRORISM TRAINING/TESTING MEMORIAL TUNNEL	---	---	19,300	16,500
3950 REDUCTION IN STRATEGIC SOURCING (A-76 STUDIES)	---	-8,360	---	-8,360
3970 INFORMATION TECHNOLOGY SYSTEM, ARMY	---	-20,000	---	---
3982 FIRES PROGRAM DATA CAPTURE	---	---	8,000	6,800
3985 CIVILIAN PERSONNEL SAVINGS	---	---	-24,500	---
3987 DISA TIER ONE RATE	---	---	-43,700	-43,700
3988 BALKANS OPERATIONS	---	---	1,778,248	1,308,500

(In thousands of dollars)

	Budget	House	Senate	Conference
3989 OVERSTATED CIVILIAN BUYOUT COSTS	---	---	-40,640	-40,640
3990 HEADQUARTERS STAFF REDUCTION	---	-82,200	---	-82,200
3994 SRM TRANSFER TO NATIONAL GUARD	---	---	-25,000	-25,000
4000 TRAVEL OF PERSONS	---	-19,000	---	---
4010 CIVILIAN PERSONNEL UNDEREXECUTION	---	-16,000	---	-20,000
4020 MOBILITY ENHANCEMENT STUDY	---	500	---	500
4040 WMD RESPONSE ELEMENT TRAINING	---	2,000	---	1,700
4060 CAMOUFLAGE NETS	---	-10,000	---	-10,000
4180 TOTAL, OPERATION AND MAINTENANCE, ARMY	21,191,680	21,021,944	22,941,588	22,335,074
4190 TRANSFER	---	---	---	---
4200 TOTAL FUNDING AVAILABLE	(21,191,680)	(21,021,944)	(22,941,588)	(22,335,074)

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:		
250	M-Gator	2,500
250	CAMS	7,000
250	Blister Guard Socks	1,000
250	10th Mountain Division ASL Containers	1,000
250	Hydration on the Move (Camelbak)	1,000
350	Finance and Personnel	-1,500
550	Skid Steer Loaders	7,500
650	Mobile Kitchen Trailers	4,300
650	Communications and Electronics	6,000
650	Anniston Army Depot Apprenticeship program	1,000
750	NTC Airhead	1,300
750	Training Facilities Support	7,800
750	Salute Our Services Pilot Program	2,600
750	BOS – Efficient Basing South Costs	-3,500
750	BOS – Transition Studies	-2,000
800	USAREUR SRM	-15,000
850	USARPAC Transformation Planning	8,500
850	USARPAC Command, Control, and Communications Upgrades	3,200
900	Hunter UAV	2,500
Budget Activity 2: Mobilization:		
1200	Field Pack-up System	2,500
1300	Underutilized Plant Capacity	17,500
1325	Mobilization Enhancements, pre-QDR	-2,000
Budget Activity 3: Training and Recruiting:		
1650	Air Battle Captain	1,000
1650	ROTC Facility Rehabilitation	200
1850	DLI Dormitory Furnishings and Equipment	1,000
1850	Military Police MCTFT Joint Training	1,000
1850	Joint Assessment Neurological Exam Eqpt	2,600
1850	Training Support – Other Contracts	-5,000
2000	Fort Knox Distance Learning	2,100
2050	Fort Bliss Desalination Plant Study	1,000
2050	Fort Bliss Water System Pre-design Study	1,000
2100	MUCT Site Upgrades	2,500
2400	Junior ROTC	1,300
Budget Activity 4: Administration and Servicewide Activities:		
2750	Servicewide Transportation	-10,000
2750	MTMC DRMEC Demo Project including RAPID	2,000
2800	Pulse Technology - Battery Management	3,500
2800	Pulse Technology - BATTCAVE	1,500
2800	Central Supply Activities	-5,000
2850	Electronic Maintenance System Interactive Electronic Maintenance Manuals	2,000
2850	LOGTECH Center of Excellence in Logistics	1,000
3000	Administration	-10,000

3000	Biometrics Support	14,750
3100	Manpower Management (DCPS)	-6,400
3200	Other Servicewide Support	-9,000
3200	Army Conservation and Ecosystem Management	4,300
3350	Innovative Safety Management	2,500
3350	A-76 Process Aberdeen Proving Ground	-2,000
3400	Fort Richardson, Camp Denali Water Systems	600
3400	Rock Island Bridge Repairs	2,000
3600	International Military Headquarters	-30,000
Undistributed:		
3710	Classified Programs	26,794
3740	Memorial Events	350
3835	Repairs at Fort Baker	1,000
3845	Defense Joint Accounting System	-12,500
3855	Memorial Tunnel Consequence Management	16,500
3950	A-76 Studies	-8,360
3982	FIRES Program Data Capture	6,800
3987	DISA Tier One Rate	-43,700
3988	Balkan Operations	1,308,500
3989	Overstated Civilian Buyout Costs	-40,640
3990	Headquarters Staff Reduction	-82,200
3994	SRM Transfer to Army National Guard	-25,000
4010	Civilian Personnel Underexecution	-20,000
4020	Mobility Enhancement Study	500
4040	WMD – Response Element Adv Lab Training	1,700
4060	Camouflage Nets	-10,000

ARMY REORGANIZATION

The conferees commend the Secretary of the Army for undertaking a comprehensive review of Army requirements generation, acquisition, resource management, and Departmental headquarters functions and systems. The Center for Naval Analyses study required by the conferees in fiscal year 2001 identified serious management issues that merited careful review and analysis. The Army has taken several promising steps in response to this report to reduce duplication and improve efficiency in the acquisition and headquarters management area, and the conferees are hopeful that the final Army plan will realize the full benefits identified in the CNA analysis. The conferees have included a Provision (Sec. 8149) requiring the Secretary of the Army to submit a final report to the congressional defense committees describing the complete reorganization plan that he intends to implement by no later than April 15, 2002. This report shall describe the final realignments contemplated for all functional areas, and identify the operational efficiencies, personnel realignments and cost savings to be derived from this comprehensive reorganization on an annual basis through fiscal year 2008. The conferees believe the Army also will benefit from a close-out review by the CNA review team to comment on and validate the realignments. Section 8149 calls for a final CNA review to undertake this activity. The conferees view these management reforms as an important step to improve the Army's ability to deliver its bold transformation plan in the timeframe articulated by Army leaders.

INNOVATIVE SAFETY MANAGEMENT PILOT

The conferees recognize that there are initiatives underway in the private sector that dramatically reduce the incidence of workplace injuries and their related costs. The conferees therefore direct the Secretary of the Army to adopt for use in the workplace of civilian employees of the Department of the Army such work safety models used by employers in the private sector that the Secretary considers as being representative of the best work safety practices in use by private sector employers. The conferees recommend an additional $2,500,000 in Operation and Maintenance, Army to begin this initiative in fiscal year 2002.

UNUTILIZED PLANT CAPACITY

The conference agreement provides an additional $17,500,000 for industrial preparedness, or unutilized plant capacity, above the funds identified in the budget request. The conferees direct the Army to allocate no less then $25,000,000 above the request for unutilized plant capacity. Of these funds, $7,500,000 shall be available for the Arsenal Support Initiative.

ROTC FACILITY REHABILITATION

The conferees provide an additional $200,000 in Operation and Maintenance, Army only for rehabilitation of the athletic facility used for the joint Husson College and University of Maine ROTC program.

ST. LOUIS ARMY AMMUNITION PLANT

The conferees direct that of the funds provided in Operation and Maintenance, Army, $5,000,000 shall be available only for St. Louis Army Ammunition Plant clean up and disposal costs.

OTHER PROGRAMS

The conferees agree to provide funds for the Expert Radar Signature Solutions in the appropriate Research, Development, Test and Evaluation account.

The conferees agree that funds provided for language training programs should be used to meet critical advanced language training requirements.

OPERATION AND MAINTENANCE, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
4250 OPERATION AND MAINTENANCE, NAVY				
4300 BUDGET ACTIVITY 1: OPERATING FORCES				
4350 AIR OPERATIONS 4400 MISSION AND OTHER FLIGHT OPERATIONS	3,206,849	3,206,849	3,206,849	3,206,849
4450 FLEET AIR TRAINING	950,969	950,969	950,969	950,969
4500 INTERMEDIATE MAINTENANCE	62,487	64,487	62,487	64,187
4550 AIR OPERATIONS AND SAFETY SUPPORT	103,355	103,355	103,355	103,355
4600 AIRCRAFT DEPOT MAINTENANCE	854,298	864,298	856,298	864,198
4650 AIRCRAFT DEPOT OPERATIONS SUPPORT	54,194	54,194	54,194	54,194
4800 SHIP OPERATIONS 4850 MISSION AND OTHER SHIP OPERATIONS	2,315,172	2,315,172	2,315,172	2,315,172
4900 SHIP OPERATIONAL SUPPORT AND TRAINING	545,279	545,279	545,279	545,279
4950 INTERMEDIATE MAINTENANCE	387,282	387,282	387,282	387,282
5000 SHIP DEPOT MAINTENANCE	2,917,829	2,917,829	2,917,829	2,917,829
5050 SHIP DEPOT OPERATIONS SUPPORT	1,330,524	1,338,524	1,349,524	1,355,524
5200 COMBAT OPERATIONS/SUPPORT 5250 COMBAT COMMUNICATIONS	384,534	384,534	384,534	385,534
5300 ELECTRONIC WARFARE	15,466	15,466	15,466	15,466
5350 SPACE SYSTEMS & SURVEILLANCE	182,165	182,165	182,165	182,165
5400 WARFARE TACTICS	163,864	163,864	187,864	184,264
5450 OPERATIONAL METEOROLOGY & OCEANOGRAPHY	258,051	258,051	264,551	262,051
5500 COMBAT SUPPORT FORCES	618,874	618,874	623,874	623,174
5550 EQUIPMENT MAINTENANCE	173,381	179,881	173,381	177,881
5600 DEPOT OPERATIONS SUPPORT	1,737	1,737	1,737	1,737
5750 WEAPONS SUPPORT 5800 CRUISE MISSILE	124,342	124,342	124,342	124,342

(In thousands of dollars)

	Budget	House	Senate	Conference
5850 FLEET BALLISTIC MISSILE	812,743	812,743	812,743	812,743
5900 IN-SERVICE WEAPONS SYSTEMS SUPPORT	47,762	47,762	47,762	47,762
5950 WEAPONS MAINTENANCE	396,836	401,836	416,836	410,436
6100 WORKING CAPITAL FUND SUPPORT				
6150 NWCF SUPPORT	1,421	1,421	1,421	1,421
6200 BASE SUPPORT				
6210 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	1,019,891	1,019,891	1,025,691	1,023,991
6220 BASE SUPPORT	2,572,092	2,584,092	2,572,092	2,580,492
6230 TOTAL, BUDGET ACTIVITY 1	19,501,397	19,544,897	19,583,697	19,598,297
6250 BUDGET ACTIVITY 2: MOBILIZATION				
6300 READY RESERVE AND PREPOSITIONING FORCES				
6350 SHIP PREPOSITIONING AND SURGE	506,394	506,394	506,394	506,394
6400 ACTIVATIONS/INACTIVATIONS				
6450 AIRCRAFT ACTIVATIONS/INACTIVATIONS	5,506	5,506	5,506	5,506
6500 SHIP ACTIVATIONS/INACTIVATIONS	261,649	261,649	249,649	248,149
6550 MOBILIZATION PREPAREDNESS				
6600 FLEET HOSPITAL PROGRAM	23,803	23,803	23,803	23,803
6650 INDUSTRIAL READINESS	1,177	1,177	1,177	1,177
6700 COAST GUARD SUPPORT	17,490	17,490	17,490	17,490
6750 TOTAL, BUDGET ACTIVITY 2	816,019	816,019	804,019	802,519
6800 BUDGET ACTIVITY 3: TRAINING AND RECRUITING				
6850 ACCESSION TRAINING				
6900 OFFICER ACQUISITION	96,581	96,581	96,581	96,581
6950 RECRUIT TRAINING	6,724	6,724	6,724	6,724
7000 RESERVE OFFICERS TRAINING CORPS (ROTC)	79,526	81,726	79,526	81,726

(In thousands of dollars)

	Budget	House	Senate	Conference
7150 BASIC SKILLS AND ADVANCED TRAINING				
7200 SPECIALIZED SKILL TRAINING	306,012	308,012	306,012	307,012
7250 FLIGHT TRAINING	367,343	367,343	367,343	367,343
7300 PROFESSIONAL DEVELOPMENT EDUCATION	111,404	115,404	111,404	113,404
7350 TRAINING SUPPORT	192,931	203,931	192,931	202,331
7500 RECRUITING, AND OTHER TRAINING AND EDUCATION				
7550 RECRUITING AND ADVERTISING	238,727	238,727	238,727	238,727
7600 OFF-DUTY AND VOLUNTARY EDUCATION	97,957	97,957	97,957	97,957
7650 CIVILIAN EDUCATION AND TRAINING	59,745	59,745	59,745	59,745
7700 JUNIOR ROTC	32,519	34,449	34,519	34,449
7820 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	195,939	195,939	195,939	195,939
7830 BASE SUPPORT	365,425	365,425	365,425	365,425
7850 TOTAL, BUDGET ACTIVITY 3	2,150,833	2,171,963	2,152,833	2,167,363
7900 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
7950 SERVICEWIDE SUPPORT				
8000 ADMINISTRATION	692,748	664,748	695,748	666,248
8050 EXTERNAL RELATIONS	4,131	4,131	4,131	4,131
8100 CIVILIAN MANPOWER & PERSONNEL MGT	111,789	111,789	111,789	111,789
8150 MILITARY MANPOWER & PERSONNEL MGT	94,896	94,896	94,896	94,896
8200 OTHER PERSONNEL SUPPORT	195,729	195,729	194,729	194,729
8250 SERVICEWIDE COMMUNICATIONS	603,354	603,354	603,354	603,354
8450 LOGISTICS OPERATIONS AND TECHNICAL SUPPORT				
8500 SERVICEWIDE TRANSPORTATION	185,483	185,483	185,483	185,483
8550 PLANNING, ENGINEERING & DESIGN	343,754	308,254	343,754	335,754
8600 ACQUISITION AND PROGRAM MANAGEMENT	723,156	679,156	723,156	674,656

(In thousands of dollars)

		Budget	House	Senate	Conference
8650	AIR SYSTEMS SUPPORT	400,955	403,955	399,955	404,455
8700	HULL, MECHANICAL & ELECTRICAL SUPPORT	52,908	52,908	52,908	52,908
8750	COMBAT/WEAPONS SYSTEMS	40,850	40,850	40,850	40,850
8800	SPACE & ELECTRONIC WARFARE SYSTEMS	54,639	54,639	54,639	54,639
8950	SECURITY PROGRAMS				
9000	SECURITY PROGRAMS	673,912	673,912	673,912	673,912
9150	SUPPORT OF OTHER NATIONS				
9200	INTERNATIONAL HDQTRS & AGENCIES	9,994	9,994	9,994	9,994
9220	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	102,588	102,588	102,588	102,588
9230	BASE SUPPORT	202,247	202,247	202,247	202,247
9250	TOTAL, BUDGET ACTIVITY 4	4,493,133	4,388,633	4,494,133	4,412,633
9280	CLASSIFIED PROGRAMS UNDISTRIBUTED	---	3,223	10,000	9,223
9415	DEFENSE JOINT ACCOUNTING SYSTEM	---	-7,000	-7,000	-7,000
9490	REDUCTION IN STRATEGIC SOURCING (A-76 STUDIES)	---	-53,560	---	-30,000
9520	ENTERPRISE RESOURCE PLANNING	---	-33,000	---	---
9540	INFORMATION TECHNOLOGY SYSTEM, NAVY	---	-20,000	---	---
9570	NAVY MARINE CORPS INTRANET	---	-120,000	---	---
9575	BALKANS OPERATIONS	---	---	52,785	27,101
9580	HEADQUARTERS STAFF REDUCTION	---	-51,100	---	-51,100
9590	TRAVEL OF PERSONS	---	-12,000	---	---
9680	DISA TIER ONE TRANSFER	---	---	-52,400	-52,400
9750	TOTAL, OPERATION AND MAINTENANCE, NAVY	26,961,382	26,628,075	27,038,067	26,876,636
9800	TRANSFER	---	---	---	---
9850	TOTAL FUNDING AVAILABLE	(26,961,382)	(26,628,075)	(27,038,067)	(26,876,636)

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:		
4500	DSM-156 Missile Test Set Upgrade	1,700
4600	NAVAIR CAT and RADCOM test system	8,500
4600	F-404-402 Spare Modules	1,400
5050	NUWC Torpedo Depot Apprentice Program	1,400
5050	Improved Engineering Design Process	3,000
5050	Shipyard Apprentice Program	7,800
5050	PHNSY SRM	12,800
5250	Joint Airborne Tactical Elect Cbt Training Program	1,000
5400	Warfare Tactics PMRF	20,400
5450	Hydrographic Center of Excellence	2,500
5450	UNOLS	1,500
5500	Center of Excellence for Disaster Mgt & Humanitarian Assistance	4,300
5550	Manual Reverse Osmosis Desalinators	1,000
5550	Naval Coastal Warfare Training Improvements	3,500
5950	Mark 45 Gun System Overhaul	5,600
5950	Phalanx CIWS Units Overhaul	7,000
5950	NULKA Ship Self-Defense Missile	1,000
6210	NAS Meridian Airfield Lighting	4,100
6220	Infrastructure Protection	4,000
6220	Northwest Environmental Resource Center	4,900
6220	NWS Seal Beach Detachment, Concord, Joint Use Feasibility Analysis	1,000
6220	Excess Administrative Overhead	-1,500
Budget Activity 2: Mobilization		
6500	Submarine Conversion	-17,000
6500	Ship Disposal Project	3,500
Budget Activity 3: Training and Recruiting:		
7000	ROTC Programs	2,200
7200	Naval Aviation Apprenticeship Program	1,000
7300	NPS – CDTEMS	2,000
7350	Distance Learning CNET	3,400
7350	Navy Learning Network Program CNET	3,400
7350	Maintenance and Training Process CNET	2,600
7700	Junior ROTC	930
7700	Naval Sea Cadet Corps	1,000
Budget Activity 4: Administration and Servicewide Activities:		
8000	Administration	-30,000
8000	Advanced Technology Information Support	1,000
8000	Biometrics Support	2,500
8200	Center for Career Development Program Growth	-1,000
8550	Naval Facilities Engineering Command	-5,000
8550	Planning, Engineering and Design	-6,000
8550	NSW Carderock All Weather Cargo Transfer Sys	500
8550	Stainless Steel Sanitary Space System	2,500
8600	Acquisition and Program Management	-53,000
8600	SPAWAR ITC Operations	4,500
8650	Configuration Management Information System	3,500

Undistributed:

9280	Classified Programs	9,223
9415	Defense Joint Accounting System	-7000
9490	A-76 Studies	-30,000
9575	Balkans Operations	27,101
9580	Headquarters Staff Reduction	-51,100
9680	DISA Tier One Rate	-52,400

SHIP DEPOT MAINTENANCE

The conferees are aware that the ship depot maintenance account has been underfunded in recent years. This underfunding was caused by several factors, including a deficient calculation that understated the requirement, underfunding of the requirement which was identified, and the added costs associated with high deployment levels. The conferees applaud the Navy's efforts to revise the maintenance calculation to more adequately reflect the real requirement, and to fully fund maintenance in the future. The conferees recognize, however, that the FY02 budget lacks the necessary funds to implement them. The conferees expect that for FY03 and future years the Navy will implement the revised maintenance calculations to properly align depot maintenance requirements and necessary funding. The conferees direct the Secretary of the Navy to provide with the FY03 budget submission a plan to eliminate the maintenance backlog that has accumulated as a result of previous underfunding.

MANUAL REVERSE OSMOSIS DESALINATORS

The Committee has provided an additional $1,000,000 for the refurbishment of Manual Reverse Osmosis Desalinators (MROD). Of the additional funds provided, $500,000 is to be used for Navy surface fleet MROD refurbishment, and $500,000 is to be used for Navy Aviation MROD refurbishment.

POINT MOLATE

In view of the public safety and historic preservation issues involved, the conferees believe the Navy should continue the level of effort it provided in FY 2001 in carrying out its joint caretaker responsibilities for the base at Point Molate while it is being prepared for conveyance. The conferees expect the Naval Facilities Engineering Command and the City of Richmond, CA to operate under similar terms and conditions as agreed to in their Cooperative Agreement through the balance of fiscal year 2002.

OPERATION AND MAINTENANCE, MARINE CORPS

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
9900 OPERATION AND MAINTENANCE, MARINE CORPS				
9950 BUDGET ACTIVITY 1: OPERATING FORCES				
10000 EXPEDITIONARY FORCES				
10050 OPERATIONAL FORCES	459,739	476,239	464,739	473,939
10100 FIELD LOGISTICS	257,952	262,952	257,952	262,252
10150 DEPOT MAINTENANCE	107,849	112,849	107,849	112,149
10200 BASE SUPPORT	842,631	865,281	842,631	859,881
10250 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	363,528	366,128	363,528	365,728
10300 USMC PREPOSITIONING				
10350 MARITIME PREPOSITIONING	83,506	83,506	83,506	83,506
10400 NORWAY PREPOSITIONING	5,169	5,169	5,169	5,169
10450 TOTAL, BUDGET ACTIVITY 1	2,120,374	2,172,124	2,125,374	2,162,624
10500 BUDGET ACTIVITY 3: TRAINING AND RECRUITING				
10550 ACCESSION TRAINING				
10600 RECRUIT TRAINING	11,053	11,053	11,053	11,053
10650 OFFICER ACQUISITION	317	317	317	317
10700 BASE SUPPORT	62,055	62,055	62,055	62,055
10750 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	22,285	22,285	22,285	22,285
10800 BASIC SKILLS AND ADVANCED TRAINING				
10850 SPECIALIZED SKILLS TRAINING	32,280	32,280	32,280	32,280
10900 FLIGHT TRAINING	170	170	170	170
10950 PROFESSIONAL DEVELOPMENT EDUCATION	8,553	8,553	8,553	8,553
11000 TRAINING SUPPORT	95,066	95,066	95,066	95,066
11050 BASE SUPPORT	65,140	65,140	65,140	65,140
11100 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	28,078	28,078	28,078	28,078

(In thousands of dollars)

	Budget	House	Senate	Conference
11150 RECRUITING AND OTHER TRAINING EDUCATION				
11200 RECRUITING AND ADVERTISING	109,012	109,012	109,012	109,012
11250 OFF-DUTY AND VOLUNTARY EDUCATION	21,994	21,994	21,994	21,994
11300 JUNIOR ROTC	12,808	13,178	12,808	13,178
11350 BASE SUPPORT	12,209	12,209	12,209	12,209
11400 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	2,644	2,644	2,644	2,644
11450 TOTAL, BUDGET ACTIVITY 3	483,664	484,034	483,664	484,034
11500 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
11550 SERVICEWIDE SUPPORT				
11650 SPECIAL SUPPORT	209,125	209,125	209,125	209,125
11700 SERVICEWIDE TRANSPORTATION	31,118	31,118	31,118	31,118
11750 ADMINISTRATION	29,895	29,895	29,895	29,895
11800 BASE SUPPORT	16,335	16,335	16,335	16,335
11850 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	1,803	1,803	1,803	1,803
11900 TOTAL, BUDGET ACTIVITY 4	288,276	288,276	288,276	288,276
12055 BALKANS OPERATIONS	---	---	6,549	2,000
12060 HEADQUARTERS STAFF REDUCTION	---	-4,000	---	-4,000
12070 REDUCTION IN STRATEGIC SOURCING (A-76 STUDIES)	---	-1,000	---	-1,000
12300 TOTAL, OPERATION AND MAINTENANCE, MARINE CORPS	2,892,314	2,939,434	2,903,863	2,931,934

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
10050 Extreme Cold Weather Clothing System	1,000
10050 Modular General Purpose Tent System	2,500
10050 Blister Guard Socks	1,000
10050 Hydration on the Move (Camelbak)	1,000
10050 MOLLE	4,800
10050 Joint Service NBC Defense Equipment Surveillance	2,900
10050 ULCANS	1,000
10100 Log Improvement Initiative (Ground Supply Chain Management)	2,600
10100 System Integration Environment Spt for VII MEF	1,700
10150 Depot Maintenance – Radar Systems	4,300
10200 Waste Water Treatment Study	250
10200 Twentynine Palms MAGTF MOUT Facility Feasibility Study	1,300
10200 Training and Support Facilities Improvements	15,700
10250 MAGTFTØ Twentynine Palms	2,200
Budget Activity 3: Training and Recruiting:	
11300 Junior ROTC	370
Undistributed:	
12055 Balkans Operations	2,000
12060 Headquarters Staff Reduction	-4,000
12070 A-76 Studies	-1,000

OPERATION AND MAINTENANCE, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
12450 OPERATION AND MAINTENANCE, AIR FORCE				
12500 BUDGET ACTIVITY 1: OPERATING FORCES				
12550 AIR OPERATIONS				
12600 PRIMARY COMBAT FORCES	3,247,230	3,247,230	3,284,630	3,273,230
12650 PRIMARY COMBAT WEAPONS	325,948	325,948	325,948	325,948
12700 COMBAT ENHANCEMENT FORCES	234,838	234,838	234,838	234,838
12750 AIR OPERATIONS TRAINING	1,227,042	1,227,042	1,234,542	1,232,342
12775 DEPOT MAINTENANCE	1,361,089	1,361,089	1,361,089	1,361,089
12800 COMBAT COMMUNICATIONS	1,356,865	1,356,865	1,356,865	1,357,865
12850 BASE SUPPORT	2,212,409	2,222,909	2,222,409	2,225,609
12900 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	835,329	835,329	845,829	840,829
12950 COMBAT RELATED OPERATIONS				
13000 GLOBAL C3I AND EARLY WARNING	843,775	843,775	843,775	843,775
13050 NAVIGATION/WEATHER SUPPORT	170,965	170,965	174,965	174,365
13100 OTHER COMBAT OPS SUPPORT PROGRAMS	404,665	404,665	404,665	404,665
13150 JCS EXERCISES	37,839	37,839	37,839	37,839
13200 MANAGEMENT/OPERATIONAL HEADQUARTERS	174,580	164,580	170,580	170,580
13250 TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES	228,775	228,775	228,775	228,775

(In thousands of dollars)

	Budget	House	Senate	Conference
13300 SPACE OPERATIONS				
13350 LAUNCH FACILITIES	258,792	258,792	258,792	258,792
13400 LAUNCH VEHICLES	147,510	147,510	147,510	147,510
13450 SPACE CONTROL SYSTEMS	251,738	251,738	248,738	248,738
13500 SATELLITE SYSTEMS	53,780	53,780	52,780	52,780
13550 OTHER SPACE OPERATIONS	146,175	146,175	142,175	142,175
13600 BASE SUPPORT	425,643	425,643	425,643	425,643
13650 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	131,643	131,643	131,643	131,643
13700 TOTAL, BUDGET ACTIVITY 1	14,076,630	14,077,130	14,134,030	14,119,030
13750 BUDGET ACTIVITY 2: MOBILIZATION				
13800 MOBILITY OPERATIONS				
13850 AIRLIFT OPERATIONS	2,056,383	2,056,383	2,056,383	2,056,383
13900 AIRLIFT OPERATIONS C3I	37,706	37,706	37,706	37,706
13950 MOBILIZATION PREPAREDNESS	169,421	169,421	169,421	169,421
13975 DEPOT MAINTENANCE	296,014	296,014	296,014	296,014
14000 PAYMENTS TO TRANSPORTATION BUSINESS AREA	473,243	473,243	473,243	473,243
14050 BASE SUPPORT	487,654	487,654	487,654	487,654
14100 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	97,627	97,627	99,627	99,327
14150 TOTAL, BUDGET ACTIVITY 2	3,618,048	3,618,048	3,620,048	3,619,748

(In thousands of dollars)

	Budget	House	Senate	Conference
14200 BUDGET ACTIVITY 3: TRAINING AND RECRUITING				
14250 ACCESSION TRAINING				
14300 OFFICER ACQUISITION	66,566	66,566	66,566	66,566
14350 RECRUIT TRAINING	5,943	5,943	5,943	5,943
14400 RESERVE OFFICER TRAINING CORPS (ROTC)	64,289	64,289	64,289	64,289
14450 BASE SUPPORT (ACADEMIES ONLY)	70,412	70,412	70,412	70,412
14500 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (A	60,434	60,434	60,434	60,434
14550 BASIC SKILLS AND ADVANCED TRAINING				
14600 SPECIALIZED SKILL TRAINING	310,216	311,216	312,716	311,216
14650 FLIGHT TRAINING	657,993	657,993	658,993	658,993
14700 PROFESSIONAL DEVELOPMENT EDUCATION	115,049	115,049	115,049	115,049
14750 TRAINING SUPPORT	83,778	83,778	83,778	83,778
14775 DEPOT MAINTENANCE	14,748	14,748	14,748	14,748
14800 BASE SUPPORT (OTHER TRAINING)	543,005	543,005	543,005	543,005
14850 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (O	148,663	148,663	148,663	148,663
14900 RECRUITING, AND OTHER TRAINING AND EDUCATION				
14950 RECRUITING AND ADVERTISING	139,189	139,189	139,189	139,189
15000 EXAMINING	3,640	3,640	3,640	3,640
15050 OFF DUTY AND VOLUNTARY EDUCATION	91,757	91,757	91,757	91,757
15100 CIVILIAN EDUCATION AND TRAINING	82,238	82,238	82,238	82,238
15150 JUNIOR ROTC	41,829	43,029	41,829	42,829
15200 TOTAL, BUDGET ACTIVITY 3	2,499,749	2,501,949	2,503,249	2,502,749

(In thousands of dollars)

	Budget	House	Senate	Conference
15250 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
15300 LOGISTICS OPERATIONS				
15350 LOGISTICS OPERATIONS	1,052,171	1,037,171	1,052,171	1,032,871
15400 TECHNICAL SUPPORT ACTIVITIES	404,678	404,678	404,678	404,678
15450 SERVICEWIDE TRANSPORTATION	249,055	229,055	249,055	229,055
15475 DEPOT MAINTENANCE	305,525	305,525	305,525	305,525
15500 BASE SUPPORT	1,115,273	1,115,273	1,115,273	1,115,273
15550 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	239,442	239,442	250,442	248,942
15600 SERVICEWIDE ACTIVITIES				
15650 ADMINISTRATION	213,767	199,767	213,767	199,767
15700 SERVICEWIDE COMMUNICATIONS	342,864	334,864	342,864	334,864
15750 PERSONNEL PROGRAMS	164,480	164,480	164,480	164,480
15800 RESCUE AND RECOVERY SERVICES	72,375	72,375	72,375	72,375
15900 ARMS CONTROL	34,742	34,742	34,742	34,742
15950 OTHER SERVICEWIDE ACTIVITIES	602,561	585,561	602,561	583,561
16000 OTHER PERSONNEL SUPPORT	36,984	36,984	36,984	36,984
16050 CIVIL AIR PATROL CORPORATION	18,303	18,303	22,803	21,503
16100 BASE SUPPORT	233,256	234,006	233,256	234,006
16150 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	21,792	21,792	21,792	21,792
16200 SECURITY PROGRAMS				
16250 SECURITY PROGRAMS	824,906	824,906	824,906	824,906
16300 SUPPORT TO OTHER NATIONS				
16350 INTERNATIONAL SUPPORT	20,169	15,169	20,169	15,169
16400 TOTAL, BUDGET ACTIVITY 4	5,952,343	5,874,093	5,967,843	5,880,493

(In thousands of dollars)

	Budget	House	Senate	Conference
16450 CLASSIFIED PROGRAMS UNDISTRIBUTED	---	-24,532	1,500	-18,332
16660 DEFENSE JOINT ACCOUNTING SYSTEM	---	-7,000	-7,000	-7,000
16720 TRAVEL OF PERSONS	---	-43,000	---	---
16730 ELMENDORF AFB TRANSPORTATION INFRASTRUCTURE	---	---	12,000	10,200
16750 ACTIVE DUTY MILITARY PERSONNEL UNDEREXECUTION SUPPORT	---	-75,000	---	-75,000
16760 REDUCTION IN STRATEGIC SOURCING (A-76 STUDIES)	---	-8,320	---	-8,320
16810 INFORMATION TECHNOLOGY SYSTEM, AIR FORCE	---	-20,000	---	---
16820 CONSULTANTS, AIR FORCE	---	---	-42,000	-20,000
16825 MTAPP	---	---	4,000	2,800
16830 HEADQUARTERS STAFF REDUCTION	---	-50,400	---	-50,400
16865 DISA TIER ONE RATE	---	---	-51,900	-51,900
16870 BALKANS OPERATIONS	---	---	161,666	122,721
16910 TOTAL, O&M, AIR FORCE	26,146,770	25,842,968	26,303,436	26,026,789
16920 TRANSFER	---	---	---	---
16940 TOTAL FUNDING AVAILABLE	(26,146,770)	(25,842,968)	(26,303,436)	(26,026,789)

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
12600 B-52 Attrition Reserve	26,000
12750 F-16 Distributed Mission Training	5,300
12800 Joint Airborne Tactical Elect Cbt Training Program	1,000
12850 Battle Lab Engineering and Tech Support	4,700
12850 Pacific Server Consolidation	8,500
12900 Grand Forks AFB Ramp Refurbishment	5,000
12900 Wind Energy Fund	500
13050 University Partnership for Operational Support	3,400
13200 Scheduling Integration Team – Contractor Support	-4,000
13450 Space Control Systems	-3,000
13500 Satellite Systems	-1,000
13550 Growth in Contractor Costs	-4,000
Budget Activity 2: Mobilization	
14100 PACAF Strategic Airlift Planning	1,700
Budget Activity 3: Training and Recruiting:	
14600 IT Workforce Re-Skilling	1,000
14650 MBU-20 Oxygen Mask	1,000
15150 Junior ROTC	1,000
Budget Activity 4: Administration and Servicewide Activities:	
15350 CKU-5 Rocket Catapult PPI	1,700
15350 Aging Propulsion System Life Extension	1,500
15350 L-SMART Information System Logistics Opns.	2,500
15350 Acquisition Efficiencies	-25,000
15450 Servicewide Transportation	-20,000
15550 Hickham AFB Alternative Fuel Vehicle Program	1,000
15550 SRM, Eilson Utilidors	8,500
15650 Administration	-14,000
15700 Servicewide Communications	-8,000
15950 Other Servicewide Activities	-19,000
16050 Civil Air Patrol	3,200
16100 William Lehman Aviation Center	750
16350 International Support	-5,000
Undistributed:	
16450 Classified Programs	-18,332
16660 Defense Joint Accounting System	-7,000
16730 Elmendorf AFB Transportation Infrastructure	10,200
16750 Active Duty Military Personnel Underexecution Support	-75,000
16760 A-76 Studies	-8320
16820 Consultants/Contractor Advisory Service	-20,000
16825 MTAPP	2,800
16830 Headquarters Staff Reduction	**-50,400**
16865 DISA Tier One Rate	-51,900
16870 Balkans Operations	122,721

CONTAMINANT AIR PROCESSING SYSTEMS

The conferees commend the Secretary of the Air Force for standardizing mission critical equipment that allows Air Force personnel to be effectively processed after contact with biological, chemical or nuclear agents. The conferees instruct the Secretary to use $1,000,000 within available funds to enable installations to purchase contaminant air processing systems and related components to ensure all Air Force installations are standardized in this methodology and equipment.

INTERNATIONAL SUPPORT

The conferees are pleased with efforts and progress made in programs funded in the Air Force subactivity group for International Support. The conferees are aware that these funds support U.S. Central Command's military contacts with Central Asian States. The conferees encourage continued progress in the Cooperative Defense Initiative that is underway to assess the ability of regional partners to respond to chemical or biological attacks. Funding reductions in this line to limit overall growth are not punitive in nature, and the Secretary of the Air Force is encouraged to support this worthy program.

OTHER PROGRAMS

The conferees agree to reduce U–2 operation and maintenance (O&M) funding by $3,000,000 due to availability of funds in the appropriate Research, Development, Test and Evaluation account and recommends that these funds be transferred to O&M to offset this reduction.

The conferees agree to provide an additional $1,500,000 for the Threat Representation and Validation project and an additional $2,500,000 for operation of the Eagle Vision System for the Air National Guard.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
16950 OPERATION AND MAINTENANCE, DEFENSE-WIDE				
17000 BUDGET ACTIVITY 1: OPERATING FORCES				
17050 JOINT CHIEFS OF STAFF	373,832	373,832	373,832	373,832
17100 SPECIAL OPERATIONS COMMAND	1,404,797	1,404,797	1,379,797	1,385,997
17150 TOTAL, BUDGET ACTIVITY 1	1,778,629	1,778,629	1,753,629	1,759,829
17200 BUDGET ACTIVITY 2: MOBILIZATION				
17250 DEFENSE LOGISTICS AGENCY	44,691	44,691	44,691	44,691
17350 BUDGET ACTIVITY 3: TRAINING AND RECRUITING				
17450 AMERICAN FORCES INFORMATION SERVICE	11,135	11,135	11,135	11,135
17460 DEFENSE ACQUISITION UNIVERSITY	101,196	105,696	101,196	100,696
17465 DEFENSE CONTRACT AUDIT AGENCY	3,833	3,833	3,833	3,833
17470 DEFENSE FINANCE AND ACCOUNTING SERVICE	8,900	8,900	8,900	8,900
17480 DEFENSE HUMAN RESOURCES ACTIVITY	86,190	56,190	86,190	76,190
17490 DEFENSE SECURITY SERVICE	7,590	7,590	7,590	7,590
17510 DEFENSE THREAT REDUCTION AGENCY	1,246	---	1,246	1,246
17600 SPECIAL OPERATIONS COMMAND	53,573	53,573	53,573	53,573
17650 TOTAL, BUDGET ACTIVITY 3	273,663	246,917	273,663	263,163
17700 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
17750 AMERICAN FORCES INFORMATION SERVICE	96,637	96,337	96,637	96,337
17775 CIVIL MILITARY PROGRAMS	94,596	95,346	104,596	103,846
17800 CLASSIFIED PROGRAMS	4,718,802	4,717,814	4,702,002	4,707,101
17900 DEFENSE CONTRACT AUDIT AGENCY	354,348	341,948	352,348	341,948
17910 DEFENSE CONTRACT MANAGEMENT AGENCY	948,932	936,532	946,132	933,732
17950 DEFENSE FINANCE AND ACCOUNTING SERVICE	1,492	1,492	1,492	1,492
18000 DEFENSE HUMAN RESOURCES ACTIVITY	198,157	198,157	193,157	198,157

(In thousands of dollars)

	Budget	House	Senate	Conference
18050 DEFENSE INFORMATION SYSTEMS AGENCY	803,122	793,122	778,422	786,122
18150 DEFENSE LOGISTICS AGENCY	191,990	193,090	191,990	188,090
18200 DEFENSE LEGAL SERVICES AGENCY	12,075	12,075	12,075	12,075
18300 DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION	1,465,814	1,462,214	1,490,814	1,475,214
18310 DEFENSE POW /MISSING PERSONS OFFICE	15,211	16,711	15,211	16,211
18320 DEFENSE SECURITY COOPERATION AGENCY	65,211	60,311	58,211	58,211
18475 DEFENSE SECURITY SERVICE	87,118	85,618	87,118	85,618
18500 DEFENSE THREAT REDUCTION AGENCY	258,597	---	258,597	254,147
18600 OFFICE OF ECONOMIC ADJUSTMENT	16,972	30,972	35,072	38,272
18650 OFFICE OF THE SECRETARY OF DEFENSE	437,141	439,741	445,641	447,941
18700 SPECIAL OPERATIONS COMMAND	46,891	46,891	46,891	46,891
18800 SPECIAL ACTIVITIES	115,000	115,000	115,000	115,000
18820 JOINT CHIEFS OF STAFF	169,340	157,340	169,340	160,740
18860 WASHINGTON HEADQUARTERS SERVICES	324,202	308,702	309,202	308,702
18950 TOTAL, BUDGET ACTIVITY 4	10,421,648	10,109,413	10,409,948	10,375,847
19000 LEGACY	---	1,900	12,000	12,900
19020 IMPACT AID	---	30,000	---	30,000
19070 MANAGEMENT HEADQUARTERS REDUCTION	---	-54,300	---	-54,300
19160 DEFENSE JOINT ACCOUNTING SYSTEM	---	-13,000	-13,000	-13,000
19240 REDUCTION IN STRATEGIC SOURCING (A-76 STUDIES)	---	-5,260	---	-5,260
19260 INFORMATION TECHNOLOGY SYSTEM, DEFENSE-WIDE	---	-20,000	---	---
19295 DISA TIER ONE RATE	---	---	-24,000	-24,000
19297 DISA TIER ONE RATE TRANSFER	---	---	170,000	172,000
19298 BALKANS OPERATIONS	---	---	215,713	192,900
19300 RESERVE COMPONENT JT PROFESSIONAL MIL EDUCATION	---	3,600	---	3,100
19308 INTERNATIONAL TRUST FUND FOR DEMINING AND MINE VICTIM.	---	---	20,000	14,000
19312 FREEMARKETS	---	---	2,000	1,400
19370 TOTAL, OPERATION AND MAINTENANCE, DEFENSE-WIDE	12,518,631	12,122,590	12,864,644	12,773,270

Adjustments to Budget Activities

The adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:		
17100	SOCOM – Base Communications Sustainment	-2,000
17100	SOCOM – Program Growth	-2,800
17100	SOCOM – Collateral Equipment	-1,000
17100	SOCOM – Operation Focus Relief Drawdown	-9,000
17100	SOCOM – MAC SAAM Program Growth, Focus Relief	-4000
Budget Activity 3: Training and Recruiting:		
17460	DAU – Distance Learning Travel Savings	-4,000
17460	DAU – Distance Learning	2,500
17460	DAU – IT Organizational Composition Research	1,000
17480	DHRA – DLAMP	-10,000
Budget Activity 4: Administration and Servicewide Activities:		
17750	AFIS – Pay Calculation and Utilities	-300
17775	Civil Military Programs – Youth Development Leadership Program	750
17775	Civil Military Programs – Innovative Readiness Training	8,500
17800	Classified Programs	-11,701
17900	DCAA – Program Growth	-7,400
17900	DCAA – Execution	-5,000
17910	DCMA – Pay Calculation, Program Growth	-11,400
17910	DCMA – SPS Office Efficiencies	-1,000
17910	DCMA – Contingency Operations Contract Oversight	-2,800
18050	DISA - Overhead	-17,000
18150	DLA – Unemployment Compensation	-1,900
18150	DLA – Security Locks	5,000
18150	DLA – Obsolete NSNs	-7,000
18300	DODEA – Math Teacher Leadership	1,000
18300	DODEA – Galena IDEA	3,400
18300	DODEA – SRM	5,000
18310	Defense POW/Missing Persons Office – Personnel Recovery Needs Assessment	1,000
18320	DSCA – Other Costs	-7,000
18475	DSS – Improper Budget Adjustments	-1,500
18500	DTRA – Headquarters' Program Growth	-5,450
18500	DTRA - Chem/Bio Warfare Defense Study	1000
18600	OEA – Philadelphia Naval Business Center	2,500
18600	OEA – City of St. Louis SLAAP/ATCOM Redevelopment	1,000
18600	OEA – Norton AFB (Rehabilitation and Structural Repairs for Leasable Buildings)	2,500
18600	OEA – Cecil Field	2,000
18600	OEA – Battery 204, Odiorne Point	100
18600	OEA – Adak Airfield Operations	1,000

18600	OEA – Naval Security Group Activity Winter Harbor	4,000
18600	OEA –Fitzsimmons Army Hospital	3,800
18600	OEA – Barrow Landfill Relocation	3,400
18600	OEA – Broadneck Peninsula NIKE site	1,000
18650	OSD – Program Growth	-15,000
18650	OSD – Studies and Analysis	-5,000
18650	OSD – CTMA	6,000
18650	OSD – ADUSD (MPP&R) Wearable Computers	1,700
18650	OSD – CISA	3,500
18650	OSD – Energy Sustainability Audits	1,500
18650	OSD – Information Assurance Scholarships	6,100
18650	OSD – Clara Barton Center	1,000
18650	OSD – Pacific Command Regional Institute	6,000
18650	OSD – Study on Intelligence Capabilities and Data Resource Integration	5,000
18820	JCS – Program Growth	-12,000
18820	JCS – Electronic Education for the Reserve Component in both Classroom and Distributed Environments	1,700
18820	JCS – National Defense University XXI	1,700
18860	WHS – Program Growth	-15,500
Undistributed:		
19000	Legacy	11,000
19000	Legacy – CSS Alabama	1,000
19000	Legacy – CSS Hunley	900
19020	Impact Aid	30,000
19070	Headquarters Staff Reduction	-54,300
19160	Defense Joint Accounting System	-13,000
19240	A-76 Studies	-5,260
19295	DISA Tier One Rate	-24,000
19297	DISA Tier One Rate Transfer	172,000
19298	Balkans Operations	192,900
19300	Reserve Component Joint Professional Military Education	3,100
19308	International Trust Fund for Demining and Mine Victim Assistance	14,000
19312	Freemarkets	1,400

BIOFUELS AND BIOBASED PRODUCTS

With the heavy Department of Defense reliance on gasoline and diesel fuels derived from foreign oil production, the conferees agree that it is important for the Department to investigate new ways to increase the usage of alternative domestically produced fuels, including biofuels and biobased products. The conferees direct the Department to submit a report to the congressional defense committees by March 15, 2002 detailing its best estimates of: (1) the total annual volume and cost of fuels of fuels by fuel type (gasoline, diesel, ethanol, biodiesel, methanol, and other) used by the Department, and the country source of these fuels; (2) a description of the procedures in place to procure domestically produced alternative fuels; (3) a description of the procedures in place to encourage the procurement of flexible fuel vehicles, such as those equipped with E–85 (85% ethanol) engines; (4) an explanation of changes to programs, plans, or procedures under consideration by the Department to maximize the use of biofuels and biobased products in DoD operations; (5) a description of practices and procedures to track the actual DoD usage of biofuels; and (6) a description of possible incentives the DoD could employ to increase the acquisition of alternative or variable fuel vehicles and encourage the use of such fuels as specified by the National Environmental Policy Act. The conferees also direct the Department to work with the Office of Energy Policy and New Uses of the U.S. Department of Agriculture to support independent testing of biofuels and biobased products. The Department should also cooperate with industry suppliers to facilitate inclusion of such biofuels and biobased products on the Defense Logistics Agency list of items approved for DoD purchase.

DEFENSE THREAT REDUCTION AGENCY

Funding for the Operation and Maintenance activities of the Defense Threat Reduction Agency were provided for in Title IX of the House bill and report. These funds are provided in Title II of the Conference Report.

DLAMP

The conferees recommend a reduction to the Defense Leadership and Management Program for overhead costs and backfills.

NATIONAL FOREIGN LANGUAGE SKILLS REGISTRY

The Conferees direct the Secretary of Defense to establish an internet-based data registry of United States citizens who state that they are willing to be recruited in times of national emergency to assist the Department with translation and interpretation. The Secretary shall designate the foreign languages and levels of fluency deemed to be critical to the needs of the Department. The Director, Defense Manpower Data Center shall maintain the registry. In implementing this registry, the Director may collaborate with the National Foreign language Center and the Defense Language Institute.

STUDY ON INTELLIGENCE CAPABILITIES AND DATA RESOURCES INTEGRATION

To enhance intelligence gathering capabilities and data resource integration following the events of September 11, 2001, the conferees recommend an increase of $5,000,000 for preparing a management action plan to assess how measurement and signature intelligence can be integrated with other intelligence activities and data. The goal of this plan should be to improve support for warfighter operations and policy decision-making. A primary focus of this study should be to complete the concept development and associated operations and design requirements for a measurement and signature intelligence data archive to provide back-up capability and enabling cross-disciplinary integration of distributed data. The study should consider all shortfalls in MASINT capabilities and their integration. The conferees direct the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence to provide to the congressional defense committees an interim report containing an outline of the content and expected milestones this study no later than 45 days after enactment of this Act and a final report no later than June 1, 2002.

BASE COMMUNICATIONS SUSTAINMENT

The conferees recommend a reduction in base communications sustainment and reiterate the Senate position that more focus must be placed on funding deployable and mobile communications requirements, rather than placing such items on unfunded lists. The conferees provide an additional $3,000,000 for AN/PRC–148 Multi-band Intra/Inter Team Radios in Procurement, Defense Wide which is the number one unfunded requirement for Special Operations units in the field.

ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES

The conferees direct that of the funds provided in ''Operation and Maintenance, Defense-Wide'' for the Impact Aid program, $1,000,000 be available only for the purpose of making payments to local educational agencies to assist them in adjusting to reductions in the number of military dependent students as a result of the closure or realignment of military installations.

OPERATION AND MAINTENANCE, ARMY RESERVE

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
19500 OPERATION AND MAINTENANCE, ARMY RESERVE				
19510 BUDGET ACTIVITY 1: OPERATING FORCES				
19520 LAND FORCES 19530 DIVISION FORCES	14,382	14,382	14,382	14,382
19540 CORPS COMBAT FORCES	24,571	24,571	24,571	24,571
19550 CORPS SUPPORT FORCES	232,891	232,891	232,891	232,891
19560 ECHELON ABOVE CORPS FORCES	115,183	115,183	115,183	115,183
19600 MISSION OPERATIONS 19610 LAND FORCES OPERATIONS SUPPORT	364,700	364,700	349,700	349,700
19630 LAND FORCES READINESS 19640 FORCES READINESS OPERATIONS SUPPORT	139,280	139,280	139,280	139,280
19650 LAND FORCES SYSTEM READINESS	60,481	60,481	60,481	60,481
19660 DEPOT MAINTENANCE	60,719	60,719	60,719	60,719
19670 LAND FORCES READINESS SUPPORT 19680 BASE SUPPORT	406,137	406,137	406,137	406,137
19690 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	161,321	161,321	161,321	161,321
19720 ADDITIONAL ACTIVITIES	2,536	2,536	2,536	2,536
19900 TOTAL, BUDGET ACTIVITY 1	1,582,201	1,582,201	1,567,201	1,567,201

(In thousands of dollars)

	Budget	House	Senate	Conference
19950 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
19960 ADMINISTRATION AND SERVICEWIDE ACTIVITIES				
19980 ADMINISTRATION	39,256	39,256	39,256	39,256
19990 SERVICEWIDE COMMUNICATIONS	30,865	30,865	29,865	29,865
20000 PERSONNEL/FINANCIAL ADMINISTRATION (MANPOWER MANAGEMEN	44,201	44,201	44,201	44,201
20010 RECRUITING AND ADVERTISING	90,723	90,723	90,723	90,723
20075 TOTAL, BUDGET ACTIVITY 4	205,045	205,045	204,045	204,045
20160 FOOD SANITATION CENTERS	---	1,300	---	---
20700 TOTAL, OPERATION AND MAINTENANCE, ARMY RESERVE	1,787,246	1,788,546	1,771,246	1,771,246

Adjustments to the budget activities are as follows:

(In thousands of dollars)

Budget Activity 1: Operating Forces

19610 Land Forces Operations Support/Other contracts, Unjustified program growth ..... –15,000

Budget Activity 4: Administration and Servicewide Activities

19990 Servicewide Communications/Headquarters Growth..... –1,000

OPERATION AND MAINTENANCE, NAVY RESERVE

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
20850 OPERATION AND MAINTENANCE, NAVY RESERVE				
20900 BUDGET ACTIVITY 1: OPERATING FORCES				
20950 RESERVE AIR OPERATIONS 21000 MISSION AND OTHER FLIGHT OPERATIONS	405,515	405,515	405,515	405,515
21100 INTERMEDIATE MAINTENANCE	17,223	17,223	17,223	17,223
21150 AIR OPERATION AND SAFETY SUPPORT	1,961	1,961	1,961	1,961
21200 AIRCRAFT DEPOT MAINTENANCE	116,328	116,328	116,328	116,328
21250 AIRCRAFT DEPOT OPS SUPPORT	324	324	324	324
21400 RESERVE SHIP OPERATIONS 21450 MISSION AND OTHER SHIP OPERATIONS	46,572	46,572	46,572	46,572
21500 SHIP OPERATIONAL SUPPORT AND TRAINING	623	623	623	623
21550 INTERMEDIATE MAINTENANCE	7,053	7,053	7,053	7,053
21600 SHIP DEPOT MAINTENANCE	71,858	71,858	71,858	71,858
21650 SHIP DEPOT OPERATIONS SUPPORT	2,652	2,652	2,652	2,652
21700 RESERVE COMBAT OPERATIONS SUPPORT 21800 COMBAT SUPPORT FORCES	37,579	37,579	37,579	37,579
21950 RESERVE WEAPONS SUPPORT 22000 WEAPONS MAINTENANCE	5,531	5,531	5,531	5,531
22030 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	51,102	51,102	51,102	51,102
22040 BASE SUPPORT	148,046	148,046	148,046	148,046
22090 TOTAL, BUDGET ACTIVITY 1	912,367	912,367	912,367	912,367

(In thousands of dollars)

	Budget	House	Senate	Conference
22100 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
22150 ADMINISTRATION AND SERVICEWIDE ACTIVITIES				
22200 ADMINISTRATION	11,131	11,131	11,131	11,131
22250 CIVILIAN MANPOWER & PERSONNEL	1,934	1,934	1,934	1,934
22300 MILITARY MANPOWER & PERSONNEL	34,625	34,625	34,625	34,625
22350 SERVICEWIDE COMMUNICATIONS	37,355	37,355	37,355	37,355
22400 COMBAT/WEAPONS SYSTEM	5,606	5,606	5,606	5,606
22450 OTHER SERVICEWIDE SUPPORT	672	672	672	672
22600 TOTAL, BUDGET ACTIVITY 4	91,323	91,323	91,323	91,323
23150 TOTAL, OPERATION AND MAINTENANCE, NAVY RESERVE	1,003,690	1,003,690	1,003,690	1,003,690

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
23300 OPERATION AND MAINTENANCE, MARINE CORPS RESERVE				
23350 BUDGET ACTIVITY 1: OPERATING FORCES				
23400 MISSION FORCES				
23450 OPERATING FORCES	50,898	50,898	50,898	50,898
23500 DEPOT MAINTENANCE	7,784	7,784	7,784	7,784
23550 BASE SUPPORT	25,610	25,610	25,610	25,610
23600 TRAINING SUPPORT	18,144	18,144	18,144	18,144
23650 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	10,027	10,027	10,027	10,027
23700 TOTAL, BUDGET ACTIVITY 1	112,463	112,463	112,463	112,463
23750 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
23800 ADMINISTRATION AND SERVICEWIDE ACTIVITIES				
23850 SPECIAL SUPPORT	8,596	8,596	8,596	8,596
23900 SERVICEWIDE TRANSPORTATION	491	491	491	491
23950 ADMINISTRATION	8,632	8,632	8,632	8,632
24000 BASE SUPPORT	5,719	5,719	5,719	5,719
24050 RECRUITING AND ADVERTISING	8,122	8,122	8,122	8,122
24100 TOTAL, BUDGET ACTIVITY 4	31,560	31,560	31,560	31,560
24600 TOTAL, O&M, MARINE CORPS RESERVE	144,023	144,023	144,023	144,023

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
24750 OPERATION AND MAINTENANCE, AIR FORCE RESERVE				
24800 BUDGET ACTIVITY 1: OPERATING FORCES				
24850 AIR OPERATIONS 24900 PRIMARY COMBAT FORCES	1,266,511	1,266,511	1,260,511	1,260,511
24950 MISSION SUPPORT OPERATIONS	61,637	61,637	61,637	61,637
24970 DEPOT MAINTENANCE	322,507	322,507	322,507	322,507
25000 BASE SUPPORT	245,126	245,126	245,126	245,126
25050 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	38,521	38,521	38,521	38,521
25150 TOTAL, BUDGET ACTIVITY 1	1,934,302	1,934,302	1,928,302	1,928,302
25200 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
25250 ADMINISTRATION AND SERVICEWIDE ACTIVITIES 25300 ADMINISTRATION	52,083	52,083	52,083	52,083
25350 MILITARY MANPOWER AND PERSONNEL MANAGEMENT	11,848	11,848	11,848	11,848
25400 RECRUITING AND ADVERTISING	24,466	24,466	24,466	24,466
25450 OTHER PERSONNEL SUPPORT	6,547	6,547	6,547	6,547
25500 AUDIOVISUAL	620	620	620	620
25520 TOTAL, BUDGET ACTIVITY 4	95,564	95,564	95,564	95,564
25670 C-17 RESERVE BASE PLANNING AND DESIGN	---	---	---	1,000
25950 TOTAL, O&M, AIR FORCE RESERVE	2,029,866	2,029,866	2,023,866	2,024,866

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
24900 Primary Combat Forces/ Unjustified Program Growth	−6,000
Undistributed:	
25670 C–17 Reserve Base Planning and Design	1,000

AIR FORCE RESERVE AIRLIFT PLANNING

The conferees support the creation of an Air Reserve Station or Stations for C–17's and provide $1,000,000 for planning and site assessment.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
26100 OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD				
26120 BUDGET ACTIVITY 1: OPERATING FORCES				
26140 LAND FORCES				
26180 DIVISIONS	472,117	472,117	477,117	474,617
26200 CORPS COMBAT FORCES	565,861	565,861	565,861	565,861
26220 CORPS SUPPORT FORCES	280,054	280,054	280,054	280,054
26240 ECHELON ABOVE CORPS FORCES	476,828	476,828	476,828	476,828
26260 LAND FORCES OPERATIONS SUPPORT	22,333	22,333	12,333	12,333
26280 LAND FORCES READINESS				
26320 FORCE READINESS OPERATIONS SUPPORT	19,354	19,354	19,354	19,354
26340 LAND FORCES SYSTEMS READINESS	95,719	95,719	100,419	98,919
26350 LAND FORCES DEPOT MAINTENANCE	193,414	193,414	193,414	193,414
26360 LAND FORCES READINESS SUPPORT				
26420 BASE OPERATIONS SUPPORT	538,487	538,487	540,746	540,546
26440 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	351,768	351,768	354,268	353,968
26460 MANAGEMENT & OPERATIONAL HEADQUARTERS	399,117	399,117	392,117	392,117
26480 MISCELLANEOUS ACTIVITIES	38,415	38,415	38,415	38,415
26580 TOTAL, BUDGET ACTIVITY 1	3,453,467	3,453,467	3,450,926	3,446,426

(In thousands of dollars)

	Budget	House	Senate	Conference
26600 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
26620 ADMINISTRATION AND SERVICEWIDE ACTIVITIES				
26660 STAFF MANAGEMENT	84,106	84,106	84,106	84,106
26680 INFORMATION MANAGEMENT	21,070	21,070	21,070	21,070
26720 PERSONNEL ADMINISTRATION	35,902	35,902	35,902	35,902
26740 RECRUITING AND ADVERTISING	82,814	82,814	82,814	82,814
26760 TOTAL, BUDGET ACTIVITY 4	223,892	223,892	223,892	223,892
26810 MILITARY TECHNICIANS COSTING MODEL	---	6,300	---	6,300
26900 ANGEL GATE ACADEMY	---	3,000	---	1,500
26945 NATIONAL EMERGENCY AND DISASTER INFORMATION CENTER	---	2,000	---	1,700
26970 EMERGENCY SPILL RESPONSE	---	---	790	790
26975 DISTRIBUTED LEARNING PROJECT	---	---	30,000	25,500
26985 SRM TRANSFER TO NATIONAL GUARD	---	---	25,000	25,000
26990 GSA LEASED VEHICLE PROGRAM	---	2,500	---	1,750
27000 MODULAR GENERAL PURPOSE TENTS	---	5,000	---	2,500
27010 JOINT TRAINING AND EXPERIMENTATION PROGRAM	---	4,100	---	3,400
27020 CAMP GRUBER REGIONAL TRAINING CENTER	---	3,500	---	2,400
27030 DOMESTIC EMERGENCY AND TERRORIST RESPONSE CENTER	---	3,000	---	2,500
27040 INFORMATION TECHNOLOGY MANAGEMENT TRAINING	---	1,000	---	1,000
27060 EARLY RESPONDERS DISTANCE LEARNING TRAINING CENTER	---	4,000	---	2,000
27070 RURAL ACCESS TO BROADBAND TECHNOLOGY	---	4,000	---	3,400
27080 WMD/COUNTER-DRUG DEMONSTRATION	---	8,000	---	6,800
27090 FULL TIME SUPPORT	---	---	13,200	11,200
27350 TOTAL, OPERATION AND MAINTENANCE, ARMY NAT. GUARD	3,677,359	3,723,759	3,743,808	3,768,058

Adjustments to Budget Activities

Adjustments to the budget activities are as follows:

(In thousands of dollars)

Budget Activity 1: Operating Forces:
26180 Divisions/ECWCS 2,500
26260 Land Forces Operations Support/Unjustified Program Growth.. –10,000
26340 Land Forces Systems Readiness/Camp McCain Simulator Center, Trainer Upgrades 3,200
26420 Base Operations Support/Ft. Harrison Communications Infrastructure 1,000
26420 Base Operations Support/Communications Network Equipment... 209
26420 Base Operations Support/Multimedia Classroom..... 850
26440 Facilities, Sustainment, Restoration & Modernization/Camp McCain Training Site, Roads 2,200
26460 Management & Operational Headquarters/Unjustified Program Growth ..... –7,000
Undistributed:
26810 Military Technicians Costing Model 6,300
26900 Angel Gate Academy 1,500
26945 National Emergency and Disaster Information Center..... 1,700
26970 Emergency Spill Response..... 790
26975 Distributed Learning Project 25,500
26985 SRM Transfer to National Guard 25,000
26990 GSA Leased Vehicle Program 1,750
27000 Modular General Purpose Tents 2,500
27010 Joint Training and Experimentation Program 3,400
27020 Camp Gruber Regional Training Center 2,400
27030 Domestic Emergency and Terrorist Response Center 2,500
27040 Information Technology Management Training 1,000
27060 Early Responders Distance Learning Training Center 2,000
27070 Rural Access to Broadband Technology 3,400
27080 WMD/Counter-Drug Demonstration 6,800
27090 Full Time Support 11,200

CAMP MCCAIN, MISSISSIPPI

The conferees agree to provide $2,200,000 for improvements to roads at or near the Camp McCain training site. In addition, of the funds provided to the Army National Guard for operation and maintenance, $2,200,000, shall be available for minor construction projects.

CENTER FOR CIVIL-MILITARY RELATIONS

The conferees direct that of the funds provided in Operation and Maintenance, Army National Guard $2,000,000 be used only for National Guard education programs at the Naval Postgraduate School's Center for Civil-Military Relations.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
27500 OPERATION AND MAINTENANCE, AIR NATIONAL GUARD				
27550 BUDGET ACTIVITY 1: OPERATING FORCES				
27600 AIR OPERATIONS				
27650 AIRCRAFT OPERATIONS	2,545,143	2,645,143	2,645,143	2,645,143
27700 MISSION SUPPORT OPERATIONS	348,442	348,442	348,442	348,442
27750 BASE SUPPORT	377,859	377,859	387,859	386,359
27800 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	92,092	92,092	92,092	92,092
27850 DEPOT MAINTENANCE	490,912	490,912	490,912	490,912
27900 TOTAL, BUDGET ACTIVITY 1	3,854,448	3,954,448	3,964,448	3,962,948
27950 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
28000 SERVICEWIDE ACTIVITIES				
28050 ADMINISTRATION	2,935	2,935	2,935	2,935
28100 RECRUITING AND ADVERTISING	9,978	9,978	9,978	9,978
28110 TOTAL, BUDGET ACTIVITY 4	12,913	12,913	12,913	12,913
28240 NATIONAL GUARD STATE PARTNERSHIP PROGRAM	---	1,000	---	1,000
28250 PROJECT ALERT	---	3,800	3,500	2,900
28255 EXTENDED COLD WEATHER CLOTHING SYSTEM	---	---	5,000	2,500
28310 DEFENSE SYSTEM EVALUATION	---	---	2,500	1,700
28315 BANGOR INTERNATIONAL AIRPORT RUNWAY REPAIRS	---	---	10,000	5,000
28550 TOTAL, O&M, AIR NATIONAL GUARD	3,867,361	3,972,161	3,998,361	3,988,961

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
27650 Aircraft Operations/B–1B Operations	100,000
27750 Base Support/Eagle Vision	8,500
Undistributed:	
28240 National Guard State Partnership Program	1,000
28250 Project Alert	2,900
28255 Extended Cold Weather Clothing System	2,500
28310 Defense System Evaluation	1,700
28315 Bangor International Airport Runway Repairs	5,000

CONSOLIDATED INTERACTIVE VIRTUAL INFORMATION CENTER

The conferees agree to provide $5,000,000 from within available funds in ''Operation and Maintenance, Air National Guard'' for the Consolidated Interactive Virtual Information Center of the National Guard.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

The conferees agree to provide $50,000,000 for the Overseas Contingency Operations Transfer Fund. This amount provides a central response fund from which the Secretary of Defense can address unknown and unexpected overseas contingency costs. In the budget request, the Department allocated the costs for ongoing operations in Southwest Asia to service operation and maintenance accounts. Consistent with this determination, the conferees are providing $1,679,222,000 for Balkan operations within the operation and maintenance accounts (Operation and Maintenance, Army $1,308,500,000; Operation and Maintenance, Navy $27,101,000; Operation and Maintenance, Marine Corps $2,000,000; Operation and Maintenance, Air Force $122,721,000; Operation and Maintenance, Defense-Wide $192,900,000 and Defense Health Program $26,000,000). OCOTF funds for military personnel expenses for Balkan operations ($464,900,000) have been redistributed within service accounts of the active components as well (Military Personnel, Army $399,800,000; Military Personnel, Navy $28,500; Military Personnel, Marine Corps $5,600,000; and Military Personnel, Air Force $31,000,000).

The total amount recommended is a reduction of $650,104,000 below the budget request.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

The conference agreement provides $9,096,000 for the United States Court of Appeals for the Armed Forces.

ENVIRONMENTAL RESTORATION, ARMY

The conference agreement provides $389,800,000 for Environmental Restoration, Army.

ENVIRONMENTAL RESTORATION, NAVY

The conference agreement provides $257,517,000 for Environmental Restoration, Navy.

ENVIRONMENTAL RESTORATION, AIR FORCE

The conference agreement provides $385,437,000 for Environmental Restoration, Air Force.

ENVIRONMENTAL RESTORATION, DEFENSE-WIDE

The conference agreement provides $23,492,000 for Environmental Restoration, Defense-Wide.

ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES

The conference agreement provides $222,255,000 for Environmental Restoration, Formerly Used Defense Sites.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

The conference agreement provides $49,700,000 for Overseas Humanitarian, Disaster and Civic Aid.

The conferees agree to provide $5,000,000 to be available if matched by private funds, only for the acquisition, transportation and distribution of wheelchairs to victims of overseas conflicts, landmines and other disturbances. The Secretary of Defense should work with appropriate non-government organizations, such as the Wheelchair Foundation, to implement this initiative on a matching basis with private resources. The conferees expect special attention and emphasis to be made to respond to the need and circumstances in Afghanistan as rapidly as possible.

SUPPORT FOR INTERNATIONAL SPORTING COMPETITIONS, DEFENSE

The conference agreement provides $15,800,000 for the Support for International Sporting Competitions, Defense account.

TITLE III – PROCUREMENT

The conference agreement is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
SUMMARY				
ARMY:				
AIRCRAFT	1,925,491	1,974,241	1,893,891	1,984,391
MISSILES	1,859,634	1,057,409	1,774,154	1,079,330
WEAPONS, TRACKED COMBAT VEHICLES	2,276,746	2,252,669	2,174,546	2,193,746
AMMUNITION	1,193,365	1,211,615	1,171,465	1,200,465
OTHER	3,961,737	4,103,036	4,160,186	4,183,736
TOTAL, ARMY	11,216,973	10,598,970	11,174,242	10,641,668
NAVY:				
AIRCRAFT	8,252,543	8,084,543	8,030,043	7,938,143
WEAPONS	1,433,475	1,429,492	1,478,075	1,429,592
AMMUNITION	457,099	492,599	442,799	461,399
SHIPS	9,344,121	10,134,883	9,294,211	9,490,039
OTHER	4,097,576	4,290,776	4,146,338	4,270,976
MARINE CORPS	981,724	1,028,662	974,054	995,442
TOTAL, NAVY	24,566,538	25,460,955	24,365,520	24,585,591
AIR FORCE:				
AIRCRAFT	10,744,458	10,549,798	10,617,332	10,567,038
MISSILES	3,233,536	2,918,118	3,657,522	2,989,524
AMMUNITION	865,344	866,844	873,344	866,644
OTHER	8,159,521	7,856,671	8,144,174	8,085,863
TOTAL, AIR FORCE	23,002,859	22,191,431	23,292,372	22,509,069
DEFENSE-WIDE	1,603,927	1,387,283	1,473,795	2,389,490
NATIONAL GUARD AND RESERVE EQUIPMENT	---	501,485	560,505	699,130
DEFENSE PRODUCTION ACT PURCHASES	50,000	50,000	15,000	40,000
TOTAL PROCUREMENT	60,440,297	60,190,124	60,881,434	60,864,948

AIRCRAFT PROCUREMENT, ARMY

The conference agreement on items addressed by either the House or Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
AIRCRAFT PROCUREMENT, ARMY				
AIRCRAFT				
FIXED WING				
UTILITY F/W (MR) AIRCRAFT	---	---	---	45,000
ROTARY				
UH-60 BLACKHAWK (MYP)	174,515	174,515	174,515	174,515
UH-60 BLACKHAWK (MYP) (AP-CY)	26,906	26,906	26,906	26,906
HELICOPTER NEW TRAINING	---	25,000	34,100	25,000
TOTAL, AIRCRAFT	201,421	226,421	235,521	271,421
MODIFICATION OF AIRCRAFT				
GUARDRAIL MODS (TIARA)	8,827	13,827	8,827	13,827
ARL MODS (TIARA)	12,322	12,322	12,322	12,322
AH-64 MODS	38,473	38,473	38,473	38,473
CH-47 CARGO HELICOPTER MODS (MYP)	277,460	281,460	210,560	253,460
CH-47 CARGO HELICOPTER MODS (MYP) (AP-CY)	17,722	17,722	17,722	17,722
UTILITY/CARGO AIRPLANE MODS	16,095	16,095	16,095	16,095
OH-58 MODS	463	463	463	463
AIRCRAFT LONG RANGE MODS	753	753	753	753
LONGBOW	888,561	898,561	885,361	890,861
LONGBOW (AP-CY)	29,526	29,526	26,226	26,226
UH-60 MODS	52,269	58,269	70,469	68,369
KIOWA WARRIOR	42,600	42,600	42,600	42,600
AIRBORNE AVIONICS	78,421	78,421	78,421	78,421
GATM ROLLUP	54,551	54,551	38,551	38,551
SPARE PARTS (AIR)	5,331	9,331	5,331	7,331

(In thousands of dollars)

	Budget	House	Senate	Conference
TOTAL, MODIFICATION OF AIRCRAFT	1,523,374	1,552,374	1,452,174	1,505,474
SUPPORT EQUIPMENT AND FACILITIES				
GROUND SUPPORT AVIONICS				
AIRCRAFT SURVIVABILITY EQUIPMENT	32,780	32,780	32,780	37,780
ASE INFRARED CM	36,653	36,653	46,653	43,653
OTHER SUPPORT				
AVIONICS SUPPORT EQUIPMENT	7,544	7,544	15,044	12,844
COMMON GROUND EQUIPMENT	19,113	19,113	19,113	19,113
AIRCREW INTEGRATED SYSTEMS	10,253	10,253	10,253	10,253
AIR TRAFFIC CONTROL	68,887	63,637	56,887	58,387
INDUSTRIAL FACILITIES	707	707	707	707
LAUNCHER, 2.75 ROCKET	4,960	4,960	4,960	4,960
AIRBORNE COMMUNICATIONS	19,799	19,799	19,799	19,799
TOTAL, SUPPORT EQUIPMENT AND FACILITIES	200,696	195,446	206,196	207,496
TOTAL, AIRCRAFT PROCUREMENT, ARMY	1,925,491	1,974,241	1,893,891	1,984,391

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[in thousands of dollars]

	Budget	House	Senate	Conference
2 UTILITY F/W (MR) AIRCRAFT	**0**	**0**	**0**	**45,000**
C-37A Replacement (Note: transfer from RDT&E, Air Force)				+45,000
5 HELICOPTER NEW TRAINING	**0**	**25,000**	**34,100**	**25,000**
TH-67 Creek Training Helicopter		+25,000	+34,100	+25,000
6 GUARDRAIL MODS (TIARA)	**8,827**	**13,827**	**8,827**	**13,827**
Guardrail-Transfer from Distributed Common Ground System		+5,000		+5,000
10 CH-47 CARGO HELICOPTER MODS (MYP)	**277,460**	**281,460**	**210,560**	**253,460**
CH-47 Chinook Crashworthy Crew Chief Seats		+4,000		+2,000
LRIP Delay			-66,900	-26,000
16 LONGBOW	**888,561**	**898,561**	**885,361**	**890,861**
Apache Recapitalization		+10,000		+7,000
Fire control radar			-8,200	-8,200
Oil debris detection and burn-off system			+5,000	+3,500
17 LONGBOW (AP-CY)	**29,526**	**29,526**	**26,226**	**26,226**
Airframes			-3,300	-3,300
19 UH-60 MODS	**52,269**	**58,269**	**70,469**	**68,369**
UH-60 Crashworthy External Fuel System		+6,000		+4,200
Extended range crashworthy fuel tanks for AR/NG			+3,000	
De-icing system upgrade program			+3,000	+1,500
1/207 Search and Rescue			+12,200	+10,400
26 GATM ROLLUP	**54,551**	**54,551**	**38,551**	**38,551**
Fixed Wing			-6,500	-6,500
Rotary Wing			-9,500	-9,500
28 SPARE PARTS (AIR)	**5,331**	**9,331**	**5,331**	**7,331**
Aircraft Survivability Equipment Trainer (ASET IV)		+4,000		+2,000
29 AIRCRAFT SURVIVABILITY EQUIPMENT	**32,780**	**32,780**	**32,780**	**37,780**
AN/AVR-2A Laser Detecting Sets				+5,000
30 ASE INFRARED CM	**36,653**	**36,653**	**46,653**	**43,653**
ATIRCM LRIP			+10,000	+7,000
31 AVIONICS SUPPORT EQUIPMENT	**7,544**	**7,544**	**15,044**	**12,844**
Aviator's night vision imaging system			+2,500	+1,800
HGU-56/P Aircrew Integrated System (ANG)			+5,000	+3,500
34 AIR TRAFFIC CONTROL	**68,887**	**63,637**	**68,887**	**58,387**
Cold Cathode Portable Landing Lights		+3,000		+1,500
National Airspace System		-8,250		-12,000
Tactical Airspace Integration System			-12,000	

CH-47 MODIFICATIONS

The conference agreement provides $253,460,000 for CH-47 Chinook helicopter modifications, a reduction of $24,000,000 from the budget request. The conferees have reduced funding in light of the restructuring of this program. Within the amount provided, the conferees direct the Army to consider fully funding the lean cabin and IPF initiatives.

CH-47 Chinook Seat Upgrade

The conferees agree to provide $2,000,000 to procure commercially designed rotating and traversing crashworthy seats for use of the crew chief and mission specialist, to provide better crash prdection without impeding the mobility of the key aircrew members.

MISSILE PROCUREMENT, ARMY

The conference agreement on items addressed by either the House or Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
MISSILE PROCUREMENT, ARMY				
OTHER MISSILES				
SURFACE-TO-AIR MISSILE SYSTEM				
PATRIOT PAC-3	676,574	---	653,574	---
STINGER SYSTEM SUMMARY	45,890	23,390	45,890	34,390
AVENGER SYSTEM SUMMARY	11,624	11,624	11,624	11,624
AIR-TO-SURFACE MISSILE SYSTEM				
HELLFIRE SYS SUMMARY	241,811	241,811	241,811	241,811
ANTI-TANK/ASSAULT MISSILE SYSTEM				
JAVELIN (AAWS-M) SYSTEM SUMMARY	414,632	389,755	414,632	414,632
LINE OF SIGHT ANTI-TANK (LOSAT) (AP-CY)	11,427	9,427	11,427	9,427
GUIDED MLRS ROCKET (GMLRS)	8,480	8,480	---	---
MLRS LAUNCHER SYSTEMS	148,294	138,044	138,294	138,044
ARMY TACTICAL MSL SYS (ATACMS) - SYS SUM	34,263	25,263	34,263	25,263
ATACMS BLKII SYSTEM SUMMARY	61,000	61,000	61,000	61,000
TOTAL, OTHER MISSILES	1,653,995	908,794	1,612,515	936,191
MODIFICATION OF MISSILES				
MODIFICATIONS				
PATRIOT MODS	37,617	25,107	37,617	25,117
STINGER MODS	5,830	5,830	5,830	5,830
AVENGER MODS	17,991	11,877	17,991	11,991
ITAS/TOW MODS	96,204	60,804	61,204	61,204
MLRS MODS	23,599	20,599	13,599	13,599
TOTAL, MODIFICATION OF MISSILES	181,241	124,217	136,241	117,741
SPARES AND REPAIR PARTS	15,299	15,299	15,299	15,299

(In thousands of dollars)

	Budget	House	Senate	Conference
SUPPORT EQUIPMENT AND FACILITIES				
AIR DEFENSE TARGETS	3,325	3,325	3,325	3,325
ITEMS LESS THAN $5 MILLION (MISSILES)	1,039	1,039	1,039	1,039
MISSILE DEMILITARIZATION	1,358	1,358	2,358	2,358
PRODUCTION BASE SUPPORT	3,377	3,377	3,377	3,377
TOTAL, SUPPORT EQUIPMENT AND FACILITIES	9,099	9,099	10,099	10,099
TOTAL, MISSILE PROCUREMENT, ARMY	1,859,634	1,057,409	1,774,154	1,079,330

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[in thousands of dollars]

	Budget	House	Senate	Conference
1 PATRIOT PAC-3	**676,574**	**0**	**653,574**	**0**
PATRIOT PAC-3 (Transferred to Procurement, Defense-Wide)			-23,000	-676,574
Transfer to Title IX - Procurement, BMDO		-676,574		
2 STINGER SYSTEM SUMMARY	**45,890**	**23,390**	**45,890**	**34,390**
Program Reduction		-22,500		-11,500
5 JAVELIN (AAWS-M) SYSTEM SUMMARY	**414,632**	**389,755**	**414,632**	**414,632**
Quantity reduction		-24,877		
7 LINE OF SIGHT ANTI-TANK (LOSAT) (AP-CY)	**11,427**	**9,427**	**11,427**	**9,427**
Program Reduction		-2,000		-2,000
9 GUIDED MLRS ROCKET (GMLRS)	**8,480**	**8,480**	**0**	**0**
Program Delays			-8,480	-8,480
10 MLRS LAUNCHER SYSTEMS	**148,294**	**138,044**	**138,294**	**138,044**
Program Reduction		-10,250	-10,000	-10,250
11 ARMY TACTICAL MSL SYS (ATACMS) - SYS SUM	**34,263**	**25,263**	**34,263**	**25,263**
Program Reduction		-9,000		-9,000
13 PATRIOT MODS	**37,617**	**25,107**	**37,617**	**25,117**
Program Reduction		-12,510		-12,500
15 AVENGER MODS	**17,991**	**11,877**	**17,991**	**11,991**
Program Reduction		-6,114		-6,000
16 ITAS/TOW MODS	**96,204**	**60,804**	**61,204**	**61,204**
Program Reduction		-35,400		
Program Growth/Delays			-35,000	-35,000
17 MLRS MODS	**23,599**	**20,599**	**13,599**	**13,599**
Program Reduction		-3,000		
Program Underexecution			-10,000	-10,000
21 MISSILE DEMILITARIZATION	**1,358**	**1,358**	**2,358**	**2,358**
Missile Recycling Center			+1,000	+1,000

MULTIPLE LAUNCH ROCKET SYSTEM

The conferees agree to provide $138,044,000 in fiscal year 2002 funding only for the procurement of launchers for National Guard Units.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
PROCUREMENT OF W&TCV, ARMY				
TRACKED COMBAT VEHICLES				
ABRAMS TRNG DEV MOD	5,545	5,545	5,545	5,545
BRADLEY BASE SUSTAINMENT	400,779	400,779	373,179	386,979
BRADLEY BASE SUSTAINMENT (AP-CY)	2,681	2,681	2,681	2,681
BRADLEY FVS TRAINING DEVICES	2,609	2,609	2,609	2,609
BRADLEY FVS TRAINING DEVICES (MOD)	8,814	8,814	8,814	8,814
ABRAMS TANK TRAINING DEVICES	11,814	11,814	11,814	11,814
INTERIM ARMORED VEHICLE (IAV) FAMILY	662,595	662,595	662,595	662,595
MODIFICATION OF TRACKED COMBAT VEHICLES				
CARRIER, MOD	48,567	48,567	48,567	48,567
FIST VEHICLE (MOD)	14,590	14,590	6,890	6,890
BFVS SERIES (MOD)	42,262	42,262	56,262	57,262
HOWITZER, MED SP FT 155MM M109A6 (MOD)	5,370	5,370	5,370	5,370
FAASV PIP TO FLEET	18,501	18,501	9,301	9,301
IMPROVED RECOVERY VEHICLE (M88 MOD)	58,114	58,114	58,114	58,114
HEAVY ASSAULT BRIDGE (HAB) SYS (MOD)	48,592	17,000	7,492	7,592
ARMORED VEH LAUNCH BRIDGE (AVLB) (MOD)	4,025	4,025	4,025	4,025
M1 ABRAMS TANK (MOD)	113,485	100,000	81,785	81,785
M1A1D RETROFIT	11,647	11,647	11,647	11,647
SYSTEM ENHANCEMENT PGM: SEP M1A2	102,152	102,152	100,052	100,052
ABRAMS UPGRADE PROGRAM	395,802	395,802	395,802	395,802
ABRAMS UPGRADE PROGRAM (AP-CY)	194,438	194,438	194,438	194,438
SUPPORT EQUIPMENT AND FACILITIES				
ITEMS LESS THAN $5 MILLION (TCV-WTCV)	146	146	146	7,646
PRODUCTION BASE SUPPORT (TCV-WTCV)	9,979	9,979	9,979	9,979

(In thousands of dollars)

	Budget	House	Senate	Conference
TOTAL, TRACKED COMBAT VEHICLES	2,162,507	2,117,430	2,057,107	2,079,507
WEAPONS AND OTHER COMBAT VEHICLES				
ARMOR MACHINE GUN, 7.62MM M240 SERIES	8,033	8,033	8,033	8,033
GRENADE LAUNCHER, AUTO, 40MM, MK19-3	28,826	34,826	27,026	28,826
81MM MORTAR (ROLL)	3,321	3,321	3,321	3,321
M16 RIFLE	1,978	1,978	1,978	1,978
XM107, CAL. 50, SNIPER RIFLE	2,149	2,149	2,149	2,149
5.56 CARBINE M4	2,400	2,400	2,400	2,400
HOWITZER LT WT 155MM (T)	1,107	1,107	1,107	1,107
MOD OF WEAPONS AND OTHER COMBAT VEH				
MARK-19 MODIFICATIONS	745	745	745	745
SQUAD AUTOMATIC WEAPON (MOD)	4,450	4,450	4,450	4,450
MEDIUM MACHINE GUNS (MODS)	746	746	746	746
HOWITZER, TOWED, 155MM, M198 (MODS)	2,823	2,823	2,823	2,823
M119 MODIFICATIONS	4,887	4,887	4,887	4,887
M16 RIFLE MODS	2,100	2,100	2,100	2,100
MODIFICATIONS LESS THAN $5 MILLION (WOCV-WTCV)	1,261	1,261	1,261	1,261
SUPPORT EQUIPMENT AND FACILITIES				
ITEMS LESS THAN $5 MILLION (WOCV-WTCV)	1,275	1,275	1,275	1,275
PRODUCTION BASE SUPPORT (WOCV-WTCV)	6,430	6,430	6,430	6,430
INDUSTRIAL PREPAREDNESS	4,270	19,270	9,270	4,270
SMALL ARMS (SOLDIER ENH PROG)	303	303	303	303
TOTAL, WEAPONS AND OTHER COMBAT VEHICLES	77,104	98,104	80,304	77,104
SPARE AND REPAIR PARTS				
SPARES AND REPAIR PARTS (WTCV)	37,135	37,135	37,135	37,135
TOTAL, PROCUREMENT OF W&TCV, ARMY	2,276,746	2,252,669	2,174,546	2,193,746

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[in thousands of dollars]

	Budget	House	Senate	Conference
2 BRADLEY BASE SUSTAINMENT	**400,779**	**400,779**	**373,179**	**386,979**
Economic Production Profile Adjustment			-27,600	-13,800
RRAD Fluidized Rubber program				(2,000)
12 FIST VEHICLE (MOD)	**14,590**	**14,590**	**6,890**	**6,890**
Engineering and Support Cost Growth			-7,700	-7,700
13 BFVS SERIES (MOD)	**42,262**	**42,262**	**56,262**	**57,262**
Pre-mod Depot Maintenance			-10,000	-5,000
Bradley Reactive Armor tiles			+24,000	+20,000
15 FAASV PIP TO FLEET	**18,501**	**18,501**	**9,301**	**9,301**
Excessive Growth			-9,200	-9,200
18 HEAVY ASSAULT BRIDGE (HAB) SYS (MOD)	**48,592**	**17,000**	**7,492**	**7,592**
ACAT III Reclassification		-7,000		
Quantity reduction (Wolverine)		-24,592		
Vehicle Purchases			-41,100	-41,000
20 M1 ABRAMS TANK (MOD)	**113,485**	**100,000**	**81,785**	**81,785**
Quantity reduction		-13,485		
Excessive Growth/Unjustified Unit Cost Growth			-31,700	-31,700
22 SYSTEM ENHANCEMENT PGM: SEP M1A2	**102,152**	**102,152**	**100,052**	**100,052**
Unjustified Unit Cost Increases			-2,100	-2,100
26 ITEMS LESS THAN $5 MILLION (TCV-WTCV)	**146**	**0**	**0**	**7,646**
Improved Combat Vehicle Crewman's Headsets				+7,500
30 GRENADE LAUNCHER, AUTO, 40MM, MK19-3	**28,826**	**34,826**	**27,026**	**28,826**
MK-19 Grenade Launcher Machine Gun		+6,000		
Unjustified Unit Cost Increases			-1,800	
46 INDUSTRIAL PREPAREDNESS	**4,270**	**19,270**	**9,270**	**4,270**
Arsenal Support Initiative		+15,000		
Arsenal Support Program Initiative			+5,000	

PROCUREMENT OF AMMUNITION, ARMY

The conference agreement on items addressed by either the House or Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
PROCUREMENT OF AMMUNITION, ARMY				
AMMUNITION				
SMALL/MEDIUM CAL AMMUNITION				
CTG, 5.56MM, ALL TYPES	67,241	67,241	67,241	67,241
CTG, 5.56MM ARMOR PIERCING M995	3,551	3,551	3,551	3,551
CTG, 7.62MM, ALL TYPES	11,833	11,833	11,833	11,833
CTG, 7.62MM ARMOR PIERCING XM993	2,412	2,412	2,412	2,412
CTG, 9MM, ALL TYPES	2,657	2,657	2,657	2,657
CTG, .50 CAL, ALL TYPES	26,823	26,823	29,823	28,823
CTG, CAL .50 API MK211 MOD 0	3,211	3,211	3,211	3,211
CTG, 20MM, ALL TYPES	85	85	85	85
CTG, 25MM, ALL TYPES	46,231	70,231	46,231	70,231
CTG, 30MM, ALL TYPES	9,811	9,811	9,811	9,811
CTG, 40MM, ALL TYPES	49,395	49,395	29,395	29,395
NONLETHAL WEAPONS CAPABILITY SET	5,891	5,891	5,891	5,891
MORTAR AMMUNITION				
60MM MORTAR, ALL TYPES	45,389	45,389	45,389	45,389
81MM MORTAR, ALL TYPES	---	4,000	18,000	11,000
CTG, MORTAR 120MM HE M934 W/MO FUZE	39,536	39,536	47,536	43,536
CTG, MORTAR 120MM ILLUM XM930 W/MTSQ FZ	3,521	3,521	3,521	3,521
CTG, 120MM WP SMOKE M929A1	11,480	11,480	11,480	11,480
CTG, 120MM IR ILLUM XM983	3,521	3,521	3,521	3,521
TANK AMMUNITION				
CTG, 105MM, HEP-T, W/FUZE F/TANK M393	6,036	6,036	6,036	6,036
CTG, 120MM APFSDS-T M829A2/M829E3	35,596	35,596	35,596	35,596
CTG, TANK 120MM TP-T M831/M831A1	46,200	46,200	46,200	46,200

(In thousands of dollars)

	Budget	House	Senate	Conference
CTG, TANK 120MM TPCSDS-T M865	97,487	97,487	97,487	97,487
ARTILLERY AMMUNITION				
CTG, ARTY 75MM BLANK M337A1	1,824	1,824	1,824	1,824
CTG, ARTY 105MM M927	14	14	14	14
CTG, ARTY 105MM ILLUM M314 SERIES	5,037	5,037	5,037	5,037
REMOTE AREA DENIAL ARTILLERY MUNITION (RADAM)	48,218	27,218	18,218	23,218
PROJ ARTY 155MM HE M107	41,400	46,400	41,400	43,900
MODULAR ARTILLERY CHARGE SYSTEM (MACS)	87,413	87,413	47,413	72,413
ARTILLERY FUZES				
ARTILLERY FUZES, ALL TYPES	56,443	56,443	56,443	56,443
MINES				
MINE, TRAINING, ALL TYPES	9,536	9,536	9,536	9,536
MINE AT M87 (VOLCANO)	---	---	10,000	7,000
WIDE AREA MUNITIONS	2,025	2,025	2,025	2,025
ROCKETS				
BUNKER DEFEATING MUNITION (BDM)	---	5,000	7,000	3,500
ROCKET, HYDRA 70, ALL TYPES	136,654	136,654	136,654	136,654
OTHER AMMUNITION				
DEMOLITION MUNITIONS, ALL TYPES	18,168	20,168	23,168	22,668
GRENADES, ALL TYPES	25,710	25,710	29,710	27,710
SIGNALS, ALL TYPES	10,611	10,611	3,711	3,711
SIMULATORS, ALL TYPES	3,409	3,409	3,409	3,409

(In thousands of dollars)

	Budget	House	Senate	Conference
MISCELLANEOUS AMMO COMPONENTS, ALL TYPES	6,874	6,874	6,874	6,874
CAD/PAD ALL TYPES	5,037	5,037	5,037	5,037
ITEMS LESS THAN $5 MILLION	11,018	11,018	11,018	13,018
AMMUNITION PECULIAR EQUIPMENT	8,816	8,816	8,816	8,816
FIRST DESTINATION TRANSPORTATION (AMMO)	5,218	5,218	5,218	5,218
CLOSEOUT LIABILITIES	32,213	32,213	32,213	32,213
TOTAL, AMMUNITION	1,033,545	1,052,545	991,645	1,029,145
AMMUNITION PRODUCTION BASE SUPPORT				
PRODUCTION BASE SUPPORT PROVISION OF INDUSTRIAL FACILITIES	57,277	57,277	57,277	57,277
LAYAWAY OF INDUSTRIAL FACILITIES	13,815	13,815	13,815	13,815
MAINTENANCE OF INACTIVE FACILITIES	10,802	13,552	10,802	12,302
CONVENTIONAL AMMO DEMILITARIZATION	73,225	73,225	73,225	73,225
ARMS INITIATIVE	4,701	9,701	24,701	14,701
TOTAL, AMMUNITION PRODUCTION BASE SUPPORT	159,820	167,570	179,820	171,320
MLRS/DPICM	---	-8,500	---	---
TOTAL, PROCUREMENT OF AMMUNITION, ARMY	1,193,365	1,211,615	1,171,465	1,200,465

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[in thousands of dollars]

	Budget	House	Senate	Conference
6 CTG, .50 CAL, ALL TYPES	**26,823**	**26,823**	**29,823**	**28,823**
SLAP Munition			+3,000	+2,000
9 CTG, 25MM, ALL TYPES	**46,231**	**70,231**	**46,231**	**70,231**
M919		+24,000		+24,000
11 CTG, 40MM, ALL TYPES	**49,395**	**49,395**	**29,395**	**29,395**
40mm MTP M918 Linked-Under Execution			-20,000	-20,000
14 81MM MORTAR, ALL TYPES	**0**	**4,000**	**18,000**	**11,000**
M816 81mm Infrared Illumination Cartridge		+4,000	+6,000	+4,000
M853 81mm Illum			+7,000	+3,500
M934 81mm MO			+5,000	+3,500
15 CTG, MORTAR 120MM HE M934 W/MO FUZE	**39,536**	**39,536**	**47,536**	**43,536**
M934 120mm HE			+8,000	+4,000
32 REMOTE AREA DENIAL ARTILLERY MUNITION (RADAM)	**48,218**	**27,218**	**18,218**	**23,218**
Quantity reduction		-21,000		
Cost Growth			-30,000	-25,000
33 PROJ ARTY 155MM HE M107	**41,400**	**46,400**	**41,400**	**43,900**
M795 155mm HE, HF		+5,000		+2,500
34 MODULAR ARTILLERY CHARGE SYSTEM (MACS)	**87,413**	**87,413**	**47,413**	**72,413**
Cost Growth			-40,000	-15,000
37 MINE AT M87 (VOLCANO)	**0**	**0**	**10,000**	**7,000**
Volcano			+10,000	+7,000
39 BUNKER DEFEATING MUNITION (BDM)	**0**	**5,000**	**7,000**	**3,500**
Shoulder-Launched Multipurpose Assault Weapon-Disposable (SMAW-D) Bunker Defeat Munition		+5,000		
SMAW			+7,000	+3,500
41 DEMOLITION MUNITIONS, ALL TYPES	**18,168**	**20,168**	**23,168**	**22,668**
Modernization Demolition Initiators (MDI)		+2,000		+1,000
APOBS			+5,000	+3,500
42 GRENADES, ALL TYPES	**25,710**	**25,710**	**29,710**	**27,710**
M83 Smoke			+4,000	+2,000
43 SIGNALS, ALL TYPES	**10,611**	**10,611**	**3,711**	**3,711**
Practice M8			-6,900	-6,900
47 ITEMS LESS THAN $5 MILLION	**11,018**	**11,018**	**11,018**	**13,018**
Smokeless Nitrocellulose				+2,000

	Budget	House	Senate	Conference
53 MAINTENANCE OF INACTIVE FACILITIES	**10,802**	**13,552**	**10,802**	**12,302**
Production Base Support at Pine Bluff Arsenal		+2,750		+1,500
55 ARMS INITIATIVE	**4,701**	**9,701**	**24,701**	**14,701**
ARMS Initiative		+5,000	+20,000	+10,000
UNDISTRIBUTED				
MLRS/DPICM		-8,500		

OTHER PROCUREMENT, ARMY

The conference agreement on items addressed by either the House or Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
OTHER PROCUREMENT, ARMY				
TACTICAL AND SUPPORT VEHICLES				
TACTICAL VEHICLES				
TACTICAL TRAILERS/DOLLY SETS	3,723	4,723	3,723	4,723
SEMITRAILERS, FLATBED:	29,317	29,317	29,317	29,317
SEMITRAILERS, TANKERS	6,664	6,664	6,664	6,664
SEMITRAILER VAN CGO SUPPLY 12T 4WHL M129A2C	7,300	7,300	---	---
HI MOB MULTI-PURP WHLD VEH (HMMWV)	130,821	130,821	157,821	149,821
TRUCK, DUMP, 20T (CCE)	8,078	8,078	8,078	8,078
FAMILY OF MEDIUM TACTICAL VEH (FMTV)	467,386	467,386	467,386	467,386
FIRETRUCKS & ASSOCIATED FIREFIGHTING EQUIPMEN	5,024	5,024	10,524	9,024
FAMILY OF HEAVY TACTICAL VEHICLES (FHTV)	157,633	165,633	157,633	162,633
ARMORED SECURITY VEHICLES (ASV)	14,483	14,483	19,483	17,983
TRUCK, TRACTOR, LINE HAUL, M915/M916	47,507	47,507	47,507	47,507
TOWING DEVICE, 5TH WHEEL	2,013	2,013	2,013	2,013
TRUCK, TRACTOR, YARD TYPE, M878 (C/S)	4,003	4,003	4,003	4,003
HVY EXPANDED MOBILE TACTICAL TRUCK EXT SERV P	31,304	31,304	31,304	31,304
LINE HAUL ESP	18,515	18,515	18,515	18,515
MODIFICATION OF IN SVC EQUIP	49,184	49,184	56,684	52,684
ITEMS LESS THAN $5 MILLION (TAC VEH)	1,903	1,903	1,903	1,903
NON-TACTICAL VEHICLES				
HEAVY ARMORED SEDAN	585	585	585	585
PASSENGER CARRYING VEHICLES	1,115	1,115	1,115	1,115
NONTACTICAL VEHICLES, OTHER	5,458	5,458	5,458	5,458
TOTAL, TACTICAL AND SUPPORT VEHICLES	992,016	1,001,016	1,029,716	1,020,716

(In thousands of dollars)

	Budget	House	Senate	Conference
COMMUNICATIONS AND ELECTRONICS EQUIPMENT				
COMM - JOINT COMMUNICATIONS COMBAT IDENTIFICATION PROGRAM	13,147	13,147	13,147	13,147
JCSE EQUIPMENT (USREDCOM)	5,594	5,594	5,594	5,594
COMM - SATELLITE COMMUNICATIONS DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPAC	99,420	99,420	107,220	99,420
SHF TERM	16,951	---	---	100
SAT TERM, EMUT (SPACE)	12,640	12,640	12,640	12,640
NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE)	20,806	20,806	20,806	20,806
SMART-T (SPACE)	21,704	21,704	21,704	21,704
SCAMP (SPACE)	3,562	3,562	3,562	3,562
GLOBAL BRDCST SVC - GBS	6,969	6,969	6,969	6,969
MOD OF IN-SVC EQUIP (TAC SAT)	2,492	2,492	2,492	2,492
COMM - C3 SYSTEM ARMY GLOBAL CMD & CONTROL SYS (AGCCS)	8,622	13,622	8,622	12,922
COMM - COMBAT COMMUNICATIONS ARMY DATA DISTRIBUTION SYSTEM (DATA RADIO)	46,332	46,332	72,332	64,332
SINCGARS FAMILY	20,687	20,687	20,687	20,687
TRACTOR CAGE	1,866	1,866	1,866	1,866
JOINT TACTICAL AREA COMMAND SYSTEMS	971	971	971	971
ACUS MOD PROGRAM	113,137	123,137	169,637	153,837
COMMS-ELEC EQUIP FIELDING	3,412	8,412	3,712	7,212
SOLDIER ENHANCEMENT PROGRAM COMM/ELECTRONICS	5,136	5,136	5,136	5,136
COMBAT SURVIVOR EVADER LOCATOR (CSEL)	12,720	12,720	12,720	12,720
MEDICAL COMM FOR CBT CASUALTY CARE (MC4)	7,703	7,703	7,703	7,703

(In thousands of dollars)

	Budget	House	Senate	Conference
COMM - INTELLIGENCE COMM				
CI AUTOMATION ARCHITECTURE	1,635	1,635	1,635	1,635
INFORMATION SECURITY				
TSEC - ARMY KEY MGT SYS (AKMS)	12,203	12,203	12,203	12,203
INFORMATION SYSTEM SECURITY PROGRAM-ISSP	42,244	45,244	51,244	52,744
COMM - LONG HAUL COMMUNICATIONS				
TERRESTRIAL TRANSMISSION	2,038	2,038	2,038	2,038
BASE SUPPORT COMMUNICATIONS	11,739	11,739	13,739	13,139
ARMY DISN ROUTER	4,931	4,931	4,931	4,931
ELECTROMAG COMP PROG (EMCP)	462	462	462	462
WW TECH CON IMP PROG (WWTCIP)	2,998	2,998	2,998	2,998
COMM - BASE COMMUNICATIONS				
INFORMATION SYSTEMS	166,679	166,679	166,679	166,679
DEFENSE MESSAGE SYSTEM (DMS)	18,463	18,463	18,463	18,463
LOCAL AREA NETWORK (LAN)	103,965	103,965	103,965	105,965
PENTAGON INFORMATION MGT AND TELECOM	33,605	33,605	33,605	33,605
ELECT EQUIP - NAT FOR INT PROG (NFIP)				
FOREIGN COUNTERINTELLIGENCE PROG (FCI)	877	877	877	877
GENERAL DEFENSE INTELL PROG (GDIP)	27,994	27,994	31,994	29,994
ELECT EQUIP - TACT INT REL ACT (TIARA)				
ALL SOURCE ANALYSIS SYS (ASAS) (TIARA)	46,931	48,931	46,931	48,331
JTT/CIBS-M (TIARA)	10,345	20,345	10,345	18,845
PROPHET GROUND (TIARA)	15,734	15,734	15,734	15,734
TACTICAL UNMANNED AERIAL VEHICLE (TUAV)	84,300	63,300	48,500	57,300
JOINT STARS (ARMY) (TIARA)	21,304	21,304	21,304	21,304
DIGITAL TOPOGRAPHIC SPT SYS (DTSS) (TIARA)	20,124	20,124	20,124	20,124

(In thousands of dollars)

	Budget	House	Senate	Conference
TACTICAL EXPLOITATION SYSTEM/DCGS-A (TIARA)	26,168	33,668	26,168	33,668
COMMON IMAGERY GROUND/SURFACE SYSTEM (CIGSS)	2,611	2,611	2,611	2,611
TROJAN (TIARA)	4,895	4,895	4,895	4,895
MOD OF IN-SVC EQUIP (INTEL SPT) (TIARA)	1,744	1,744	1,744	1,744
CI HUMINT AUTOMATED TOOL SET (CHATS) (TIARA)	1,492	2,492	1,492	2,492
ITEMS LESS THAN $5 MILLION (TIARA)	2,091	2,091	2,091	2,091
ELECT EQUIP - ELECTRONIC WARFARE (EW)				
SHORTSTOP	5	2,005	5	1,705
COUNTERINTELLIGENCE/SECURITY COUNTERMEASURES	2,306	2,306	2,306	2,306
ELECT EQUIP - TACTICAL SURV. (TAC SURV)				
FAAD GBS	1,887	1,887	1,887	1,887
SENTINEL MODS	30,885	30,885	31,685	31,685
NIGHT VISION DEVICES	37,019	37,019	39,019	38,419
LONG RANGE ADVANCED SCOUT SURVEILLANCE SYSTEM	44,535	44,535	44,535	44,535
LTWT VIDEO RECON SYSTEM (LWVRS)	1,339	1,339	1,339	1,339
NIGHT VISION, THERMAL WPN SIGHT	35,134	38,134	35,134	36,334
COMBAT IDENTIFICATION / AIMING LIGHT	8,503	8,503	11,503	10,503
ARTILLERY ACCURACY EQUIP	10,413	10,413	10,413	10,413
MOD OF IN-SVC EQUIP (MMS)	935	935	935	935
MOD OF IN-SVC EQUIP (MVS)	251	251	251	251
MOD OF IN-SVC EQUIP (TAC SURV)	21,478	21,478	21,478	21,478
FORCE XXI BATTLE CMD BRIGADE & BELOW (FBCB2)	74,663	74,663	74,663	74,663
LIGHTWEIGHT LASER DESIGNATOR/RANGEFINDER (LLD	7,059	7,059	7,059	7,059
MORTAR FIRE CONTROL SYSTEM	16,785	20,785	9,785	11,785
INTEGRATED MET SYS SENSORS (IMETS) - TIARA	2,521	2,521	2,521	2,521

(In thousands of dollars)

	Budget	House	Senate	Conference
ELECT EQUIP - TACTICAL C2 SYSTEMS				
TACTICAL OPERATIONS CENTERS	38,952	38,952	38,952	38,952
ADV FIELD ARTILLERY TACT DATA SYS (AFATDS)	49,476	49,476	49,476	49,476
LIGHT WEIGHT TECHICAL FIRE DIRECTION SYS (LWT	1,677	1,677	1,677	1,677
CMBT SVC SUPT CONTROL SYS (CSSCS)	25,201	25,201	25,201	25,201
FAAD C2	8,900	8,900	8,900	8,900
AIR & MSL DEFENSE PLANNING & CONTROL SYS (AMD	10,299	10,299	10,299	10,299
FORWARD ENTRY DEVICE (FED)	15,915	15,915	15,915	15,915
STRIKER-COMMAND AND CONTROL SYSTEM	21,442	21,442	21,442	21,442
LIFE CYCLE SOFTWARE SUPPORT (LCSS)	936	936	936	936
LOGTECH	8,212	8,212	8,212	8,212
TC AIMS II	25,512	25,512	25,512	25,512
GUN LAYING AND POS SYS (GLPS)	12,079	12,079	12,079	12,079
ISYSCON EQUIPMENT	32,448	32,448	32,448	32,448
MANEUVER CONTROL SYSTEM (MCS)	6,839	5,439	5,439	5,439
STAMIS TACTICAL COMPUTERS (STACOMP)	60,621	60,621	47,621	47,621
STANDARD INTEGRATED CMD POST SYSTEM	30,513	30,513	35,513	33,013
ELECT EQUIP - AUTOMATION				
ARMY TRAINING MODERNIZATION	26,312	26,312	26,312	26,312
AUTOMATED DATA PROCESSING EQUIP	146,885	156,335	160,885	159,835
RESERVE COMPONENT AUTOMATION SYS (RCAS)	89,319	89,319	89,319	89,319
ELECT EQUIP - AUDIO VISUAL SYS (A/V)				
SPECIAL INFORMATION OPERATIONS (SIO) (TIARA)	206	206	206	206
AFRTS	2,481	2,481	2,481	2,481
ITEMS LESS THAN $5 MILLION (A/V)	5,778	5,778	5,778	5,778

(In thousands of dollars)

	Budget	House	Senate	Conference
ITEMS LESS THAN $5 MILLION (SURVEYING EQUIPMENT).....	631	631	631	631
ELECT EQUIP - SUPPORT PRODUCTION BASE SUPPORT (C-E).....	419	419	419	419
TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIPMENT.....	2,008,214	2,030,813	2,064,463	2,068,613
OTHER SUPPORT EQUIPMENT				
CHEMICAL DEFENSIVE EQUIPMENT SMOKE & OBSCURANT FAMILY: SOF (NON AAO ITEM).....	23,547	23,547	23,547	23,547
BRIDGING EQUIPMENT TACTICAL BRIDGING, DRY SUPPORT.....	25,752	25,752	25,752	25,752
TACTICAL BRIDGE, FLOAT-RIBBON.....	48,181	48,181	48,181	48,181
ENGINEER (NON-CONSTRUCTION) EQUIPMENT DISPENSER, MINE M139.....	2,400	2,400	2,400	2,400
GRND STANDOFF MINE DETECTION SYSTEM (GSTAMIDS.....	13,272	13,272	13,272	13,272
WIDE AREA MUNITIONS (REMOTE CONTROL UNIT).....	3,317	3,317	3,317	3,317
EXPLOSIVE ORDNANCE DISPOSAL EQPMT (EOD EQPMT).....	4,058	4,058	4,058	4,058
LESS THAN $5 MILLION (COUNTERMINE EQUIPMENT).....	156	156	156	156
COMBAT SERVICE SUPPORT EQUIPMENT HEATERS AND ECU'S.....	5,082	5,082	5,082	5,082
LAUNDRIES, SHOWERS AND LATRINES.....	23,232	28,232	26,232	26,232
SOLDIER ENHANCEMENT.....	3,148	3,148	3,148	3,148
LIGHTWEIGHT MAINTENANCE ENCLOSURE (LME).....	3,636	6,636	8,636	6,636
FIELD FEEDING AND REFRIGERATION.....	7,043	7,043	7,043	8,143
CAMOUFLAGE: ULCANS.....	---	---	8,000	4,000
ITEMS LESS THAN $5 MILLION (CSS-EQ).....	4,001	4,001	4,001	4,001
PETROLEUM EQUIPMENT				

(In thousands of dollars)

	Budget	House	Senate	Conference
QUALITY SURVEILLANCE EQUIPMENT	7,694	7,694	7,694	7,694
DISTRIBUTION SYSTEMS, PETROLEUM & WATER	18,294	18,294	18,294	18,294
ASSAULT HOSELINE SYSTEM	5,361	5,361	5,361	5,361
INLAND PETROLEUM DISTRIBUTION SYSTEM	1,706	1,706	1,706	1,706
WATER EQUIPMENT				
WATER PURIFICATION SYSTEMS	39,289	39,289	39,289	39,289
MEDICAL EQUIPMENT				
COMBAT SUPPORT MEDICAL	16,731	21,731	22,731	24,331
MAINTENANCE EQUIPMENT				
SHOP EQ CONTACT MAINTENANCE TRK MTD (MYP)	9,979	9,979	9,979	9,979
WELDING SHOP, TRAILER MTD	6,053	6,053	6,053	6,053
ITEMS LESS THAN $5 MILLION (MAINT EQ)	2,617	2,617	2,617	2,617
CONSTRUCTION EQUIPMENT				
SCRAPER, EARTHMOVING, 7 1/2 CU YD	7,230	17,230	7,230	14,230
DISTR, WATER, SP MIN 2500G SEC/NON-SEC	1,006	1,006	1,006	1,006
MISSION MODULES - ENGINEERING	6,121	6,121	13,121	10,621
COMPACTOR	4,589	4,589	4,589	4,589
LOADERS	12,669	12,669	12,669	12,669
HYDRAULIC EXCAVATOR	4,589	4,589	4,589	4,589
DEPLOYABLE UNIVERSAL COMBAT EARTH MOVERS	5,301	21,301	12,301	16,501
TRACTOR, FULL TRACKED	2,018	2,018	2,018	2,018
CRANES	22,029	22,029	22,029	22,029
CRUSHING/SCREENING PLANT, 150 TPH	4,474	4,474	4,474	4,474
PLANT, ASPHALT MIXING	2,013	2,013	2,013	2,013
ARMORED COMBAT EARTHMOVER, M9 ACE	1,107	1,107	1,107	1,107

(In thousands of dollars)

	Budget	House	Senate	Conference
TACTICAL RAPID EXCAVATION SYSTEM (TRES)	5,031	5,031	5,031	5,031
CONST EQUIP ESP	12,974	12,974	12,974	12,974
ITEMS LESS THAN $5 MILLION (CONST EQUIP)	12,428	12,428	12,428	12,428
RAIL FLOAT CONTAINERIZATION EQUIPMENT				
FLOATING CRANE, 100-250 TON	---	15,000	---	7,000
LOGISTIC SUPPORT VESSEL (LSV)	25,437	25,437	25,437	25,437
ITEMS LESS THAN $5 MILLION (FLOAT/RAIL)	3,254	3,254	3,254	3,254
GENERATORS				
GENERATORS AND ASSOCIATED EQUIP	59,768	63,268	59,768	62,268
MATERIAL HANDLING EQUIPMENT				
ROUGH TERRAIN CONTAINER HANDLER (RTCH)	43,353	43,353	43,353	43,353
ALL TERRAIN LIFTING ARMY SYSTEM	21,062	21,062	21,062	21,062
MHE EXTENDED SERVICE PROGRAM (ESP)	1,007	1,007	1,007	1,007
ITEMS LESS THAN $5 MILLION (MHE)	481	481	481	481
TRAINING EQUIPMENT				
CTC INSTRUMENTATION SUPPORT	10,307	16,307	10,307	14,507
TRAINING DEVICES, NONSYSTEM	74,481	92,681	123,981	126,381
CLOSE COMBAT TACTICAL TRAINER	36,783	36,783	36,783	36,783
AVIATION COMBINED ARMS TACTICAL TRAINER (AVCA	25,227	25,227	27,227	26,227
TEST MEASURE AND DIG EQUIPMENT (TMD)				
CALIBRATION SETS EQUIPMENT	16,001	16,001	16,001	16,001
INTEGRATED FAMILY OF TEST EQUIPMENT (IFTE)	52,397	65,397	67,397	63,397
TEST EQUIPMENT MODERNIZATION (TEMOD)	15,655	15,655	15,655	15,655
ARMY DIAGNOSTICS IMPROVEMENT PGM (ADIP)	18,344	18,344	18,344	18,344
RECONFIGURABLE SIMULATORS	365	365	365	365

(In thousands of dollars)

	Budget	House	Senate	Conference
PHYSICAL SECURITY SYSTEMS (OPA3)	69,227	69,227	69,227	69,227
BASE LEVEL COM'L EQUIPMENT	8,696	8,696	8,696	8,696
MODIFICATION OF IN-SVC EQUIPMENT (OPA-3)	32,468	32,468	32,468	32,468
PRODUCTION BASE SUPPORT (OTH)	2,545	2,545	2,545	2,545
SPECIAL EQUIPMENT FOR USER TESTING	16,400	31,400	20,400	32,300
MA8975	6,057	6,057	6,057	6,057
TOTAL, OTHER SUPPORT EQUIPMENT	917,443	1,027,143	1,023,943	1,052,343
SPARE AND REPAIR PARTS				
INITIAL SPARES - C&E	43,093	43,093	41,093	41,093
INITIAL SPARES - OTHER SUPPORT EQUIP	971	971	971	971
TOTAL, SPARE AND REPAIR PARTS	44,064	44,064	42,064	42,064
TOTAL, OTHER PROCUREMENT, ARMY	3,961,737	4,103,036	4,160,186	4,183,736

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[in thousands of dollars]

	Budget	House	Senate	Conference
1 TACTICAL TRAILERS/DOLLY SETS	**3,723**	**4,723**	**3,723**	**4,723**
Self Load/Offload Trailer (SLOT)		+1,000		+1,000
4 SEMITRAILER VAN CGO SUPPLY 12T 4WHL M129A2C	**7,300**	**7,300**	**0**	**0**
Requirements Fulfilled			-7,300	-7,300
5 HI MOB MULTI-PURP WHLD VEH (HMMWV)	**130,821**	**130,821**	**157,821**	**149,821**
Up-armored HMMWV			+27,000	+19,000
8 FIRETRUCKS & ASSOCIATED FIREFIGHTING EQUIP	**5,024**	**5,024**	**10,524**	**9,024**
Tactical Fire Trucks			+5,500	+4,000
9 FAMILY OF HEAVY TACTICAL VEHICLES (FHTV)	**157,633**	**165,633**	**157,633**	**162,633**
Movement Tracking System (MTS) for Family of Heavy Tactical Vehicles		+8,000		+5,000
10 ARMORED SECURITY VEHICLES (ASV)	**14,483**	**14,483**	**19,483**	**17,983**
Program Increase			+5,000	+3,500
16 MODIFICATION OF IN SVC EQUIP	**49,184**	**49,184**	**56,684**	**52,684**
Aluminum Mesh Tank Liner			+7,500	+3,500
23 DEFENSE SATELLITE COMMUNICATIONS SYSTEM	**99,420**	**99,420**	**107,220**	**99,420**
Teleports			+7,800	
24 SHF TERM	**16,951**	**0**	**0**	**100**
STAR-T Program Termination		-16,951	-16,951	-16,851
31 ARMY GLOBAL CMD & CONTROL SYS (AGCCS)	**8,622**	**13,622**	**8,622**	**12,922**
AN/PSC-5 Spitfire, Radio P3I		+5,000		+4,300
32 ARMY DATA DISTRIBUTION SYSTEM (DATA RADIO)	**46,332**	**46,332**	**72,332**	**64,332**
EPLRS			+26,000	+18,000
36 ACUS MOD PROGRAM	**113,137**	**123,137**	**169,637**	**153,837**
AN/UXC-10 TS-21 Blackjack Digital Facsimile		+10,000	+10,000	+7,000
AN/TTC Single Shelter Switches w/ Associated Support			+38,000	+26,500
USARPAC C4 Suites			+8,500	+7,200
37 COMMS-ELEC EQUIP FIELDING	**3,412**	**8,412**	**3,712**	**7,212**
Improved High Frequency Radio (Army Reserve)		+5,000		+3,500
USARPAC GCCS-A Suites			+300	+300
44 INFORMATION SYSTEM SECURITY PROGRAM-ISSP	**42,244**	**45,244**	**51,244**	**52,744**
Secure Terminal Equipment		+3,000		+1,500
Biometrics Information Assurance Program			+9,000	+9,000

	Budget	House	Senate	Conference
46 BASE SUPPORT COMMUNICATIONS	11,739	11,739	13,739	13,139
Trunked Radio System			+2,000	+1,400
52 LOCAL AREA NETWORK (LAN)	103,965	103,965	103,965	105,965
CUTTN/Digital Switch System Mod (DSSMP) (Note: only for upgrade of Ft. Huachuca and White Sands Missile Range networks.)				+2,000
55 GENERAL DEFENSE INTELL PROG (GDIP)	27,994			29,994
GDIP Increase				+2,000
56 ALL SOURCE ANALYSIS SYS (ASAS) (TIARA)	46,931	48,931	46,931	48,331
All Source Analysis System (ASAS) (Note: only for procurement of the Intelligence Analysis Advanced Tool Sets (IAATS) Communications Control Sets for ASAS.)		+2,000		+1,400
57 JTT/CIBS-M (TIARA)	10,345	20,345	10,345	18,845
Joint Tactical Terminals (Note: only for procurement of Joint Tactical Terminals.)		+10,000		+8,500
59 TACTICAL UNMANNED AERIAL VEHICLE (TUAV)	84,300	63,300	48,500	57,300
Advanced procurement of TUAV		-21,000		
FRP Delay			-35,800	-27,000
64 TACTICAL EXPLOITATION SYSTEM/DCGS-A (TIARA)	26,168	33,668	26,168	33,668
Tactical Surveillance Systems (Transfer from Distributed Common Ground System.)		+7,500		+7,500
68 CI HUMINT AUTOMATED TOOL SET (CHATS) (TIARA)	1,492	2,492	1,492	2,492
CI HUMINT Automated Tool Set (CHATS) additional CHATS units		+1,000		+1,000
70 SHORTSTOP	5	2,005	5	1,705
Shortstop Integrated Logistics Support		+2,000		+1,700
73 SENTINEL MODS	30,885	30,885	31,685	31,685
USARPAC Trojan Lite			+800	+800
74 NIGHT VISION DEVICES	37,019	37,019	39,019	38,419
Borelight			+2,000	+1,400
77 NIGHT VISION, THERMAL WPN SIGHT	35,134	38,134	35,134	36,334
AN/PVS-6 (MELIOS)		+3,000		+1,200
78 COMBAT IDENTIFICATION / AIMING LIGHT	8,503	8,503	11,503	10,503
AN/PEQ-2A Target Pointer			+3,000	+2,000
87 MORTAR FIRE CONTROL SYSTEM	16,785	20,785	9,785	11,785
Lightweight Laser Designation Rangefinder		+4,000		+2,000
Program Delays			-7,000	-7,000
103 MANEUVER CONTROL SYSTEM (MCS)	6,839	5,439	5,439	5,439
MCS Schedule Delay		-1,400		-1,400
Program Delays			-1,400	
104 STAMIS TACTICAL COMPUTERS (STACOMP)	60,621	60,621	47,621	47,621
Program Delays			-13,000	-13,000

	Budget	House	Senate	Conference
105 STANDARD INTEGRATED CMD POST SYSTEM	**30,513**	**30,513**	**35,513**	**33,013**
Modular Command Post			+5,000	+2,500
107 AUTOMATED DATA PROCESSING EQUIP	**146,885**	**156,335**	**160,885**	**159,835**
Ammunition Automated Identification Technology		+4,000		+3,500
NG Distance Learning Courseware		+3,000	+8,000	+4,000
Automated Manifest System		+1,000		+1,000
LAN Installation for Gauntlet FTX Site and Skidgell Hall (Fort Knox)		+450		+450
Regional Medical Distributive Learning Center		+1,000		+1,000
Maintenance Automatic Identification Technology			+6,000	+3,000
125 LAUNDRIES, SHOWERS AND LATRINES	**23,232**	**28,232**	**26,232**	**26,232**
Laundry Advanced System (LADS)		+5,000	+3,000	+3,000
127 LIGHTWEIGHT MAINTENANCE ENCLOSURE (LME)	**3,636**	**6,636**	**8,636**	**6,636**
Lightweight Maintenance Enclosures		+3,000	+5,000	+3,000
129 FIELD FEEDING AND REFRIGERATION	**7,043**	**7,043**	**7,043**	**8,143**
Food Sanitation Center				+1,100
131 CAMOUFLAGE: ULCANS	**0**	**0**	**8,000**	**4,000**
ULCANS			+8,000	+4,000
142 COMBAT SUPPORT MEDICAL	**16,731**	**21,731**	**22,731**	**24,331**
Life Support for Trauma and Transport (LSTAT)		+3,500		+2,500
Portable Low-Power Blood Cooling and Storage Device		+1,500		+1,100
Rapid Intravenous Infusion Pump			+4,000	+3,000
Hema Cool			+2,000	+1,000
147 SCRAPER, EARTHMOVING, 7 1/2 CU YD	**7,230**	**17,230**	**7,230**	**14,230**
Scraper		+10,000		+7,000
149 MISSION MODULES - ENGINEERING	**6,121**	**6,121**	**13,121**	**10,621**
Additional Mission Modules			+7,000	+4,500
153 DEPLOYABLE UNIVERSAL COMBAT EARTH MOVERS	**5,301**	**21,301**	**12,301**	**16,501**
DEUCE		+16,000	+7,000	+11,200
163 FLOATING CRANE, 100-250 TON	**0**	**15,000**	**0**	**7,000**
Floating Crane 100-250 ton capacity (Note: only to procure and complete construction of a fifth floating crane barge (DB-5))		+15,000		+7,000
169 GENERATORS AND ASSOCIATED EQUIP	**59,768**	**63,268**	**59,768**	**62,268**
2kW Military Tactical Generator		+3,500		+2,500
175 CTC INSTRUMENTATION SUPPORT	**10,307**	**16,307**	**10,307**	**14,507**
Deployable Force-on-Force Instrumented Range System		+6,000		+4,200

	Budget	House	Senate	Conference
176 TRAINING DEVICES, NONSYSTEM	**74,481**	**92,681**	**123,981**	**126,381**
Advanced Aviation Institutional Training Simulator (AAITS)		+5,000		+2,500
COTS Mobile/Reconfigurable Target System		+1,000		+1,000
Deployable Range Training and Safety System (DTRSS) at Ft. Bliss (ARNG)		+2,700		+1,300
Deployable Range Training and Safety System (DTRSS) at Ft. Hood (ARNG)		+2,000		+1,300
Fire Fighting Training System		+2,500		+1,200
Military Operations in Urban Terrain (MOUT) Instrumentation-Ft. Wainwright		+5,000	+6,500	+5,500
Military Operations in Urban Environments Terminal (MOUT)			+3,000	+1,500
Abrams & Bradley Interactive Skills Trainer			+9,000	+6,300
SIMNET			+15,000	+10,500
AFIST			+9,000	+8,300
GUARDFIST (Note: only for the Army National Guard)				+3,000
Army Live Fire Ranges				+3,500
Miles 2000 for Cope Thunder			+7,000	+6,000
178 AVIATION COMBINED ARMS TACTICAL TRAINER (AVCATT)	**25,227**	**25,227**	**27,227**	**26,227**
Aviation Reconfigurable Man Simulator			+2,000	+1,000
181 INTEGRATED FAMILY OF TEST EQUIPMENT (IFTE)	**52,397**	**65,397**	**67,397**	**63,397**
Integrated Family of Test Equipment		+13,000	+15,000	+11,000
189 SPECIAL EQUIPMENT FOR USER TESTING	**16,400**	**31,400**	**20,400**	**32,300**
Additional Target Acquisition Radar--Agile Multi Beam (TARAMB) (Only to procure one additional TARAMB air defense training system with required spares.)		+12,000		+11,500
Special Equipment for User Testing (Note: only for testing of high fidelity EW and SIGINT battlefield assets during training exercises)		+3,000		+1,000
Target Receiver Injection Module Threat Simulator			+4,000	+3,400
193 INITIAL SPARES - C&E	**43,093**	**43,093**	**41,093**	**41,093**
SMART-T Program Delays			-2,000	-2,000

TACTICAL UNMANNED AERIAL VEHICLE

The House recommended $63,000,000 for the TUAV, a reduction of $21,000,000 from the budget request. The House included language directing that funds provided for the low-rate initial production (LRIP) III of the TUAV may not be obligated or expended until the TUAV successfully completes the planned AEC assessment the Fall/Winter of 2001 and the Secretary of the Army certifies that the TUAV has been adequately tested and justifies the initiation of the LRIP III prior to the completion of initial operational test and evaluation. The Senate recommended $48,500,000 for the TUAV, a reduction of $35,800,000 from the budget request. The Senate included language stating that the system's viability should be validated prior to procurement of additional units. The conferees recommended $57,300,000 for the TUAV, a reduction of $27,000,000 from the budget request. The conferees agree that the language contained in both the House and Senate reports conveys the same concerns and should be implemented by the Army.

AIRCRAFT PROCUREMENT, NAVY

The conference agreement on items addressed by either the House or Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
AIRCRAFT PROCUREMENT, NAVY				
COMBAT AIRCRAFT				
F/A-18E/F (FIGHTER) HORNET (MYP)	3,067,522	3,067,522	3,032,522	3,037,522
F/A-18E/F (FIGHTER) HORNET (MYP) (AP-CY)	88,876	88,876	88,876	88,876
V-22 (MEDIUM LIFT)	1,009,881	790,881	783,181	783,181
V-22 (MEDIUM LIFT) (AP-CY)	48,428	48,428	36,428	36,428
AH-1W (HELICOPTER) SEA COBRA	1,383	1,383	1,383	1,383
SH-60R	25,064	10,064	18,564	10,064
E-2C (EARLY WARNING) HAWKEYE (MYP)	242,746	239,746	242,746	239,746
E-2C (EARLY WARNING) HAWKEYE (MYP) (AP-CY)	36,191	36,191	36,191	36,191
TOTAL, COMBAT AIRCRAFT	4,520,091	4,283,091	4,239,891	4,233,391
AIRLIFT AIRCRAFT				
CH-60S (MYP)	181,957	181,957	181,957	181,957
CH-60S (MYP) (AP-CY)	64,212	64,212	64,212	64,212
UC-35	---	7,500	---	7,500
C-9 MODERNIZATION	---	---	---	3,000
TOTAL, AIRLIFT AIRCRAFT	246,169	253,669	246,169	256,669
TRAINER AIRCRAFT				
T-45TS (TRAINER) GOSHAWK	179,331	179,331	179,331	179,331
T-45TS (TRAINER) GOSHAWK (AP-CY)	---	---	13,000	6,500
JPATS	---	---	44,600	30,800
TOTAL, TRAINER AIRCRAFT	179,331	179,331	236,931	216,631

(In thousands of dollars)

	Budget	House	Senate	Conference
OTHER AIRCRAFT				
KC-130J	299,047	299,047	289,447	156,847
MODIFICATION OF AIRCRAFT				
EA-6 SERIES	137,645	145,645	157,645	151,645
AV-8 SERIES	49,541	64,541	85,541	74,541
F-14 SERIES	4,504	4,504	7,504	7,004
ADVERSARY	34,769	34,769	34,769	34,769
F-18 SERIES	193,206	185,206	254,106	230,706
H-46 SERIES	38,664	38,664	38,664	38,664
AH-1W SERIES	10,821	17,821	10,821	14,321
H-53 SERIES	16,541	21,541	16,541	19,041
SH-60 SERIES	1,735	4,735	7,735	9,735
H-1 SERIES	1,149	4,149	1,149	2,649
H-3 SERIES	4,191	4,191	4,191	4,191
EP-3 SERIES	123,747	133,747	117,047	124,747
P-3 SERIES	113,191	160,191	176,191	194,391
S-3 SERIES	43,242	43,242	43,242	43,242
E-2 SERIES	14,636	46,636	14,636	42,136
TRAINER A/C SERIES	5,155	5,155	5,155	5,155
C-2A	27,369	25,369	27,369	25,369
C-130 SERIES	5,407	5,407	5,407	5,407
FEWSG	643	643	643	643
CARGO/TRANSPORT A/C SERIES	4,224	4,224	4,224	4,224
E-6 SERIES	74,847	74,847	73,347	74,847
EXECUTIVE HELICOPTERS SERIES	16,183	16,183	16,183	16,183
SPECIAL PROJECT AIRCRAFT	3,088	3,088	3,088	3,088

(In thousands of dollars)

	Budget	House	Senate	Conference
T-45 SERIES	12,778	12,778	5,578	5,578
POWER PLANT CHANGES	13,083	13,083	13,083	13,083
COMMON ECM EQUIPMENT	33,315	34,315	33,315	35,915
COMMON AVIONICS CHANGES	65,147	65,147	65,147	65,147
V-22 (TILT/ROTOR ACFT) OSPREY	35,000	35,000	---	17,500
TOTAL, MODIFICATION OF AIRCRAFT	1,083,821	1,204,821	1,222,321	1,263,921
AIRCRAFT SPARES AND REPAIR PARTS				
SPARES AND REPAIR PARTS	1,420,252	1,353,252	1,305,452	1,320,252
AIRCRAFT SUPPORT EQUIPMENT & FACILITIES				
COMMON GROUND EQUIPMENT	332,926	332,926	319,226	318,726
AIRCRAFT INDUSTRIAL FACILITIES	18,219	22,719	18,219	20,519
WAR CONSUMABLES	12,585	12,585	16,585	15,385
OTHER PRODUCTION CHARGES	27,637	30,637	23,337	23,337
SPECIAL SUPPORT EQUIPMENT	110,897	110,897	110,897	110,897
FIRST DESTINATION TRANSPORTATION	1,568	1,568	1,568	1,568
TOTAL, AIRCRAFT SUPPORT EQUIPMENT & FACILITIES	503,832	511,332	489,832	490,432
TOTAL, AIRCRAFT PROCUREMENT, NAVY	8,252,543	8,084,543	8,030,043	7,938,143

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
(in thousands of dollars)

		Budget	House	Senate	Conference
3	**F/A - 18 E/F (FIGHTER) HORNET (MYP)**	**3,067,552**	**3,067,552**	**3,032,522**	**3,037,552**
	Excessive Growth: Ancillary Support Equipment			-35,000	-30,000
5	**V-22 (MEDIUM LIFT)**	**1,009,881**	**790,881**	**783,181**	**783,181**
	Reduce 3 aircraft		-219,000	-226,700	-226,700
	V-22 (MEDIUM LIFT) (AP-CY)	**48,428**	**48,428**	**36,428**	**36,428**
	Excessive Growth: Unrealistic Schedule			-12,000	-12,000
8	**SH-60R**	**25,064**	**10,064**	**18,564**	**10,064**
	Non Recurring - Schedule Slip		-15,000	-6,500	-15,000
9	**E-2C (EARLY WARNING) HAWKEYE (MYP)**	**242,746**	**239,746**	**242,746**	**239,746**
	Production Support Cost Growth		-3,000		-3,000
13	**UC-35**	**0**	**7,500**		**7,500**
	Additional Aircraft		+7,500		+7,500
	C-9 MODERNIZATION				**3,000**
	Hushkits				+3,000
17	**T-45TS (TRAINER) GOSHAWK (AP-CY)**	**0**	**0**	**13,000**	**6,500**
	Purchase Operational Flight Trainers			+13,000	+6,500
18	**JPATS**	**0**	**0**	**44,600**	**30,800**
	Additional aircraft			+44,600	+30,800
19	**KC-130J**	**299,047**	**299,047**	**289,447**	**156,847**
	Excessive Unit Cost Growth			-9,600	-4,800
	Defer 2 Aircraft			-137,400	-137,400
20	**EA-6 SERIES**	**137,645**	**145,645**	**157,645**	**151,645**
	Additional Band 9/10 Transmitters		+8,000	+20,000	+14,000
21	**AV-8 SERIES**	**49,541**	**64,541**	**85,541**	**74,541**
	Additional Litening II Pods		+15,000	+36,000	+25,000
22	**F-14 SERIES**	**4,504**	**4,504**	**7,504**	**7,004**
	TARPS/CD (Note: only for maintenance, spare parts, training and TARPS-CD costs associated with ~~additional~~ additional battle group deployments.)			+3,000	+2,500
24	**F-18 SERIES**	**193,206**	**185,206**	**254,106**	**230,706**
	Delayed prior year obligations		-10,000		-5,000
	Excessive Growth: SLMP and MIDS			-3,500	-3,500
	PRISM (Note: only for procurement, integration and test of photo reconnaissance strike module for F/A-18C/D and F/A-18E/F)		+2,000		+1,000
	AT FLIR			+30,000	+21,000
	ECP-583			+34,400	+24,000
26	**AH-1W SERIES**	**10,821**	**17,821**	**10,821**	**14,321**
	Night Targeting System (NTS)		+7,000		+3,500
27	**H-53 SERIES**	**16,541**	**21,541**	**16,541**	**19,041**
	AN/APR-39A RWR and "A" installation kits		+5,000		+2,500
28	**SH-60 SERIES**	**1,735**	**4,735**	**7,735**	**9,735**
	AQS-13F Airborne Dipping sonar		+3,000		+2,000
	Airborne Low Frequency Sonars (ALFS)			+6,000	+4,000
	ADHEELS				+2,000
29	**H-1 SERIES**	**1,149**	**4,149**	**1,149**	**2,649**
	AN/AQQ-22 NTIS Upgrade		+3,000	0	+1,500
31	**EP-3 SERIES**	**123,747**	**133,747**	**117,047**	**124,747**

		Budget	House	Senate	Conference
	Program Delays/Slow Execution			-14,700	-10,000
	Hyper Wide/Delta Wing SIGINT equipment (Note: only for NRE, procurement, intergration, installation, and testing of Hyper Wide/Delta Wing SIGINT equipment)		+10,000		+5,000
	ARIES II VME SIGINT tuner			+8,000	+6,000
32	**P-3 SERIES**	**113,191**	**160,191**	**176,191**	**194,391**
	Multi-mode receivers (MMRs)		+5,000		+2,500
	SLAM-ER / Harpoon II Integration		+5,000		+3,500
	CNS/ATM		+5,000	+9,000	+6,300
	BMUP SEI Upgrade		+10,000		+7,000
	COTS Aircraft Health Monitoring System		+2,000		+1,400
	Digital Autopilot Upgrade		+4,000		+2,800
	ALR-95 ESM System Upgrade		+7,000		+6,000
	Digital Instantaneous Frequency Measurement DIFM Upgrade		+9,000		+7,700
	Anti-Surface Warfare Improvement Upgrades			+48,000	+36,000
	PACT Trainer			+6,000	+6,000
	Advanced Digital Recorders				+2,000
34	**E-2 SERIES**	**14,636**	**46,636**	**14,636**	**42,136**
	Hawkeye 2000 / CEC Upgrades		+25,000		+21,500
	AN/USC-42 Mini-DAMA UHF SATCOM Terminals		+7,000		+6,000
36	**C-2A**	**27,369**	**25,369**	**27,369**	**25,369**
	Authorization Reduction		-2,000		-2,000
	E-6 SERIES	**74,847**	**74,847**	**73,347**	**74,847**
	Schedule Slip			-1,500	0
	T-45 SERIES	**12,778**	**12,778**	**5,578**	**5,578**
	Unjustified Increase: Direction Control Mods			-7,200	-7,200
45	**COMMON ECM EQUIPMENT**	**33,315**	**34,315**	**33,315**	**35,915**
	Authorization Reduction		-2,000		0
	AN/ARR-47 Optical Sensor Program		+3,000		+2,600
47	**V-22 (TILT/ROTOR AIRCRAFT) OSPREY**	**35,000**	**35,000**		**17,500**
	Unjustified Funding			-35,000	-17,500
48	**SPARES AND REPAIR PARTS**	**1,420,252**	**1,353,252**	**1,305,452**	**1,320,252**
	Program Growth Reduction		-67,000		-100,000
	Excessive Growth: V-22			-99,000	0
	Excessive Growth: KC-130			-9,900	0
	Excessive Growth: T-45			-5,900	0
49	**COMMON GROUND EQUIPMENT**	**332,926**	**332,926**	**319,226**	**318,726**
	Excessive Growth: Automatic Test Equipment			-18,700	-18,700
	Direct Support Squadron Readiness Training			+5,000	+4,500
50	**AIRCRAFT INDUSTRIAL FACILITIES**	**18,219**	**22,719**	**18,219**	**20,519**
	Navy Calibration Standards Support		+4,500		+2,300
	WAR CONSUMABLES	**12,585**	**12,585**	**16,585**	**15,385**
	High Pressure Pure Air Generator			+4,000	+2,800
52	**OTHER PRODUCTION CHARGES**	**27,637**	**30,637**	**23,337**	**23,337**
	TARPS-CD (Note: $2,500,000 funded in F-14 Series)		+3,000		0
	Excessive Growth: F-14 WSSA			-4,300	-4,300

Joint Primary Aircraft Training System (JPATS)

The conference agreement provides an additional $30,800,000 to purchase a minimum of seven aircraft. Should production costs result in a lower than assumed unit cost, the Navy is encouraged to use whatever funds remain to purchase additional JPATS aircraft. Also, the conferees expect the Navy to fund, at economic rates, additional purchases of JPATS trainer aircraft in future budget requests.

WEAPONS PROCUREMENT, NAVY

The conference agreement on items addressed by either the House or Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
WEAPONS PROCUREMENT, NAVY				
BALLISTIC MISSILES				
TRIDENT II	559,042	534,042	509,042	534,042
TRIDENT II (AP-CY)	8,727	8,727	8,727	8,727
SUPPORT EQUIPMENT AND FACILITIES				
MISSILE INDUSTRIAL FACILITIES	1,275	1,275	1,275	1,275
THEATER BALLISTIC MISSILE DEFENSE				
NAVY AREA MISSILE DEFENSE	6,983	---	6,983	---
TOTAL, BALLISTIC MISSILES	576,027	544,044	526,027	544,044
OTHER MISSILES				
STRATEGIC MISSILES				
TOMAHAWK	50,101	65,101	85,101	74,601
ESSM	45,017	42,017	45,017	42,017
TACTICAL MISSILES				
AMRAAM	40,028	37,028	40,028	37,028
SIDEWINDER	27,310	27,310	24,410	24,410
SLAM-ER	26,174	26,174	26,174	26,174
STANDARD MISSILE	195,404	195,404	195,404	151,404
RAM	43,024	43,024	43,024	43,024
AERIAL TARGETS	66,349	66,349	58,849	58,849
DRONES AND DECOYS	---	---	20,000	14,000
OTHER MISSILE SUPPORT	15,840	15,840	15,840	15,840
MODIFICATION OF MISSILES				
SIDEWINDER MODS	802	802	802	802
STANDARD MISSILES MODS	35,353	35,353	35,353	35,353

(In thousands of dollars)

	Budget	House	Senate	Conference
SUPPORT EQUIPMENT AND FACILITIES				
WEAPONS INDUSTRIAL FACILITIES	17,247	17,247	37,247	36,247
FLEET SATELLITE COMM FOLLOW-ON	77,840	77,840	77,840	77,840
ORDNANCE SUPPORT EQUIPMENT				
ORDNANCE SUPPORT EQUIPMENT	4,210	9,210	4,210	6,710
TOTAL, OTHER MISSILES	644,699	658,699	709,299	644,299
TORPEDOES AND RELATED EQUIPMENT				
TORPEDOES AND RELATED EQUIP.				
ASW TARGETS	15,335	15,335	15,335	15,335
MOD OF TORPEDOES AND RELATED EQUIP				
MK-46 TORPEDO MODS	7,444	7,444	7,444	7,444
MK-48 TORPEDO ADCAP MODS	42,386	42,386	42,386	42,386
QUICKSTRIKE MINE	3,899	3,899	3,899	3,899
SUPPORT EQUIPMENT				
TORPEDO SUPPORT EQUIPMENT	30,025	30,025	30,025	30,025
ASW RANGE SUPPORT	14,861	20,861	14,861	18,361
DESTINATION TRANSPORTATION				
FIRST DESTINATION TRANSPORTATION	2,802	2,802	2,802	2,802
TOTAL, TORPEDOES AND RELATED EQUIPMENT	116,752	122,752	116,752	120,252
OTHER WEAPONS				
GUNS AND GUN MOUNTS				
SMALL ARMS AND WEAPONS	910	910	910	910
MODIFICATION OF GUNS AND GUN MOUNTS				
CIWS MODS	40,503	48,503	40,503	44,503
GUN MOUNT MODS	5,748	5,748	35,748	26,748
TOTAL, OTHER WEAPONS	47,161	55,161	77,161	72,161
SPARES AND REPAIR PARTS	48,836	48,836	48,836	48,836
TOTAL, WEAPONS PROCUREMENT, NAVY	1,433,475	1,429,492	1,478,075	1,429,592

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
(in thousands of dollars)

		Budget	House	Senate	Conference
1	**TRIDENT II**	**559,042**	**534,042**	**509,042**	**534,042**
	D-5 Service Life Extension Program		-25,000	-50,000	-25,000
4	**NAVY AREA MISSILE DEFENSE**	**6,983**	**0**	**6,983**	**0**
	Transfer to Title IX - Procurement, BMDO		-6,983		
	Program Termination				-6,983
5	**TOMAHAWK**	**50,101**	**65,101**	**85,101**	**74,601**
	Additional Tooling and Test equipment		+15,000	+35,000	+24,500
6	**ESSM**	**45,017**	**42,017**	**45,017**	**42,017**
	Support Cost Growth Reduction		-3,000		-3,000
7	**AMRAAM**	**40,028**	**37,028**	**40,028**	**37,028**
	Support Cost Growth Reduction		-3,000		-3,000
8	**SIDEWINDER**	**27,310**	**27,310**	**24,410**	**24,410**
	Contract Savings			-2,900	-2,900
11	**STANDARD MISSILE**	**195,404**	**195,404**	**195,404**	**151,404**
	Navy Area Theater Transfer				-44,000
15	**AERIAL TARGETS**	**66,349**	**66,349**	**58,849**	**58,849**
	SSST Program Delays			-7,500	-7,500
16	**DRONES AND DECOYS**	**0**	**0**	**20,000**	**14,000**
	ITALD			+20,000	+14,000
21	**WEAPONS INDUSTRIAL FACILITIES**	**17,247**	**17,247**	**37,247**	**36,247**
	Alleghany Ballsitics Laboratory			+20,000	+19,000
24	**ORDNANCE SUPPORT EQUIPMENT**	**4,210**	**9,210**	**4,210**	**6,710**
	Increased Mk-54 torpedo procurement		+5,000		+2,500
30	**ASW RANGE SUPPORT**	**14,861**	**20,861**	**14,861**	**18,361**
	Northwest Undersea Test Range Upgrades		+5,000		+3,500
	Next Generation RIDC		+1,000		
33	**CIWS MODS**	**40,503**	**48,503**	**40,503**	**44,503**
	CIWS Block 1B Upgrade kits and spares		+8,000		+4,000
36	**GUN MOUNT MODS**	**5,748**	**5,748**	**35,748**	**26,748**
	MK 45 Mod 4 Guns			+30,000	+21,000

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

The conference agreement on items addressed by either the House or Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
PROCUREMENT OF AMMO, NAVY & MARINE CORPS				
PROC AMMO, NAVY				
NAVY AMMUNITION				
GENERAL PURPOSE BOMBS	65,155	65,155	65,155	65,155
JDAM	41,133	41,133	37,133	41,133
AIRBORNE ROCKETS, ALL TYPES	21,138	21,138	21,138	21,138
MACHINE GUN AMMUNITION	16,423	16,423	13,423	13,423
PRACTICE BOMBS	35,019	40,019	35,019	37,519
CARTRIDGES & CART ACTUATED DEVICES	26,697	26,697	19,397	19,397
AIRCRAFT ESCAPE ROCKETS	10,784	10,784	10,784	10,784
AIR EXPENDABLE COUNTERMEASURES	36,403	42,903	39,403	39,703
JATOS	4,771	4,771	4,771	4,771
5 INCH/54 GUN AMMUNITION	12,009	16,009	18,009	16,209
EXTENDED RANGE GUIDED MUNITIONS (ERGM)	5,151	5,151	5,151	5,151
76MM GUN AMMUNITION	990	990	990	990
OTHER SHIP GUN AMMUNITION	7,318	7,318	7,318	7,318
SMALL ARMS & LANDING PARTY AMMO	8,878	8,878	8,878	8,878
PYROTECHNIC AND DEMOLITION	8,439	8,439	8,439	8,439
MINE NEUTRALIZATION DEVICES	4,985	4,985	4,985	4,985
AMMUNITION LESS THAN $5 MILLION	1,343	1,343	1,343	1,343
CAWCF CLOSURE COSTS	6,993	6,993	6,993	6,993
TOTAL, PROC AMMO, NAVY	313,629	329,129	308,329	313,329

(In thousands of dollars)

	Budget	House	Senate	Conference
PROC AMMO, MC				
MARINE CORPS AMMUNITION				
5.56 MM, ALL TYPES	9,402	9,402	9,402	9,402
7.62 MM, ALL TYPES	7,395	7,395	7,395	7,395
LINEAR CHARGES, ALL TYPES	18,957	18,957	18,957	18,957
.50 CALIBER	6,225	6,225	6,225	6,225
40 MM, ALL TYPES	5,857	5,857	5,857	5,857
60MM, ALL TYPES	2,699	2,699	2,699	2,699
81MM, ALL TYPES	6,669	6,669	6,669	6,669
120MM, ALL TYPES	7,639	17,639	7,639	14,639
CTG, 25MM, ALL TYPES	6,031	6,031	6,031	6,031
9 MM ALL TYPES	2,832	2,832	2,832	2,832
GRENADES, ALL TYPES	10,533	12,533	10,533	11,533
STINGER SLEP	7,330	7,330	7,330	7,330
ROCKETS, ALL TYPES	4,794	4,794	4,794	4,794
ARTILLERY, ALL TYPES	24,488	24,488	15,488	15,488
DEMOLITION MUNITIONS, ALL TYPES	2,925	10,925	2,925	8,525
NON LETHALS	4,461	4,461	4,461	4,461
AMMO MODERNIZATION	7,019	7,019	7,019	7,019
ITEMS LESS THAN $5 MILLION	1,014	1,014	1,014	1,014
CAWCF CLOSURE COSTS	7,200	7,200	7,200	7,200
TOTAL, PROC AMMO, MC	143,470	163,470	134,470	148,070
TOTAL, PROCUREMENT OF AMMO, NAVY & MARINE CORPS	457,099	492,599	442,799	461,399

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
(in thousands of dollars)

		Budget	House	Senate	Conference
3	**JDAM**	**41,133**	**41,133**	**37,133**	**41,133**
	Support Cost Increase			-4,000	-4,000
	Additional Kits				+4,000
6	**MACHINE GUN AMMUNITION**	**16,423**	**16,423**	**13,423**	**13,423**
	20MM Linkless Cost Growth			-3,000	-3,000
7	**PRACTICE BOMBS**	**35,019**	**40,019**	**35,019**	**37,519**
	Laser Guided Training Rounds		+5,000		+2,500
8	**CARTRIDGES & CART ACTUATED DEVICES**	**26,697**	**26,697**	**19,397**	**19,397**
	Cost Growth			-7,300	-7,300
10	**AIR EXPENDABLE COUNTERMEASURES**	**36,403**	**42,903**	**39,403**	**39,703**
	MJU-52/B IR Expendable Countermeasures		+6,500	+3,000	+3,300
12	**5 INCH/54 GUN AMMUNITION**	**12,009**	**16,009**	**18,009**	**16,209**
	Continuous Processing Scale-up Facility Outfitting		+4,000	+6,000	+4,200
28	**120MM, ALL TYPES**	**7,639**	**17,639**	**7,639**	**14,639**
	M830A1 Ammunition		+10,000		+7,000
31	**GRENADES, ALL TYPES**	**10,533**	**12,533**	**10,533**	**11,533**
	M67A1 Fragmentation Hand Grenade Electro/Mechanical Fuze		+2,000		+1,000
34	**ARTILLERY, ALL TYPES**	**24,488**	**24,488**	**15,488**	**15,488**
	105 HE Projectile			-9,000	-9,000
35	**DEMOLITION MUNITIONS, ALL TYPES**	**2,925**	**10,925**	**2,925**	**8,525**
	SMAW, High Explosive Dual Purpose Ammunition		+8,000		+5,600

SHIPBUILDING AND CONVERSION, NAVY

The conference agreement on items addressed by either the House or Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
SHIPBUILDING & CONVERSION, NAVY				
OTHER WARSHIPS				
CARRIER REPLACEMENT PROGRAM (AP-CY)	138,890	138,890	138,890	138,890
SSGN (AP-CY)	86,440	549,440	279,440	365,440
VIRGINIA CLASS SUBMARINE	1,608,914	1,578,914	1,608,914	1,578,914
VIRGINIA CLASS SUBMARINE (AP-CY)	684,288	684,288	684,288	684,288
CVN REFUELING OVERHAULS	1,118,124	1,175,124	1,118,124	1,148,124
CVN REFUELING OVERHAULS (AP-CY)	73,707	73,707	73,707	73,707
SUBMARINE REFUELING OVERHAULS	382,265	382,265	382,265	382,265
SUBMARINE REFUELING OVERHAULS (AP-CY)	77,750	77,750	77,750	77,750
DDG-51	2,966,036	3,786,036	2,966,036	2,966,036
DDG-51 (AP-CY)	---	---	---	125,000
CRUISER CONVERSION	---	---	458,238	75,000
TOTAL, OTHER WARSHIPS	7,136,414	8,446,414	7,787,652	7,615,414
AMPHIBIOUS SHIPS				
LHD-1 AMPHIBIOUS ASSAULT SHIP	267,238	---	267,238	267,238
LPD-17 (AP-CY)	421,330	286,330	155,000	155,000
TOTAL, AMPHIBIOUS SHIPS	688,568	286,330	422,238	422,238

(In thousands of dollars)

	Budget	House	Senate	Conference
AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGRAM T-AKE	370,818	370,818	---	370,818
OUTFITTING	307,230	297,230	307,230	302,230
LCAC SLEP	41,091	46,091	52,091	46,091
COMPLETION OF PY SHIPBUILDING PROGRAMS	800,000	680,000	725,000	729,248
MINE HUNTER SWATH	---	2,000	---	1,000
YARD OILERS	---	6,000	---	3,000
TOTAL, AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGRAM	1,519,139	1,402,139	1,084,321	1,452,387
TOTAL, SHIPBUILDING & CONVERSION, NAVY	9,344,121	10,134,883	9,294,211	9,490,039

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
(in thousands of dollars)

		Budget	House	Senate	Conference
3	**SSGN (AP-CY)**	**86,440**	**549,440**	**279,440**	**365,440**
	(Note: of the additional funds made available, $112,000,000 is only for the procurement of an additional reactor core to support a four boat SSGN program.)		+463,000		+279,000
	Program Acceleration			+193,000	0
4	**VIRGINIA CLASS SUBMARINE**	**1,608,914**	**1,578,914**	**1,608,914**	**1,578,914**
	Cost Growth Reduction		-30,000		-30,000
6	**CVN REFUELING OVERHAULS**	**1,118,124**	**1,175,124**	**1,118,124**	**1,148,124**
	CVN-69 RCOH		+57,000		+30,000
10	**DDG-51**	**2,966,036**	**3,786,036**	**2,966,036**	**3,091,036**
	Additional advance procurement for next multiyear acquisition		+820,000		+125,000
	CRUISER CONVERSION	**0**	**0**	**458,238**	**75,000**
	Program Acceleration			+458,238	+75,000
12	**LHD-1 AMPHIBIOUS ASSAULT SHIP**	**267,238**	**0**	**267,238**	**267,238**
	Slow prior year obligation		-267,238		0
15	**LPD-17 (AP-CY)**	**421,330**	**286,330**	**155,000**	**155,000**
	Premature long-lead for LPDs 23/24		-135,000	-266,330	-266,330
16	**T-AKE**	**370,818**	**370,818**	**0**	**370,818**
18	**OUTFITTING**	**307,230**	**297,230**	**307,230**	**302,230**
	Authorization Reduction		-10,000		-5,000
	Composite Fairwaters				(2,500)
19	**LCAC SLEP**	**41,091**	**46,091**	**52,091**	**46,091**
20	**COMPLETION OF PY SHIPBUILDING PROGRAMS**	**800,000**	**680,000**	**725,000**	**729,248**
	LPD-17		-75,000	-75,000	-75,000
	SSN-774		-25,000		
	CVN-76		-20,000		
	Submarine Refuelings				16,248
	General Reduction				-12,000
21	**MINE HUNTER SWATH**	**0**	**2,000**	**0**	**1,000**
22	**YARD OILERS**	**0**	**6,000**	**0**	**3,000**

Tactical Trident – SSGN

The conferees have agreed to provide a total of $440,440,000 in procurement and research funding for the Tactical Trident program, an increase of $324,000,000 to the budget request. The additional funding is provided for the acquisition of a nuclear reactor core, and all necessary, design, planning, and long-lead component costs to initiate a four boat SSGN program. The conferees strongly endorse this program and direct the Department of the Navy to budget accordingly in its out-year budget plan to support a total of four Tactical Trident conversions.

OTHER PROCUREMENT, NAVY

The Conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
OTHER PROCUREMENT, NAVY				
SHIPS SUPPORT EQUIPMENT				
SHIP PROPULSION EQUIPMENT				
LM-2500 GAS TURBINE	7,083	7,083	7,083	7,083
ALLISON 501K GAS TURBINE	6,896	6,896	6,896	6,896
PROPELLERS				
SUBMARINE PROPELLERS	4,460	4,460	4,460	4,460
NAVIGATION EQUIPMENT				
OTHER NAVIGATION EQUIPMENT	45,946	60,446	58,946	60,446
UNDERWAY REPLENISHMENT EQUIPMENT				
UNDERWAY REPLENISHMENT EQUIPMENT	1,802	1,802	1,802	1,802
PERISCOPES				
SUB PERISCOPES & IMAGING EQUIP	29,240	29,240	29,240	29,240
OTHER SHIPBOARD EQUIPMENT				
FIREFIGHTING EQUIPMENT	17,539	17,539	17,539	17,539
COMMAND AND CONTROL SWITCHBOARD	9,139	9,139	9,139	9,139
POLLUTION CONTROL EQUIPMENT	66,958	66,958	66,958	66,958
SUBMARINE SUPPORT EQUIPMENT	6,796	6,796	6,796	6,796
SUBMARINE BATTERIES	10,891	10,891	10,891	10,891
STRATEGIC PLATFORM SUPPORT EQUIP	11,276	24,276	11,276	21,376
DSSP EQUIPMENT	7,498	7,498	7,498	7,498
MINESWEEPING EQUIPMENT	20,168	20,168	20,168	20,168
ITEMS LESS THAN $5 MILLION	79,285	74,285	79,285	74,285
SUBMARINE LIFE SUPPORT SYSTEM	4,940	4,940	4,940	4,940
REACTOR PLANT EQUIPMENT				
REACTOR COMPONENTS	208,849	208,849	208,849	208,849

(In thousands of dollars)

	Budget	House	Senate	Conference
OCEAN ENGINEERING				
DIVING AND SALVAGE EQUIPMENT	5,712	5,712	5,712	5,712
SMALL BOATS				
STANDARD BOATS	32,151	36,151	32,151	34,951
TRAINING EQUIPMENT				
OTHER SHIPS TRAINING EQUIPMENT	16,772	16,772	16,772	16,772
PRODUCTION FACILITIES EQUIPMENT				
OPERATING FORCES IPE	27,522	24,822	38,522	33,322
OTHER SHIP SUPPORT				
NUCLEAR ALTERATIONS	121,105	121,105	121,105	121,105
TOTAL, SHIPS SUPPORT EQUIPMENT	742,028	765,828	766,028	770,228
COMMUNICATIONS AND ELECTRONICS EQUIPMENT				
SHIP RADARS				
RADAR SUPPORT	---	29,000	9,000	23,800
SHIP SONARS				
AN/SQQ-89 SURF ASW COMBAT SYSTEM	16,561	16,561	16,561	16,561
SSN ACOUSTICS	113,016	122,016	113,016	119,316
UNDERSEA WARFARE SUPPORT EQUIPMENT	4,263	9,263	4,263	16,563
SONAR SWITCHES AND TRANSDUCERS	10,808	10,808	10,808	10,808
ASW ELECTRONIC EQUIPMENT				
SUBMARINE ACOUSTIC WARFARE SYSTEM	12,624	12,624	13,624	13,624
FIXED SURVEILLANCE SYSTEM	33,692	33,692	33,692	33,692
SURTASS	17,650	17,650	17,650	17,650
ASW OPERATIONS CENTER	6,059	6,059	6,059	6,059
ELECTRONIC WARFARE EQUIPMENT				

(In thousands of dollars)

	Budget	House	Senate	Conference
AN/SLQ-32	1,971	1,971	1,971	1,971
INFORMATION WARFARE SYSTEMS	2,908	2,908	2,908	2,908
RECONNAISSANCE EQUIPMENT				
SHIPBOARD IW EXPLOIT	57,535	57,535	57,535	57,535
SUBMARINE SURVEILLANCE EQUIPMENT				
SUBMARINE SUPPORT EQUIPMENT PROG	22,928	22,928	22,928	22,928
OTHER SHIP ELECTRONIC EQUIPMENT				
NAVY TACTICAL DATA SYSTEM	---	10,000	---	8,500
COOPERATIVE ENGAGEMENT CAPABILITY	77,133	87,133	77,133	85,633
GCCS-M EQUIPMENT	61,085	61,085	61,085	61,085
NAVAL TACTICAL COMMAND SUPPORT SYSTEM (NTCSS)	42,826	42,826	42,826	42,826
ATDLS	9,965	9,965	9,965	9,965
MINESWEEPING SYSTEM REPLACEMENT	8,903	11,903	8,903	10,403
NAVSTAR GPS RECEIVERS (SPACE)	9,857	9,857	9,857	9,857
ARMED FORCES RADIO AND TV	14,609	14,609	14,609	14,609
STRATEGIC PLATFORM SUPPORT EQUIP	11,361	11,361	11,361	11,361
TRAINING EQUIPMENT				
OTHER SPAWAR TRAINING EQUIPMENT	1,793	1,793	1,793	1,793
OTHER TRAINING EQUIPMENT	37,225	37,225	47,725	44,525
AVIATION ELECTRONIC EQUIPMENT				
MATCALS	1,005	1,005	1,005	1,005
SHIPBOARD AIR TRAFFIC CONTROL	8,036	8,036	8,036	8,036
AUTOMATIC CARRIER LANDING SYSTEM	15,617	15,617	15,617	15,617
NATIONAL AIR SPACE SYSTEM	43,618	27,618	19,918	23,618
AIR STATION SUPPORT EQUIPMENT	7,421	7,421	7,421	7,421

(In thousands of dollars)

	Budget	House	Senate	Conference
MICROWAVE LANDING SYSTEM	5,409	5,409	5,409	5,409
FACSFAC	1,151	1,151	1,151	1,151
ID SYSTEMS	18,310	17,310	18,310	17,310
SURFACE IDENTIFICATION SYSTEMS	---	2,000	---	1,000
TAC A/C MISSION PLANNING SYS(TAMPS)	13,411	13,411	13,411	13,411
OTHER SHORE ELECTRONIC EQUIPMENT				
TADIX-B	---	14,300	---	12,100
NAVAL SPACE SURVEILLANCE SYSTEM	4,898	3,498	4,898	3,898
COMMON IMAGERY GROUND SURFACE SYSTEMS	58,446	58,446	58,446	58,446
RADIAC	7,876	7,876	7,876	7,876
GPETE	4,727	4,727	4,727	4,727
INTEG COMBAT SYSTEM TEST FACILITY	4,502	4,502	4,502	4,502
EMI CONTROL INSTRUMENTATION	5,162	5,162	5,162	5,162
ITEMS LESS THAN $5 MILLION	6,332	9,332	6,332	8,932
SHIPBOARD COMMUNICATIONS				
SHIP COMMUNICATIONS AUTOMATION	121,242	127,242	121,242	125,642
COMMUNICATIONS ITEMS LESS THAN $5 MILLION	24,278	47,278	24,278	43,878
SUBMARINE COMMUNICATIONS				
SHORE LF/VLF COMMUNICATIONS	17,517	17,517	17,517	17,517
SUBMARINE COMMUNICATION EQUIPMENT	89,309	89,309	89,309	89,309
SATELLITE COMMUNICATIONS				
SATELLITE COMMUNICATIONS SYSTEMS	198,143	210,143	198,143	204,143
SHORE COMMUNICATIONS				
JCS COMMUNICATIONS EQUIPMENT	4,623	4,623	4,623	4,623
ELECTRICAL POWER SYSTEMS	1,301	1,301	1,301	1,301

(In thousands of dollars)

	Budget	House	Senate	Conference
NSIPS	14,232	14,232	14,232	14,232
JEDMICS	---	8,000	5,000	11,500
NAVAL SHORE COMMUNICATIONS	66,772	83,772	115,472	77,272
CRYPTOGRAPHIC EQUIPMENT INFO SYSTEMS SECURITY PROGRAM (ISSP)	78,170	84,170	78,170	81,170
CRYPTOLOGIC EQUIPMENT CRYPTOLOGIC COMMUNICATIONS EQUIP	15,595	15,595	15,595	15,595
TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIPMENT	1,411,875	1,550,775	1,462,375	1,529,775
AVIATION SUPPORT EQUIPMENT				
SONOBUOYS SONOBUOYS - ALL TYPES	57,886	57,886	67,886	62,886
AIRCRAFT SUPPORT EQUIPMENT WEAPONS RANGE SUPPORT EQUIPMENT	10,129	10,129	17,629	15,429
PACIFIC MISSILE RANGE	---	---	6,000	5,100
EXPEDITIONARY AIRFIELDS	7,551	7,551	7,551	7,551
AIRCRAFT REARMING EQUIPMENT	12,265	12,265	12,265	12,265
AIRCRAFT LAUNCH & RECOVERY EQUIPMENT	27,500	27,500	27,500	27,500
METEOROLOGICAL EQUIPMENT	29,833	29,833	29,833	29,833
OTHER PHOTOGRAPHIC EQUIPMENT	1,710	1,710	1,710	1,710
AVIATION LIFE SUPPORT	21,035	21,035	21,035	21,035
AIRBORNE MINE COUNTERMEASURES	46,860	46,860	46,860	46,860
OTHER AVIATION SUPPORT EQUIPMENT	13,645	13,645	25,645	22,045
TOTAL, AVIATION SUPPORT EQUIPMENT	228,414	228,414	263,914	252,214
ORDNANCE SUPPORT EQUIPMENT				
SHIP GUN SYSTEM EQUIPMENT				

(In thousands of dollars)

	Budget	House	Senate	Conference
GUN FIRE CONTROL EQUIPMENT	17,926	17,926	17,926	24,926
NAVAL FIRES CONTROL SYSTEM	600	600	600	600
SHIP MISSILE SYSTEMS EQUIPMENT				
NATO SEASPARROW	10,670	10,670	10,670	10,670
RAM GMLS	31,838	31,838	31,838	31,838
SHIP SELF DEFENSE SYSTEM	34,378	34,378	34,378	39,378
AEGIS SUPPORT EQUIPMENT	155,113	158,113	88,875	163,613
SURFACE TOMAHAWK SUPPORT EQUIPMENT	61,241	61,241	61,241	61,241
SUBMARINE TOMAHAWK SUPPORT EQUIP	3,062	3,062	3,062	3,062
VERTICAL LAUNCH SYSTEMS	6,857	6,857	6,857	6,857
FBM SUPPORT EQUIPMENT				
STRATEGIC PLATFORM SUPPORT EQUIP	9,823	9,823	9,823	9,823
STRATEGIC MISSILE SYSTEMS EQUIP	205,094	205,094	205,094	204,094
ASW SUPPORT EQUIPMENT				
SSN COMBAT CONTROL SYSTEMS	40,716	40,716	40,716	40,716
SUBMARINE ASW SUPPORT EQUIPMENT	5,935	5,935	5,935	5,935
SURFACE ASW SUPPORT EQUIPMENT	3,213	3,213	9,213	7,413
ASW RANGE SUPPORT EQUIPMENT	6,012	6,012	6,012	6,012
OTHER ORDNANCE SUPPORT EQUIPMENT				
EXPLOSIVE ORDNANCE DISPOSAL EQUIP	9,353	9,353	9,353	9,353
ITEMS LESS THAN $5 MILLION	5,795	5,795	5,795	5,795
OTHER EXPENDABLE ORDNANCE				
ANTI-SHIP MISSILE DECOY SYSTEM	27,513	27,513	27,513	27,513
SURFACE TRAINING DEVICE MODS	7,318	7,318	7,318	7,318
SUBMARINE TRAINING DEVICE MODS	20,753	20,753	20,753	20,753

(In thousands of dollars)

	Budget	House	Senate	Conference
TOTAL, ORDNANCE SUPPORT EQUIPMENT	663,210	666,210	602,972	686,910
CIVIL ENGINEERING SUPPORT EQUIPMENT				
ARMORED SEDANS	440	440	440	440
PASSENGER CARRYING VEHICLES	1,351	1,351	1,351	1,351
GENERAL PURPOSE TRUCKS	1,531	1,531	1,531	1,531
CONSTRUCTION & MAINTENANCE EQUIP	9,587	9,587	9,587	9,587
FIRE FIGHTING EQUIPMENT	5,300	5,300	5,300	5,300
TACTICAL VEHICLES	20,154	20,154	40,154	34,154
AMPHIBIOUS EQUIPMENT	14,633	14,633	14,633	14,633
POLLUTION CONTROL EQUIPMENT	19,969	19,969	19,969	19,969
ITEMS UNDER $5 MILLION	11,323	11,323	11,323	11,323
TOTAL, CIVIL ENGINEERING SUPPORT EQUIPMENT	84,288	84,288	104,288	98,288
SUPPLY SUPPORT EQUIPMENT				
MATERIALS HANDLING EQUIPMENT	8,786	8,786	8,786	8,786
OTHER SUPPLY SUPPORT EQUIPMENT	7,534	9,534	13,534	10,534
FIRST DESTINATION TRANSPORTATION	5,222	5,222	5,222	5,222
SPECIAL PURPOSE SUPPLY SYSTEMS	490,438	490,438	465,438	440,438
TOTAL, SUPPLY SUPPORT EQUIPMENT	511,980	513,980	492,980	464,980
PERSONNEL AND COMMAND SUPPORT EQUIPMENT				
TRAINING DEVICES				
TRAINING SUPPORT EQUIPMENT	1,101	6,101	4,601	4,601
COMMAND SUPPORT EQUIPMENT				
COMMAND SUPPORT EQUIPMENT	28,787	41,787	28,787	37,187
EDUCATION SUPPORT EQUIPMENT	6,646	6,646	1,146	1,146
MEDICAL SUPPORT EQUIPMENT	7,693	7,693	7,693	7,693

(In thousands of dollars)

	Budget	House	Senate	Conference
OPERATING FORCES SUPPORT EQUIPMENT	15,812	15,812	15,812	15,812
MOBILE SENSOR PLATFORM	4,006	4,006	4,006	4,006
ENVIRONMENTAL SUPPORT EQUIPMENT	25,205	32,705	25,205	31,605
PHYSICAL SECURITY EQUIPMENT	116,932	116,932	116,932	116,932
TOTAL, PERSONNEL AND COMMAND SUPPORT EQUIPMENT	206,182	231,682	204,182	218,982
SPARE AND REPAIR PARTS				
SPARES AND REPAIR PARTS	234,136	234,136	234,136	234,136
CLASSIFIED PROGRAMS	15,463	15,463	15,463	15,463
TOTAL, OTHER PROCUREMENT, NAVY	4,097,576	4,290,776	4,146,338	4,270,976

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
(in thousands of dollars)

		Budget	House	Senate	Conference
4	**OTHER NAVIGATION EQUIPMENT**	**45,946**	**60,446**	**58,946**	**60,446**
	MSC Force Protection Thermal Imaging Systems		+7,500	+6,000	+3,500
	Computer Aided Dead Reckoning Tracker (Note: Funds are only to procure and install AN/UYQ-70 computer aided dead reckoning tracers on surface combatants.)		+7,000		+6,000
	WSN-7B			+7,000	+5,000
12	**STRATEGIC PLATFORM SUPPORT EQUIP**	**11,276**	**24,276**	**11,276**	**21,376**
	Submarine Common Electronics Equipment Replacement (Note: Funds are only for the procurement of AN/UYQ-70 family equipment to modernize submarine combat systems.)		+13,000		+10,100
16	**ITEMS LESS THAN $5 MILLION**	**79,285**	**74,285**	**79,285**	**74,285**
	CVN Smartship - Unjustified program growth		-5,000		-5,000
22	**STANDARD BOATS**	**32,151**	**36,151**	**32,151**	**34,951**
	25 Person Life Rafts		+4,000		+2,800
24	**OPERATING FORCES IPE**	**27,522**	**24,822**	**38,522**	**33,322**
	N88 Other Equipment		-2,700		-2,700
	IPDE Enhancement			+6,000	+4,200
	Pearl Harbor Pilot			+5,000	+4,300
28	**RADAR SUPPORT**	**0**	**29,000**	**9,000**	**23,800**
	MK-92 Radar Fire Control Upgrade		+5,000		+2,500
	SPS-73 Surface Search Radar		+14,000		+10,000
	AN/SYS-2 Track Management System for FFG-7s		+10,000		+5,000
	AN/BPS-15H Navigation System			+9,000	+6,300
31	**SSN ACOUSTICS**	**113,016**	**122,016**	**113,016**	**119,316**
	Non-propulsion Electronic System Modernization		+9,000		+6,300
32	**UNDERSEA WARFARE SUPPORT EQUIPMENT**	**4,263**	**9,263**	**4,263**	**16,563**
	Carrier Tactical Surveillance Center (CV-TSC)		+1,000		+2,000
	Surface Ship Torpedo Defense (Note: Funds include $2,000,000 only for procurement of improved littoral winch and tow cable capability.)		+4,000		+3,300
	Submarine Acoustic Intercept System Upgrade				+7,000
36	**SUBMARINE ACOUSTIC WARFARE SYSTEM**	**12,624**	**12,624**	**13,624**	**13,624**
	Expendable Bathythermograph Test Devices			+1,000	+1,000
45	**NAVY TACTICAL DATA SYSTEM**	**0**	**10,000**	**0**	**8,500**
	Shore based AN/UYQ-70 display modernization		+10,000		+8,500
46	**COOPERATIVE ENGAGEMENT CAPABILITY**	**77,133**	**87,133**	**77,133**	**85,633**
	Low Cost Planar Array Antenna Production Transition		+10,000		+8,500
50	**MINESWEEPING SYSTEM REPLACEMENT**	**8,903**	**11,903**	**8,903**	**10,403**
	MCM Sea Bottom Mapping and Change Detection		+3,000		+1,500
56	**OTHER TRAINING EQUIPMENT**	**37,225**	**37,225**	**47,725**	**44,525**
	Tactical Communication On-Board Training			+6,500	+4,500
	Air Traffic Control On-Board Trainer			+4,000	+2,800
60	**NATIONAL AIR SPACE SYSTEM**	**43,618**	**27,618**	**19,918**	**23,618**
	DASR Program Delays		-16,000	-23,700	-20,000
64	**ID SYSTEMS**	**18,310**	**17,310**	**18,310**	**17,310**

		Budget	House	Senate	Conference
	Authorization Reduction		-1,000		-1,000
65	**SURFACE IDENTIFICATION SYSTEMS**	**0**	**2,000**	**0**	**1,000**
	Shipboard Advanced Radar Target ID (SARTIS)		+2,000		+1,000
68	**TADIX-B**	**0**	**14,300**	**0**	**12,100**
	(Note: Only for procurement of additional JTTs)		+14,300		+12,100
69	**NAVAL SPACE SURVEILLANCE SYSTEM**	**4,898**	**3,498**	**4,898**	**3,898**
	Excessive Program Growth		-1,400		-1,000
76	**ITEMS LESS THAN $5 MILLION**	**6,332**	**9,332**	**6,332**	**8,932**
	Integrated Condition Assessment System Wireless Sensors (ICAS) (Note: Only to procure the network capable application processors demonstrated during the total ship monitoring project to integrate with and enhance the capabilities of current and future ICAS installations.)		+3,000		+2,600
78	**SHIP COMMUNICATIONS AUTOMATION**	**121,242**	**127,242**	**121,242**	**125,642**
	NAWCAD MSTIC Equipment Upgrades		+2,000		+1,000
	Programmable Integrated Computer Terminal (Note: Funds are only for engineering modifications for expansion of Programmable Integrated Communications Terminals integration using SPAWAR initiatives and procurement of terminals for the Integrated Voice Network Communication project.)		+4,000		+3,400
80	**COMMUNICATIONS ITEMS LESS THAN $5 MILLION**	**24,278**	**47,278**	**24,278**	**43,878**
	Enhanced COTS ON-201 Secure Voice System Technology (Note: only for procurement and installation of enhanced COTS secure voice system technology production systems in lead ships in the CG modernization program.)		+4,000		+3,400
	IT- 21 Block 1 Upgrade C4ISR Computing Equipment Procurement (Note: Only for procurement of ANN/UYQ-70 advanced tactical servers to support the IT-21 block 1 upgrade program.)		+9,000		+7,700
	Network-Based Shipboard Interior Secure Voice Communications (Note: Only for AN/UYQ-70 secure voice technology equipment for land based evaluation, ILS, training, maintenance development and integration.)		+10,000		+8,500
84	**SATELLITE COMMUNICATIONS SYSTEMS**	**198,143**	**210,143**	**198,143**	**204,143**
	Digital Modular Radio		+12,000		+6,000
89	**JEDMICS**	**0**	**8,000**	**5,000**	**11,500**
	JEDMICS Security Infrastructure (Note: Only for the continued procurement and integration of the same security solution implemented in 2000 and 2001, and its extension into other logistics processes.)		+8,000		+7,000
	PACOM Coalition Wide Area Network			+5,000	+4,500
90	**NAVAL SHORE COMMUNICATIONS**	**66,772**	**83,772**	**115,472**	**77,272**
	Mini-DAMA Terminals (Submarines/Ships)		+10,000		+7,000
	Definity G3 Network Upgrade (Note: Only to complete the telecommunications switch upgrades at the San Diego Naval Complex and the Bremerton, WA Naval Hospital.)		+7,000		+3,500
	Teleports			+48,000	
91	**INFO SYSTEMS SECURITY PROGRAM (ISSP)**	**78,170**	**84,170**	**78,170**	**81,170**
	Intelligent Agent Security Module (Note: Only for SBIR Phase III.)		+3,000		+1,500

		Budget	House	Senate	Conference
	Secure Terminal Equipment		+3,000		+1,500
98	**SONOBUOYS - ALL TYPES**	**57,886**	**57,886**	**67,886**	**62,886**
	Additional Sonobuoys			+10,000	+5,000
100	**WEAPONS RANGE SUPPORT EQUIPMENT**	**10,129**	**10,129**	**17,629**	**15,429**
	Mobile Remote Emitter			+7,500	+5,300
	PACIFIC MISSLE RANGE	**0**	**0**	**6,000**	**5,100**
108	**OTHER AVIATION SUPPORT EQUIPMENT**	**13,645**	**13,645**	**25,645**	**22,045**
	Joint Tactical Data Integration			+12,000	+8,400
109	**GUN FIRE CONTROL EQUIPMENT**	**17,926**	**17,926**	**17,926**	**24,926**
	AN/SPQ-9B shipboard radar upgrade				+7,000
113	**SHIP SELF DEFENSE**	**34,378**	**34,378**	**34,378**	**39,378**
	NULKA Decoy				+5,000
114	**AEGIS SUPPORT EQUIPMENT**	**155,113**	**158,113**	**88,875**	**163,613**
	A4L- 7003 Aegis Computer Center		+3,000		+2,500
	Cruiser Conversion			-66,238	0
	Navy Area Theater Transfer				+2,000
	Theater Surface Combatant Ship Acquisition Systems (Note: For PEO TSC business systems suite upgrades/security measures.)				+4,000
119	**STRATEGIC MISSILE SYSTEMS EQUIP**	**205,094**	**205,094**	**205,094**	**204,094**
	Authorization Reduction		-2,000		-2,000
	Smartship Upgrades		+2,000		+1,000
122	**SURFACE ASW SUPPORT EQUIPMENT**	**3,213**	**3,213**	**9,213**	**7,413**
	MK32 Surface Vessel Torpedo Tubes			+6,000	+4,200
134	**TACTICAL VEHICLES**	20,154	20,154	40,154	34,154
	MTVR			+20,000	+14,000
139	**OTHER SUPPLY SUPPORT EQUIPMENT**	**7,534**	**9,534**	**13,534**	**10,534**
	Serial Number Tracking System (Note: Only to begin integrating this technology into Navy supply and maintenance applications.)		+2,000	+6,000	+3,000
142	**TRAINING SUPPORT EQUIPMENT**	**1,101**	**6,101**	**4,601**	**4,601**
	Trident Sonar Manuals - Data Management and Conversion		+5,000	+3,500	+3,500
145	**COMMAND SUPPORT EQUIPMENT**	**28,787**	**41,787**	**28,787**	**37,187**
	Authorization Reduction		-1,000		-1,000
	Advanced Technical Information System (ATIS)		+1,500		+1,000
	SPAWAR Information Technology Center		+2,000		+1,000
	Man Over Board Indicator (MOBI) (Note: Only to continue the on-going MOBI effort.)		+10,500		+7,400
146	**EDUCATION SUPPORT EQUIPMENT**	**6,646**	**6,646**	**1,146**	**1,146**
	Training Vessels			-5,500	-5,500
151	**ENVIRONMENTAL SUPPORT EQUIPMENT**	**25,205**	**32,705**	**25,205**	**31,605**
	(Note: Only for the planned collaborative Naval Observatory / University Doppler Spectrometry Telescope Program.)		7,500		6,400

PROCUREMENT, MARINE CORPS

The conference agreement on items addressed by either the House or Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
PROCUREMENT, MARINE CORPS				
WEAPONS AND COMBAT VEHICLES				
TRACKED COMBAT VEHICLES				
AAV7A1 PIP	77,087	77,087	77,087	77,087
AAAV	1,512	---	1,512	---
LAV PIP	25,783	25,783	25,783	25,783
IMPROVED RECOVERY VEHICLE (IRV)	21,026	21,026	21,026	21,026
MODIFICATION KITS (TRKD VEH)	3,825	3,825	3,825	3,825
ARTILLERY AND OTHER WEAPONS				
MOD KITS (ARTILLERY)	1,478	1,478	1,478	1,478
MARINE ENHANCEMENT PROGRAM	2,243	6,493	2,243	4,343
WEAPONS AND COMBAT VEHICLES LESS THAN $5 MILLION	274	274	274	274
WEAPONS				
MODULAR WEAPON SYSTEM	7,501	4,401	7,501	4,401
OTHER SUPPORT				
OPERATIONS OTHER THAN WAR	1,552	1,552	1,552	1,552
TOTAL, WEAPONS AND COMBAT VEHICLES	142,281	141,919	142,281	139,769
GUIDED MISSILES AND EQUIPMENT				
GUIDED MISSILES				
JAVELIN	1,036	1,036	1,036	1,036
OTHER SUPPORT				
MODIFICATION KITS	6,612	3,612	6,612	3,612
TOTAL, GUIDED MISSILES AND EQUIPMENT	7,648	4,648	7,648	4,648
COMMUNICATIONS AND ELECTRONICS EQUIPMENT				
REPAIR AND TEST EQUIPMENT				
AUTO TEST EQUIP SYS	616	616	616	616

(In thousands of dollars)

	Budget	House	Senate	Conference
GENERAL PURPOSE ELECTRONIC TEST EQUIP	8,115	8,115	8,115	8,115
INTELL/COMM EQUIPMENT (NON-TEL) INTELLIGENCE SUPPORT EQUIPMENT	9,615	9,615	9,615	9,615
MOD KITS (INTEL)	7,217	7,217	7,217	7,217
ITEMS LESS THAN $5 MILLION (INTELL)	1,654	1,654	1,654	1,654
REPAIR AND TEST EQUIPMENT (NON-TEL) GENERAL PRUPOSE MECHANICAL TMDE	4,578	4,578	4,578	4,578
OTHER COMM/ELEC EQUIPMENT (NON-TEL) NIGHT VISION EQUIPMENT	22,374	32,374	22,374	29,374
OTHER SUPPORT (NON-TEL) ITEMS LESS THAN $5 MILLION (COMM & ELEC)	9,028	9,028	9,028	9,028
COMMON COMPUTER RESOURCES	21,302	21,302	21,302	21,302
COMMAND POST SYSTEMS	17,338	17,338	17,338	17,338
RADIO SYSTEMS	50,911	49,411	50,911	49,411
COMM SWITCHING & CONTROL SYSTEMS	---	1,000	---	1,000
COMM & ELEC INFRASTRUCTURE SUPPORT	7,546	11,546	7,546	9,546
MOD KITS MAGTF C41	21,136	21,136	21,136	21,136
AIR OPERATIONS C2 SYSTEMS	5,210	3,110	5,210	3,110
INTELLIGENCE C2 SYSTEMS	11,825	11,825	10,555	10,555
FIRE SUPPORT SYSTEM	16,152	16,152	4,252	4,252
TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIPMENT	214,617	226,017	201,447	207,847
SUPPORT VEHICLES				
ADMINISTRATIVE VEHICLES COMMERCIAL PASSENGER VEHICLES	773	773	773	773
COMMERCIAL CARGO VEHICLES	6,487	6,487	6,487	6,487

(In thousands of dollars)

	Budget	House	Senate	Conference
TACTICAL VEHICLES				
5/4T TRUCK HMMWV (MYP)	109,201	119,201	109,201	114,201
MEDIUM TACTICAL VEHICLE REPLACEMENT	312,199	309,699	312,199	309,699
OTHER SUPPORT				
ITEMS LESS THAN $5 MILLION	2,564	2,564	2,564	2,564
TOTAL, SUPPORT VEHICLES	431,224	438,724	431,224	433,724
ENGINEER AND OTHER EQUIPMENT				
ENVIRONMENTAL CONTROL EQUIP ASSORT	2,571	2,571	2,571	2,571
BULK LIQUID EQUIPMENT	8,130	8,130	8,130	8,130
TACTICAL FUEL SYSTEMS	2,721	2,721	4,721	3,721
DEMOLITION SUPPORT SYSTEMS	5,674	5,674	5,674	5,674
POWER EQUIPMENT ASSORTED	7,622	7,622	7,622	7,622
MATERIALS HANDLING EQUIPMENT				
COMMAND SUPPORT EQUIPMENT	---	2,000	---	1,700
AMPHIBIOUS RAID EQUIPMENT	2,349	2,349	2,349	2,349
PHYSICAL SECURITY EQUIPMENT	4,846	4,846	4,846	4,846
GARRISON MOBILE ENGR EQUIP	5,938	5,938	5,938	5,938
MATERIAL HANDLING EQUIP	27,453	38,353	23,453	31,053
FIRST DESTINATION TRANSPORTATION	9,340	9,340	9,340	9,340
GENERAL PROPERTY				
FIELD MEDICAL EQUIPMENT	7,530	7,530	15,030	12,830
TRAINING DEVICES	30,566	30,566	30,566	30,566
CONTAINER FAMILY	5,909	5,909	5,909	5,909
FAMILY OF CONSTRUCTION EQUIPMENT	8,281	25,281	8,281	20,181
FAMILY OF INTERNALLY TRANSPORTABLE VEH (ITV)	4,852	4,852	4,852	4,852

(In thousands of dollars)

	Budget	House	Senate	Conference
RAPID DEPLOYABLE KITCHEN	5,947	5,947	5,947	5,947
OTHER SUPPORT MODIFICATION KITS	11,892	11,892	11,892	11,892
ITEMS LESS THAN $5 MILLION	7,684	9,184	7,684	7,684
TOTAL, ENGINEER AND OTHER EQUIPMENT	159,305	190,705	164,805	182,805
SPARES AND REPAIR PARTS	26,649	26,649	26,649	26,649
TOTAL, PROCUREMENT, MARINE CORPS	981,724	1,028,662	974,054	995,442

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[in thousands of dollars]

	Budget	House	Senate	Conference
2 AAAV	**1,512**	**0**	**1,512**	**0**
AAAV		-1,512		-1,512
8 MARINE ENHANCEMENT PROGRAM	**2,243**	**6,493**	**2,243**	**4,343**
Bayonnet 2000		+4,250		+2,100
10 MODULAR WEAPON SYSTEM	**7,501**	**4,401**	**7,501**	**4,401**
Modular Weapon System		-3,100		-3,100
16 MODIFICATION KITS	**6,612**	**3,612**	**6,612**	**3,612**
Modification Kits		-3,000		-3,000
23 NIGHT VISION EQUIPMENT	**22,374**	**32,374**	**22,374**	**29,374**
AN/PVS-17 Night Vision Sight		+10,000		+7,000
28 RADIO SYSTEMS	**50,911**	**49,411**	**50,911**	**49,411**
STAR-T Contract Termination		-1,500		-1,500
29 COMM SWITCHING & CONTROL SYSTEMS	**0**	**1,000**	**0**	**1,000**
AN/UXC-10 TS-21 Blackjack Digital Facsimile		+1,000		+1,000
30 COMM & ELEC INFRASTRUCTURE SUPPORT	**7,546**	**11,546**	**7,546**	**9,546**
DPRIS Database (Note: Only for procurement of a second USMC DPRIS Database.)		+4,000		+2,000
32 AIR OPERATIONS C2 SYSTEMS	**5,210**	**3,110**	**5,210**	**3,110**
Legacy Agencies		-2,100		-2,100
33 INTELLIGENCE C2 SYSTEMS	**11,825**	**11,825**	**10,555**	**10,555**
TCAIMS Program Delays			-1,270	-1,270
34 FIRE SUPPORT SYSTEM	**16,152**	**16,152**	**4,252**	**4,252**
Target Location Designation Handoff System			-11,900	-11,900
37 5/4T TRUCK HMMWV (MYP)	**109,201**	**119,201**	**109,201**	**114,201**
HMMWV (Note: only for the procurement of Up-Armored HMMWV variants)		+10,000		+5,000
38 MEDIUM TACTICAL VEHICLE REPLACEMENT	**312,199**	**309,699**	**312,199**	**309,699**
Truck Training Simulators		-2,500		-2,500
42 TACTICAL FUEL SYSTEMS	**2,721**	**2,721**	**4,721**	**3,721**
Aluminum Mesh Tank Liner			+2,000	+1,000

	Budget	House	Senate	Conference
44 POWER EQUIPMENT ASSORTED	**7,622**	**7,622**	**7,622**	**7,622**
Laser Leveling		+1,000		+1,000
Portable Floodlights and Generators		-1,000		-1,000
46 COMMAND SUPPORT EQUIPMENT	**0**	**2,000**	**0**	**1,700**
MIC-240 Ultimate Building Machines for Marine Corps engineering units		+2,000		+1,700
50 MATERIAL HANDLING EQUIP	**27,453**	**38,353**	**23,453**	**31,053**
Extendable Boom Forklift		+3,500		+2,500
TRAM		+7,400		+5,100
Forklift 4K			-4,000	-4,000
52 FIELD MEDICAL EQUIPMENT	**7,530**	**7,530**	**15,030**	**12,830**
CBIRF Personnel Protection Equipment			+7,500	+5,300
55 FAMILY OF CONSTRUCTION EQUIPMENT	**8,281**	**25,281**	**8,281**	**20,181**
D-7 Bulldozers		+17,000		+11,900
59 ITEMS LESS THAN $5 MILLION	**7,684**	**9,184**	**7,684**	**7,684**
Aluminum mesh Liners/Propane Tanks		+1,500		

AIRCRAFT PROCUREMENT, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
AIRCRAFT PROCUREMENT, AIR FORCE				
COMBAT AIRCRAFT				
TACTICAL FORCES				
F-22 RAPTOR	2,658,153	2,655,553	2,658,153	2,769,553
F-22 RAPTOR (AP-CY)	379,159	234,759	379,159	267,759
TOTAL, COMBAT AIRCRAFT	3,037,312	2,890,312	3,037,312	3,037,312
AIRLIFT AIRCRAFT				
TACTICAL AIRLIFT				
C-17A (MYP)	2,875,775	2,808,425	2,839,775	2,808,425
C-17A (MYP) (AP-CY)	228,100	431,000	371,100	371,000
C-17 ICS	441,163	482,263	441,163	481,763
OTHER AIRLIFT				
C-130J	221,809	---	110,904	163,100
TOTAL, AIRLIFT AIRCRAFT	3,766,847	3,721,688	3,762,942	3,824,288
TRAINER AIRCRAFT				
OPERATIONAL TRAINERS				
JPATS	228,409	270,409	228,409	228,409
OTHER AIRCRAFT				
HELICOPTERS				
V-22 OSPREY	95,110	180,000	---	---
V-22 OSPREY (AP-CY)	14,991	---	---	---
MISSION SUPPORT AIRCRAFT				
C-32B FEST/DEST AIRCRAFT	72,451	72,451	72,451	72,451
CIVIL AIR PATROL A/C	2,629	9,629	6,629	7,529
TARGET DRONES	35,484	35,484	35,484	35,484
C-40 MEDEVAC	---	85,000	---	---

(In thousands of dollars)

	Budget	House	Senate	Conference
EC-130H	19,000	---	19,000	---
E-8C	283,202	273,202	283,202	275,202
E-8C (AP-CY)	49,000	49,000	49,000	49,000
HAEUAV	85,427	85,427	85,427	85,427
HAEUAV (AP-CY)	33,500	---	33,500	33,500
PREDATOR UAV	19,632	39,632	19,632	36,632
TOTAL, OTHER AIRCRAFT	710,426	829,825	604,325	595,225
MODIFICATION OF INSERVICE AIRCRAFT				
STRATEGIC AIRCRAFT				
B-2A	11,858	25,358	11,858	22,858
B-1B	95,493	37,693	37,693	37,693
B-52	3,548	3,548	23,948	17,848
F-117	---	27,620	27,260	27,260
TACTICAL AIRCRAFT				
A-10	18,547	18,547	23,547	21,047
F-15	212,160	237,160	237,160	246,060
F-16	231,962	236,962	236,962	236,962
T/AT-37	84	84	84	84
AIRLIFT AIRCRAFT				
C-5	103,214	12,714	103,214	32,714
C-9	647	647	647	647
C-17A	139,278	98,878	139,278	112,278
C-21	2,675	2,675	2,675	2,675
C-32A	40,393	40,393	40,393	40,393
C-37A	379	379	379	379

(In thousands of dollars)

	Budget	House	Senate	Conference
C-141	825	825	825	825
TRAINER AIRCRAFT				
T-38	144,726	159,726	144,726	157,526
T-41 AIRCRAFT	90	90	90	90
T-43	3,750	3,750	3,750	3,750
OTHER AIRCRAFT				
KC-10A (ATCA)	31,249	31,249	31,249	31,249
C-12	412	412	412	412
C-18	830	830	830	830
C-20 MODS	635	635	635	635
VC-25A MOD	14,165	14,165	14,165	14,165
C-130	57,936	59,936	63,936	66,736
C-135	231,066	175,066	231,066	175,066
DARP	195,045	199,045	209,585	207,745
E-3	92,520	92,520	92,520	92,520
E-4	45,539	45,539	45,539	45,539
E-8	82,996	64,296	71,496	67,796
H-1	288	288	288	288
H-60	26,519	26,519	26,519	26,519
OTHER AIRCRAFT	50,954	50,954	50,954	50,954
PREDATOR MODS	10,384	16,384	10,384	15,484
OTHER MODIFICATIONS				
CLASSIFIED PROJECTS	23,227	42,227	23,227	42,227
TOTAL, MODIFICATION OF INSERVICE AIRCRAFT	1,873,394	1,727,114	1,907,294	1,799,254
AIRCRAFT SPARES AND REPAIR PARTS				

(In thousands of dollars)

	Budget	House	Senate	Conference
SPARES/REPAIR PARTS	321,539	321,539	295,139	295,139
AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES				
COMMON SUPPORT EQUIPMENT				
AIRCRAFT SUPPORT EQ & FACILITIES	211,334	211,334	211,334	211,334
POST PRODUCTION SUPPORT				
B-2A	12,647	12,647	12,647	12,647
B-2A	38,612	38,612	38,612	38,612
B-1B	6,400	6,400	6,400	6,400
C-130	1,372	1,372	1,372	1,372
F-15 POST PRODUCTION SUPPORT	7,409	7,409	7,409	7,409
F-16 POST PRODUCTION SUPPORT	14,542	14,542	14,542	14,542
INDUSTRIAL PREPAREDNESS	25,711	25,711	25,711	25,711
WAR CONSUMABLES	44,369	49,369	44,369	48,369
MISC PRODUCTION CHARGES	324,986	329,986	324,986	327,986
COMMON ECM EQUIPMENT	1,200	1,200	1,200	1,200
DARP	90,329	90,329	93,329	91,829
CLASSIFIED PROGRAMS	27,620	---	---	---
TOTAL, AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES	806,531	788,911	781,911	787,411
TOTAL, AIRCRAFT PROCUREMENT, AIR FORCE	10,744,458	10,549,798	10,617,332	10,567,038

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[in thousands of dollars]

		Budget	House	Senate	Conference
1	**F-22 RAPTOR**	**2,658,153**	**2,655,553**	**2,658,153**	**2,769,553**
	Transfer funding for DMS		+111,400		+111,400
	Unjustified amount for tooling		-100,000		0
	Ancillary equipment procured ahead of need		-14,000		0
2	**F-22 RAPTOR (AP-CY)**	**379,159**	**234,759**	**379,159**	**267,759**
	Transfer funding for DMS		-111,400		-111,400
	Reduced requirement for AP based on DAB reduction of 3 aircraft in FY 2003		-33,000		0
7	**C-17A (MYP)**	**2,875,775**	**2,808,425**	**2,839,775**	**2,808,425**
	Transfer whole engine spares to C-17 ICS		-18,600		-18,600
	TEPATS simulator		+9,750		+9,750
	Rate impact savings		-36,000	-36,000	-36,000
	AF requested realignment from C-17 ICS		-22,500		-22,500
8	**C-17A (MYP) (AP-CY)**	**228,100**	**431,000**	**371,100**	**371,100**
	Rate impact		+36,000		0
	AF identified reduction in AP requirements		-14,000		0
	EOQ for second C-17 MYP		+180,900	+143,000	+143,000
9	**C-17 ICS**	**441,163**	**482,263**	**441,163**	**481,763**
	Transfer whole engine spares to ICS		+18,600		+18,600
	AF requested realignment to C-17 MYP line-item		+22,500		+22,000
11	**C-130J**	**221,809**	**0**	**110,904**	**163,100**
	Transfer to NGRE account		-221,809	-110,905	-58,709
	1 C-130J and support equipment for the active Air Force to establish the C-130J formal training unit at the C-130 Center of Excellence				(75,800)
12	**JPATS**	**228,409**	**270,409**	**228,409**	**228,409**
	Additional aircraft		+42,000		0
13	**V-22 OSPREY**	**95,110**	**95,110**	**0**	**0**
14	**V-22 OSPREY (AP-CY)**	**14,991**	**14,991**	**0**	**0**
16	**CIVIL AIR PATROL A/C**	**2,629**	**9,629**	**6,629**	**7,529**
	Additional aircraft		+7,000	+4,000	+4,900
	C-40 Medevac	**0**	**85,000**	**0**	**0**
20	**EC-130H**	**19,000**	**0**	**19,000**	**0**
	Transfer Project Suter		-19,000		-19,000
21	**E-8C**	**283,202**	**273,202**	**283,202**	**275,202**
	Prior year pricing		-10,000		-8,000
25	**HAEUAV (AP-CY)**	**33,500**	**0**	**33,500**	**33,500**
	Advance procurement of Global Hawk HAE UAV		-33,500		0
26	**PREDATOR UAV**	**19,632**	**39,632**	**19,632**	**36,632**
	Predator B -- only for acquisition of two Predator B turboprop and one Predator B jet aircraft with spare parts		+20,000		+17,000
27	**B-2A**	**11,858**	**25,358**	**11,858**	**22,858**
	SATCOM		+13,500		+11,000
28	**B-1B**	**95,493**	**37,693**	**37,693**	**37,693**
	Transfer to ANG O&M		-57,800	-57,800	-57,800

		Budget	House	Senate	Conference
29	**B-52**	**3,548**	**3,548**	**23,948**	**17,848**
	Attrition Reserve A/C			+20,400	+14,300
	F-117	**0**	**27,620**	**27,260**	**27,260**
	AF requested realignment of funds from classified line		+27,620	+27,260	+27,260
31	**A-10**	**18,547**	**18,547**	**23,547**	**21,047**
	On-Board Oxygen Generation System			+5,000	+2,500
32	**F-15**	**212,160**	**237,160**	**237,160**	**246,060**
	F-15 engine E-kits (Senate funded in NGRE)		+6,000		+10,000
	BOL IR		+5,000		+3,000
	ALQ-135 Band 1.5		+10,000	+25,000	+17,500
	F-15 IFF for ANG NORAD alert mission aircraft		+4,000		+3,400
33	**F-16**	**231,962**	**233,962**	**236,962**	**236,962**
	ACES II upgrade		+2,000		+1,500
	On-Board Oxygen Generation System		+3,000	+5,000	+3,500
35	**C-5**	**103,214**	**32,714**	**103,214**	**32,714**
	Reduce C-5 AMP quantities pending flight test		-70,500		-70,500
37	**C-17A**	**139,278**	**98,878**	**139,278**	**112,278**
	Delay in initiation of LAIRCM development		-33,400		-20,000
	GATM contract savings		-7,000		-7,000
45	**T-38**	**144,726**	**159,726**	**144,726**	**157,526**
	Ejection seats		+15,000		+12,800
53	**C-130**	**57,936**	**59,936**	**63,936**	**66,736**
	Modular Airborne Firefighting System for ANG		+2,000		+1,700
	APN-241 radar for 11th Air Force			+6,000	+5,100
	Radar Modernization for C-130H2 for Nevada ANG			(6,000)	+2,000
54	**C-135**	**231,066**	**175,066**	**231,066**	**175,066**
	KC-135 reengine		-56,000		-56,000
55	**DARP**	**195,045**	**199,045**	**209,585**	**207,745**
	Procurement and installation of Theater Airborne Warning System aircraft modification kits		+4,000		+2,000
	Senior Scout; JTIDS			+3,300	+2,300
	Senior Scout; Data Mission Management Processor			+820	+800
	Senior Scout; Third Shelter Modernization			+2,800	+2,000
	Senior Scout; Ground Station Modernization			+1,620	+1,600
	Senior Scout; COMINT Search and Collection System			+6,000	+4,000
58	**E-8**	**82,996**	**64,296**	**71,496**	**67,796**
	Disapprove Spiral Development Modification based on unclear program content.		-7,200		-7,200
	Reduce funding for Vanguard mod based on lack of justification.		-5,000		0
	SATCOM transfer to R&D		-5,700	-5,700	-5,700
	RVSM transfer to R&D		-5,800	-5,800	-5,800

		Budget	House	Senate	Conference
	Joint Services Workstation (JSWS) and initial support for Air Operations Center		+5,000		+3,500
62	**PREDATOR MODS**	**10,384**	**16,384**	**10,384**	**15,484**
	Structured reliability and maintainability program to complete the conversion of Predator GCS to PC-based architecture		+6,000		+5,100
63	**CLASSIFIED PROJECTS**	**23,227**	**42,227**	**23,227**	**42,227**
	Transfer Project Suter		+19,000		+19,000
65	**SPARES/REPAIR PARTS**	**321,539**	**321,539**	**295,139**	**295,139**
	CV-22 Spares			-26,400	-26,400
76	**WAR CONSUMABLES**	**44,369**	**49,369**	**44,369**	**48,369**
	MALD		+5,000		+4,000
	Note: Committee designates MALD program as special interest, including funds requested in budget.				
77	**MISC PRODUCTION CHARGES**	**324,986**	**329,986**	**324,986**	**327,986**
	Air Combat Training Range Security		+5,000		+3,000
79	**DARP**	**90,329**	**90,329**	**93,329**	**91,829**
	U-2 SYERS			+3,000	+1,500
999	**CLASSIFIED PROGRAMS**	**27,620**	**0**	**0**	**0**
	AF requested realignment of funds		-27,620	-27,620	-27,620

MISSILE PROCUREMENT, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
MISSILE PROCUREMENT, AIR FORCE				
BALLISTIC MISSILES				
MISSILE REPLACEMENT EQ-BALLIS	25,124	25,124	25,124	25,124
OTHER MISSILES				
STRATEGIC				
TACTICAL				
JASSM	45,010	45,010	45,010	45,010
JOINT STANDOFF WEAPON	54,641	20,101	54,641	29,641
SIDEWINDER (AIM-9X)	38,923	38,923	38,923	38,923
AMRAAM	104,701	104,701	104,701	104,701
INDUSTRIAL FACILITIES				
INDUSTRIAL FACILITIES	3,040	3,040	3,040	3,040
MISSILE REPLACEMENT EQUIPMENT - OTHER				
TOTAL, OTHER MISSILES	246,315	211,775	246,315	221,315
MODIFICATION OF INSERVICE MISSILES				
CLASS IV				
ADVANCED CRUISE MISSILE	784	784	784	784
MM III MODIFICATIONS	552,678	542,678	552,678	547,678
AGM-65D MAVERICK	966	966	966	966
PEACEKEEPER (M-X)	5,146	10,046	5,146	10,046
MISSILE SPARES + REPAIR PARTS				
SPARES AND REPAIR PARTS	61,844	56,944	61,844	56,944
TOTAL, MODIFICATION OF INSERVICE MISSILES	621,418	611,418	621,418	616,418
OTHER SUPPORT				
SPACE PROGRAMS				
WIDEBAND GAPFILLER SATELLITES	377,509	348,509	377,509	357,509

(In thousands of dollars)

	Budget	House	Senate	Conference
WIDEBAND GAPFILLER SATELLITES (AP-CY)	13,447	13,447	13,447	13,447
SPACEBORNE EQUIP (COMSEC)	9,332	9,332	9,332	9,332
GLOBAL POSITIONING (SPACE)	177,719	152,719	177,719	172,719
GLOBAL POSITIONING (SPACE) (AP-CY)	23,760	---	23,760	---
NUDET DETECTION SYSTEM	---	22,700	19,066	19,066
DEF METEOROLOGICAL SAT PROG	47,580	44,580	47,580	46,080
DEFENSE SUPPORT PROGRAM(SPACE)	112,456	107,456	112,456	109,956
DEFENSE SATELLITE COMM SYSTEM	27,004	27,004	27,004	27,004
TITAN SPACE BOOSTERS(SPACE)	385,298	365,298	355,298	355,298
EVOLVED EXPENDABLE LAUNCH VEHICLE	98,007	88,007	98,007	98,007
MEDIUM LAUNCH VEHICLE (SPACE)	42,355	37,355	42,355	39,855
SBIR HIGH (SPACE) (AP-CY)	93,752	---	---	---
SPECIAL PROGRAMS				
SPECIAL PROGRAMS	803,946	724,880	1,332,618	749,880
SPECIAL UPDATE PROGRAMS	128,514	128,514	128,514	128,514
TOTAL, OTHER SUPPORT	2,340,679	2,069,801	2,764,665	2,126,667
TOTAL, MISSILE PROCUREMENT, AIR FORCE	3,233,536	2,918,118	3,657,522	2,989,524

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[in thousands of dollars]

		Budget	House	Senate	Conference
4	**JOINT STANDOFF WEAPON**	**54,641**	**20,101**	**54,641**	**29,641**
	GAO recommended reduction		-34,540		-25,000
12	**MM III MODIFICATIONS**	**552,678**	**542,678**	**552,678**	**547,678**
	Pricing for GRP		-10,000		-5,000
15	**PEACEKEEPER (M-X)**	**5,146**	**10,046**	**5,146**	**10,046**
	Peacekeeper support equipment		+4,900		+4,900
17	**SPARES AND REPAIR PARTS**	**61,844**	**56,944**	**61,844**	**56,944**
	Peacekeeper support equipment		-4,900		-4,900
18	**WIDEBAND GAPFILLER SATELLITES**	**377,509**	**348,509**	**377,509**	**357,509**
	Program reduction		-29,000		-20,000
21	**GLOBAL POSITIONING (SPACE)**	**177,719**	**152,719**	**177,719**	**172,719**
	Reduce funding for GPS IIF launch and on-orbit support. GPS IIF will not be launched in FY 2002.		-15,000		0
	Reduce excessive program office support		-10,000		-5,000
22	**GLOBAL POSITIONING (SPACE) (AP-CY)**	**23,760**	**0**	**23,760**	**0**
	Eliminate AP for GPS modifications. Mods should be full funded.		-23,760		-23,760
23	**NUDET DETECTION SYSTEM**	**0**	**22,700**	**19,066**	**19,066**
	Transfer from NRO		+22,700	+19,066	+19,066
24	**DEF METEOROLOGICAL SAT PROG**	**47,580**	**44,580**	**47,580**	**46,080**
	Launch delays		-3,000		-1,500
25	**DEFENSE SUPPORT PROGRAM(SPACE)**	**112,456**	**107,456**	**112,456**	**109,956**
	Launch delays		-5,000		-2,500
27	**TITAN SPACE BOOSTERS(SPACE)**	**385,298**	**365,298**	**355,298**	**355,298**
	Chronic underexecution		-20,000	-30,000	-30,000
28	**EVOLVED EXPENDABLE LAUNCH VEHICLE**	**98,007**	**88,007**	**98,007**	**98,007**
	Pricing		-10,000		0
29	**MEDIUM LAUNCH VEHICLE (SPACE)**	**42,355**	**37,355**	**42,355**	**39,855**
	Unjustified growth in Delta launch services.		-5,000		-2,500
30	**SBIR HIGH (SPACE) (AP-CY)**	**93,752**	**0**	**0**	**0**
	Program delays, technical problems, and shortfalls		-93,752	-93,752	-93,752

SBIRS HIGH RADIATION HARDENED PARTS

The conferees are very troubled by recent developments in the SBIRS High program. DoD and Air Force officials have provided new indications that the previously reported $2,000,000,000 shortfall and 2 year slip may, in fact, understate the severity of the problems. Not only is DoD considering a variety of major program restructures, but it is also considering whole new satellite approaches.

The conferees are also aware of the issue of diminished manufacturing sources for selected radiation hardened parts in the current SBIRS High design. The Air Force has requested that funds be retained in advance procurement for a ''lifetime buy'' of these parts. The conferees are sympathetic to the issues involved with this request but given the unclear status of the program, it is premature to make a definitive judgment with respect to funding these parts. The conferees encourage DoD, once it has determined how best to proceed with the program, to submit a reprogramming request to fund these parts as needed at that time.

PROCUREMENT OF AMMUNITION, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
PROCUREMENT OF AMMUNITION, AIR FORCE				
PROCUREMENT OF AMMO, AIR FORCE				
ROCKETS	29,580	29,580	33,580	30,880
CARTRIDGES	122,907	122,907	122,907	122,907
BOMBS				
PRACTICE BOMBS	50,230	50,230	50,230	50,230
GENERAL PURPOSE BOMBS	110,522	112,022	110,522	110,522
CAWCF CLOSURE COSTS	7,946	7,946	7,946	7,946
SENSOR FUZED WEAPON	109,521	109,521	109,521	109,521
JOINT DIRECT ATTACK MUNITION	187,257	187,257	187,257	187,257
WIND CORRECTED MUNITIONS DISP	111,853	111,853	115,853	111,853
FLARE, IR MJU-7B				
CAD/PAD	18,170	18,170	18,170	18,170
EXPLOSVE ORDINANCE DISPOSAL	1,421	1,421	1,421	1,421
INITIAL SPARES	2,727	2,727	2,727	2,727
MODIFICATIONS LESS THAN $5 MILLION	211	211	211	211
ITEMS LESS THAN $5 MILLION	1,633	1,633	1,633	1,633
FUZES				
FLARES	108,965	108,965	108,965	108,965
TOTAL, PROCUREMENT OF AMMO, AIR FORCE	862,943	864,443	870,943	864,243
WEAPONS				
SMALL ARMS	2,401	2,401	2,401	2,401
TOTAL, PROCUREMENT OF AMMUNITION, AIR FORCE	865,344	866,844	873,344	866,644

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[in thousands of dollars]

	Budget	House	Senate	Conference
1 ROCKETS	**29,580**	**29,580**	**33,580**	**30,880**
2.75 Inch Rocket Motor Cost Growth			-5,000	-5,000
Hydra Rockets			+9,000	+6,300
4 GENERAL PURPOSE BOMBS	**110,522**	**112,022**	**110,522**	**110,522**
Cast Ductile Iron Bombs (BDU-56)		+1,500		0
8 WIND CORRECTED MUNITIONS DISP	**111,853**	**111,853**	**115,853**	**111,853**
Additional funding			+4,000	0

OTHER PROCUREMENT, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
OTHER PROCUREMENT, AIR FORCE				
VEHICULAR EQUIPMENT				
PASSENGER CARRYING VEHICLES				
SEDAN, 4 DR 4X2	686	686	686	686
STATION WAGON, 4X2	124	124	124	124
BUSES	4,307	4,307	4,307	4,307
AMBULANCES	252	252	252	252
LAW ENFORCEMENT VEHICLE	1,531	1,531	1,531	1,531
ARMORED VEHICLE	684	684	684	684
CARGO + UTILITY VEHICLES				
TRUCK, CARGO-UTILITY, 3/4T, 4	5,733	5,733	5,733	5,733
TRUCK MULTI-STOP 1 TON 4X2	10,367	10,367	10,367	10,367
HIGH MOBILITY VEHICLE (MYP)	6,390	6,390	6,390	6,390
CAP VEHICLES	785	785	785	785
ITEMS LESS THAN $5 MILLION	34,320	34,320	34,320	34,320
SPECIAL PURPOSE VEHICLES				
HMMWV, ARMORED	1,000	1,000	1,000	1,000
TRACTOR, TOW, FLIGHTLINE	6,035	6,035	6,035	6,035
TRUCK HYDRANT FUEL	5,895	5,895	5,895	5,895
ITEMS LESS THAN $5 MILLION	19,818	19,818	19,818	19,818
FIRE FIGHTING EQUIPMENT				
ITEMS LESS THAN $5 MILLION	5,029	5,029	5,029	5,029
MATERIALS HANDLING EQUIPMENT				
TRUCK, F/L 10,000 LB	6,914	6,914	6,914	6,914
60K A/C LOADER	90,763	90,763	90,763	90,763
NEXT GENERATION SMALL LOADER	53,461	53,461	53,461	53,461

(In thousands of dollars)

	Budget	House	Senate	Conference
ITEMS LESS THAN $5 MILLION	4,106	4,106	4,106	4,106
BASE MAINTENANCE SUPPORT				
TRUCK, DUMP	2,839	2,839	2,839	2,839
RUNWAY SNOW REMOV AND CLEANING	12,484	12,484	12,484	12,484
MODIFICATIONS	3,360	3,360	3,360	3,360
ITEMS LESS THAN $5 MILLION	11,943	11,943	11,943	11,943
TOTAL, VEHICULAR EQUIPMENT	288,826	288,826	288,826	288,826
ELECTRONICS AND TELECOMMUNICATIONS EQUIP				
COMM SECURITY EQUIPMENT(COMSEC)				
COMSEC EQUIPMENT	35,188	35,188	35,188	35,188
MODIFICATIONS (COMSEC)	468	468	468	468
INTELLIGENCE PROGRAMS				
INTELLIGENCE TRAINING EQUIPMENT	1,237	1,237	1,237	1,237
INTELLIGENCE COMM EQUIP	1,955	13,755	1,955	3,455
ELECTRONICS PROGRAMS				
AIR TRAFFIC CTRL/LAND SYS	4,698	4,698	4,698	4,698
NATIONAL AIRSPACE SYSTEM	71,930	51,930	40,530	46,930
THEATER AIR CONTROL SYS IMPRO	15,057	22,376	15,057	19,557
WEATHER OBSERV/FORCAST	33,766	33,766	33,766	33,766
STRATEGIC COMMAND AND CONTROL	21,066	21,066	21,066	21,066
CHEYENNE MOUNTAIN COMPLEX	30,642	30,642	30,642	30,642
TAC SIGINT SUPPORT	976	976	976	976
SPECIAL COMM-ELECTRONICS PROJECTS				
GENERAL INFORMATION TECHNOLOGY	56,817	60,817	56,817	59,817
AF GLOBAL COMMAND & CONTROL	15,151	15,151	15,151	15,151

(In thousands of dollars)

	Budget	House	Senate	Conference
MOBILITY COMMAND AND CONTROL	8,879	8,879	8,879	8,879
AIR FORCE PHYSICAL SECURITY	62,313	62,313	62,313	62,313
COMBAT TRAINING RANGES	67,585	74,085	118,485	111,985
MINIMUM ESSENTIAL EMERGENCY	2,078	2,078	2,078	2,078
C3 COUNTERMEASURES	9,623	9,623	9,623	9,623
BASE LEVEL DATA AUTO PROGRAM	12,895	12,895	12,895	12,895
THEATER BATTLE MGT C2 SYS	47,291	47,291	47,291	47,291
AIR FORCE COMMUNICATIONS				
BASE INFORMATION INFRASTRUCTURE	154,097	154,097	154,097	156,097
USCENTCOM	10,867	10,867	10,867	10,867
DEFENSE MESSAGE SYSTEM (DMS)	13,336	13,336	13,336	13,336
DISA PROGRAMS				
SPACE BASED IR SENSOR PROG	54,347	---	---	---
NAVSTAR GPS SPACE	4,003	4,003	4,003	4,003
NUDET DETECTION SYS (NDS)	8,470	8,470	8,470	8,470
AF SATELLITE CONTROL NETWORK	29,678	29,678	29,678	29,678
SPACELIFT RANGE SYSTEM SPACE	132,764	132,764	132,764	132,764
MILSATCOM SPACE	21,367	15,967	62,267	15,967
SPACE MODS SPACE	31,915	31,915	31,915	31,915
ORGANIZATION AND BASE				
TACTICAL C-E EQUIPMENT	95,096	95,096	95,096	95,096
COMBAT SURVIVOR EVADER LOCATE	2,222	---	2,222	---
RADIO EQUIPMENT	13,926	13,926	13,926	13,926
TV EQUIPMENT (AFRTV)	2,640	2,640	2,640	2,640
CCTV/AUDIOVISUAL EQUIPMENT	3,275	3,275	3,275	3,275

(In thousands of dollars)

	Budget	House	Senate	Conference
BASE COMM INFRASTRUCTURE	76,903	76,903	76,903	76,903
SPARES AND REP PARTS	16	16	16	16
CAP COM & ELECT	---	---	10,400	7,000
ITEMS LESS THAN $5 MILLION	6,094	6,094	6,094	6,094
MODIFICATIONS				
COMM ELECT MODS	66,386	53,386	52,286	49,386
TOTAL, ELECTRONICS AND TELECOMMUNICATIONS EQUIP	1,227,017	1,161,667	1,229,370	1,185,448
OTHER BASE MAINTENANCE AND SUPPORT EQUIP				
TEST EQUIPMENT				
BASE/ALC CALIBRATION PACKAGE	11,974	11,974	11,974	11,974
PRIMARY STANDARDS LABORATORY	1,073	1,073	1,073	1,073
ITEMS LESS THAN $5 MILLION	17,493	17,493	17,493	17,493
PERSONAL SAFETY AND RESCUE EQUIP				
NIGHT VISION GOGGLES	3,330	3,330	3,330	3,330
ITEMS LESS THAN $5 MILLION	7,680	14,980	11,680	10,680
DEPOT PLANT + MATERIALS HANDLING EQ				
MECHANIZED MATERIAL HANDLING	14,361	19,361	22,361	19,361
ITEMS LESS THAN $5 MILLION	9,437	9,437	9,437	9,437
ELECTRICAL EQUIPMENT				
FLOODLIGHTS	6,946	6,946	6,946	6,946
ITEMS LESS THAN $5 MILLION	6,061	6,061	6,061	6,061
BASE SUPPORT EQUIPMENT				
BASE PROCURED EQUIPMENT	11,957	11,957	11,957	11,957
MEDICAL/DENTAL EQUIPMENT	15,525	15,525	15,525	15,525
ENVIRONMENTAL PROJECTS	938	938	938	938

(In thousands of dollars)

	Budget	House	Senate	Conference
AIR BASE OPERABILITY	6,000	6,000	6,000	6,000
PHOTOGRAPHIC EQUIPMENT	5,805	5,805	5,805	5,805
PRODUCTIVITY ENHANCING CAPITA	7,981	7,981	7,981	7,981
MOBILITY EQUIPMENT	27,581	27,581	33,581	30,581
AIR CONDITIONERS	7,058	7,058	7,058	7,058
ITEMS LESS THAN $5 MILLION	25,876	25,876	25,876	25,876
SPECIAL SUPPORT PROJECTS				
INTELLIGENCE PRODUCTION ACTIV	64,110	64,110	56,110	57,110
TECH SURV COUNTERMEASURES EQ	4,236	4,236	4,236	4,236
DARP RC135	14,247	14,247	14,247	14,247
DARP, MRIGS	89,478	89,478	89,478	89,478
SELECTED ACTIVITIES	6,070,259	5,832,959	6,042,559	6,036,670
SPECIAL UPDATE PROGRAM	161,157	151,157	161,157	161,157
DEFENSE SPACE RECONNAISSANCE	6,829	6,829	6,829	6,829
INDUSTRIAL PREPAREDNESS	1,134	1,134	1,134	1,134
MODIFICATIONS	209	209	209	209
FIRST DESTINATION TRANSPORTATION	11,822	9,322	11,822	9,322
TOTAL, OTHER BASE MAINTENANCE AND SUPPORT EQUIP	6,610,557	6,373,057	6,592,857	6,578,468
SPARE AND REPAIR PARTS				
SPARES AND REPAIR PARTS	33,121	33,121	33,121	33,121
TOTAL, OTHER PROCUREMENT, AIR FORCE	8,159,521	7,856,671	8,144,174	8,085,863

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[in thousands of dollars]

		Budget	House	Senate	Conference
32	**INTELLIGENCE COMM EQUIP**	**1,955**	**13,775**	**1,955**	**3,455**
	Secure Terminal Equipment		+3,000		+1,500
	RC-135 Senior Scout ANG: Update mission management processor		+820		0
	RC-135 Senior Scout ANG: Procurement, installation, and delivery of JTIDS capability		+3,600		0
	RC-135 Senior Scout ANG: Procurement of third shelter configuration		+2,800		0
	RC-135 Senior Scout ANG: Ground station modernization		+1,600		0
34	**NATIONAL AIRSPACE SYSTEM**	**71,930**	**51,930**	**40,530**	**46,930**
	DASR test failures/program delays		-20,000	-31,400	-25,000
35	**THEATER AIR CONTROL SYS IMPRO**	**15,057**	**22,376**	**15,057**	**19,557**
	Delay of Joint Mission Planning system		-7,681		-6,000
	AN/TYQ-23 modular control equipment (MCE) operations modules for ANG		+15,000		+10,500
41	**GENERAL INFORMATION TECHNOLOGY**	**56,817**	**60,817**	**56,817**	**59,817**
	REMIS		+4,000		+3,000
45	**COMBAT TRAINING RANGES**	**67,585**	**74,085**	**118,485**	**111,985**
	AN/MSQ-T-43 Modular Threat Emitter		+1,500		+1,000
	Mini-MUTES		+5,000		+2,500
	Mobile Remote Emitter Simulators			+16,000	+11,200
	P4 BE ACMI Pods for 11th AF			+7,400	+6,300
	Pacific AK Range Complex Mount Fairplay TPS-117 Radar Site			+18,000	+15,300
	UMPTE Upgrade -- 11th AF			+6,000	+5,100
	UHF/VHF Radios for Mount Fairplay, Sustina			+3,500	+3,000
52	**BASE INFORMATION INFRASTRUCTURE**	**154,097**	**154,097**	**154,097**	**156,097**
	Digital switched system with integrated telephone and radio capability for Air Force Reserve command posts and wing operation centers				+2,000
55	**SPACE BASED IR SENSOR PROG**	**54,347**	**0**	**0**	**0**
	Defer backup mission satellite control ground station		-54,347	-54,347	-54,347
61	**MILSATCOM SPACE**	**21,367**	**15,967**	**62,267**	**15,967**
	Transfer CCS-C "Development Lab" Equipment to R&D		-5,400		-5,400
	Teleports			+40,900	0
64	**COMBAT SURVIVOR EVADER LOCATE**	**2,222**	**0**	**2,222**	**0**
	Availability of prior year funds pending resolution of problems		-2,222		-2,222
70	**CAP COM & ELECT**	**0**	**0**	**10,400**	**7,000**
	Additional Communications Units			+1,400	+1,000
	Searchers Edge			+9,000	+6,000

		Budget	House	Senate	Conference
72	**COMM ELECT MODS**	**66,386**	**53,386**	**52,286**	**49,386**
	Unjustified level of procurement of NCMC-TW/AA hardware		-13,000		-6,500
	Weather Observation & Forecast System Cost Growth			-11,600	-8,000
	Deferred procurement			-2,500	-2,500
77	**ITEMS LESS THAN $5 MILLION**	**7,680**	**14,980**	**11,680**	**10,680**
	SCOT Life Support and Communications Tester		+6,000		+3,000
	LESPA		+1,300		0
	Clear Laser Eye Protection			+4,000	0
78	**MECHANIZED MATERIAL HANDLING**	**14,361**	**19,361**	**22,361**	**19,361**
	Supply Asset Tracking System		+5,000	+8,000	+5,000
88	**MOBILITY EQUIPMENT**	**27,581**	**27,581**	**33,581**	**30,581**
	Heli-Basket Technology			+6,000	+3,000
100	**FIRST DESTINATION TRANSPORTATION**	**11,822**	**9,322**	**11,822**	**9,322**
	History of underexecution		-2,500		-2,500

PROCUREMENT, DEFENSE-WIDE

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
PROCUREMENT, DEFENSE-WIDE				
MAJOR EQUIPMENT				
MAJOR EQUIPMENT, OSD/WHS				
MAJOR EQUIPMENT, OSD	87,189	112,189	87,189	112,189
MAJOR EQUIPMENT, WHS	18,836	14,836	18,836	14,836
MAJOR EQUIPMENT, NSA				
MAJOR EQUIPMENT, DISA				
INFORMATION SYSTEMS SECURITY	43,211	43,211	43,211	43,211
CONTINUITY OF OPERATIONS	3,288	3,288	3,288	3,288
DEFENSE MESSAGE SYSTEM	19,062	19,062	19,062	19,062
GLOBAL COMMAND AND CONTROL SYS	3,550	3,550	3,550	3,550
GLOBAL COMBAT SUPPORT SYSTEM	1,843	1,843	1,843	1,843
TELEPORTS	97,351	97,351	---	97,351
ITEMS LESS THAN $5 MILLION	29,580	29,580	29,580	29,580
MAJOR EQUIPMENT, DLA				
MAJOR EQUIPMENT	12,805	12,805	12,805	12,805
MAJOR EQUIPMENT, DCAA				
MAJOR EQUIPMENT ITEMS LESS THAN $5 MILLION	1,500	1,500	1,500	1,500
MAJOR EQUIPMENT, TJS				
MAJOR EQUIPMENT, TJS	35,380	35,380	35,380	35,380
BALLISTIC MISSILE DEFENSE ORGANIZATION				
PATRIOT PAC-3	---	---	---	736,574
MAJOR EQUIPMENT, DHRA				
PERSONNEL ADMINISTRATION	7,352	7,352	7,352	7,352
DEFENSE THREAT REDUCTION AGENCY				
VEHICLES	145	---	145	145

(In thousands of dollars)

	Budget	House	Senate	Conference
OTHER MAJOR EQUIPMENT	24,480	---	24,480	23,180
DEFENSE SECURITY COOPERATION AGENCY OTHER MAJOR EQUIPMENT	200	200	200	200
MAJOR EQUIPMENT, AFIS MAJOR EQUIPMENT, AFIS	5,369	5,369	5,369	5,369
MAJOR EQUIPMENT, DODDE AUTOMATION/EDUCATIONAL SUPPORT AND LOGISTICS	1,576	1,576	1,576	1,576
MAJOR EQUIPMENT, DCMA MAJOR EQUIPMENT	31,413	27,013	31,413	27,013
TOTAL, MAJOR EQUIPMENT	424,130	416,105	326,779	1,176,004
SPECIAL OPERATIONS COMMAND				
AVIATION PROGRAMS SOF ROTARY WING UPGRADES	79,084	84,084	70,084	81,584
MC-130H COMBAT TALON II	10,427	10,427	7,427	7,427
CV-22 SOF MODIFICATION	28,202	28,202	---	18,202
AC-130U GUNSHIP ACQUISITION	8,705	8,705	8,705	8,705
C-130 MODIFICATIONS	8,176	8,176	8,176	8,176
AIRCRAFT SUPPORT	1,763	1,763	1,763	1,763
SHIPBUILDING ADVANCED SEAL DELIVERY SYS	33,439	14,238	37,428	27,428
ADVANCED SEAL DELIVERY SYS (AP-CY)	13,697	---	13,697	13,697
MK VIII MOD 1 - SEAL DELIVERY VEH	504	504	504	504
AMMUNITION PROGRAMS SOF ORDNANCE REPLENISHMENT	31,415	31,415	31,415	31,415
CONVENTIONAL AMMO WORKING CAPITAL FUND	1,509	1,509	1,509	1,509

(In thousands of dollars)

	Budget	House	Senate	Conference
SOF ORDNANCE ACQUISITION	5,635	9,635	5,635	9,035
OTHER PROCUREMENT PROGRAMS				
COMM EQUIPMENT & ELECTRONICS	41,404	47,404	46,504	44,404
SOF INTELLIGENCE SYSTEMS	8,133	10,633	8,133	9,433
SOF SMALL ARMS & WEAPONS	6,936	12,936	6,936	9,436
MARITIME EQUIPMENT MODS	1,660	1,660	1,660	1,660
SOF COMBATANT CRAFT SYSTEMS	6,042	6,042	6,042	6,042
SPARES AND REPAIR PARTS	5,036	5,036	5,036	5,036
SOF MARITIME EQUIPMENT	2,975	2,975	1,807	2,975
MISCELLANEOUS EQUIPMENT	8,111	8,111	8,111	8,111
SOF PLANNING AND REHEARSAL SYSTEM	1,448	1,448	1,448	1,448
SOF OPERATIONAL ENHANCEMENTS	102,571	102,571	102,571	102,571
PSYOP EQUIPMENT	2,780	2,780	2,780	2,780
TOTAL, SPECIAL OPERATIONS COMMAND	409,652	400,254	377,371	403,341

(In thousands of dollars)

	Budget	House	Senate	Conference
CHEMICAL/BIOLOGICAL DEFENSE				
CBDP				
INDIVIDUAL PROTECTION	114,327	---	114,327	115,327
DECONTAMINATION	15,196	---	15,196	15,196
JOINT BIOLOGICAL DEFENSE PROGRAM	155,916	---	153,916	153,916
COLLECTIVE PROTECTION	38,940	---	48,940	47,940
CONTAMINATION AVOIDANCE	24,330	---	24,330	24,330
TOTAL, CHEMICAL/BIOLOGICAL DEFENSE	348,709	---	356,709	356,709
CLASSIFIED PROGRAMS	421,436	570,924	412,936	453,436
TOTAL, PROCUREMENT, DEFENSE-WIDE	1,603,927	1,387,283	1,473,795	2,389,490

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
(In thousands of dollars)

P-1		Budget Request	House	Senate	Conference
2	**MAJOR EQUIPMENT, OSD**	**87,189**	**112,189**	**87,189**	**112,189**
	High Performance Computing Modernization Program (Note: Only for the AHPCRC, for the priority procurement of HPC systems with low CPU-memory latency and high bandwidth.)		+25,000	0	+25,000
3	**MAJOR EQUIPMENT, WHS**	**18,836**	**14,836**	**18,836**	**14,836**
	Information Technology Underexecution		-4,000	0	-4,000
16	**TELEPORTS**	**97,351**	**97,351**	**0**	**97,351**
	Transfer to Services		0	-97,351	0
25	**PATRIOT PAC-3**	**0**	**0**	**0**	**736,574**
	Transfer from MP, A		0	0	+676,574
	PAC-3 Acceleration		0	0	+60,000
31	**VEHICLES**	**145**	**0**	**145**	**145**
	Transfer to Title IX		-145	0	0
32	**OTHER MAJOR EQUIPMENT**	**24,480**	**0**	**24,480**	**23,180**
	Transfer to Title IX		-24,480	0	0
	BLU-116B Schedule Slip		-3,000*	0	0
	Hard Target Smart Fuze Schedule Slip		-1,300*	0	-1,300
36	**MAJOR EQUIPMENT**	**31,413**	**27,013**	**31,413**	**27,013**
	SPS Schedule Slip		-4,400	0	-4,400
37	**SOF ROTARY WING UPGRADES**	**79,084**	**84,084**	**70,084**	**81,584**
	160th SOAR aircraft Modifications		+5,000	0	+2,500
	MH-47D Conversion Kits		0	-9,000	0
39	**MC-130H COMBAT TALON II**	**10,427**	**10,427**	**7,427**	**7,427**
	Production Reduction		0	-3,000	-3,000
40	**CV-22 SOF Modification**	**28,202**	**28,202**	**0**	**18,202**
	Production Delay		0	-28,202	-10,000
44	**ADVANCED SEAL DELIVERY SYS**	**33,439**	**14,238**	**37,428**	**27,428**
	Advanced Seal Delivery System		-19,201	0	0
	Lithium Ion Battery Technology		0	+10,000	0
	GFE		0	-4,500	-4,500
	Transporter		0	-1,511	-1,511
45	**ADVANCED SEAL DELIVERY (AP-CY)**	**13,697**	**0**	**13,697**	**13,697**
	Advanced Seal Delivery System		-13,697	0	0
50	**SOF ORDNANCE ACQUISITION**	**5,635**	**9,635**	**5,635**	**9,035**
	Gunshot/Sniper Detection System		+4,000	0	+3,400

P-1		Budget Request	House	Senate	Conference
51	**COMM EQUIPMENT & ELECTRONICS**	**41,404**	**47,404**	**46,504**	**44,404**
	AN/PRC-148 Multi-band Intra/Inter Team Radio		+6,000	+5,100	+3,000
52	**SOF INTELLIGENCE SYSTEMS**	**8,133**	**10,633**	**8,133**	**9,433**
	Portable Intelligence Collection and Relay Capability		+2,500	0	+1,300
53	**SOF SMALL ARMS & WEAPONS**	**6,936**	**12,936**	**6,936**	**9,436**
	Advanced Lightweight Grenade Launcher (Striker)		+6,000	0	+2,500
57	**SOF MARITIME EQUIPMENT**	**2,975**	**2,975**	**1,807**	**2,975**
	Hydrographic Littoral Mapping Device		0	-1,168	0
63	**INDIVIDUAL PROTECTION**	**114,327**	**0**	**114,327**	**115,327**
	Transfer to Title IX		-114,327	0	0
	Domestic Production of C2A1 Canisters		+2,000*	0	+1,000
64	**DECONTAMINATION**	**15,196**	**0**	**15,196**	**15,196**
	Transfer to Title IX		-15,196	0	0
65	**JOINT BIOLOGICAL DEFENSE PROGRAM**	**155,916**	**0**	**153,916**	**153,916**
	Transfer to Title IX		-155,916	0	0
	Production Delays		0	-2,000	-2,000
66	**COLLECTIVE PROTECTION**	**38,940**	**0**	**48,940**	**47,940**
	Transfer to Title IX		-38,940	0	0
	Chemical Biological Protective Shelters (CBPS)		+13,000*	+10,000	+9,000
67	**CONTAMINATION AVOIDANCE**	**24,330**	**0**	**24,330**	**24,330**
	Transfer to Title IX		-24,330	0	0
999	**CLASSIFIED PROGRAMS**	**421,436**	**570,924**	**412,936**	**453,436**
	Increase in Classified Programs		+149,488	-8,500	+32,000

* Note: Items marked with an asterisk were funded by the House in Title IX.

TELEPORTS

The conferees provide $97,351,000 for teleports, however, only 429,200,000 of the funds provided are available for obligation until (the service chiefs unanimously agree on a procurement plan. DISA shall not obligate any amount of funds over $29,200,000 until the agreed upon plan is provided to the Congress.

PATRIOT ADVANCED CAPABILITY—3

The Conferees agree to provide $736,574,000 for the PATRIOT Advanced Capability—3 (PAC–3), an increase of $60,000,000 to the program. The increase includes $15,000,000 for the efficient purchase of hard to acquire parts, eliminating the need for a near term redesign of the missile. It also includes $45,000,000 available either to purchase additional missiles in fiscal year 2002 or for additional equipment for the production facility. The Conferees encourage the Department to increase production of this missile in an efficient but prudent manner and direct the Department to ensure that enough funds are in the Future Years Defense Plan to begin purchasing at least 20 missiles a month as soon as possible.

NATIONAL GUARD AND RESERVE EQUIPMENT

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
NATIONAL GUARD & RESERVE EQUIPMENT				
RESERVE EQUIPMENT				
ARMY RESERVE MISCELLANEOUS EQUIPMENT	---	---	15,000	10,000
UH-60 BLACKHAWK	---	131,176	---	87,000
LASER MARKSMANSHIP TRAINING SYSTEM (BEAMHIT)	---	7,000	---	6,000
NAVY RESERVE MISCELLANEOUS EQUIPMENT	---	---	15,000	10,000
MARINE CORPS RESERVE MISCELLANEOUS EQUIPMENT	---	---	10,000	5,000
AIR FORCE RESERVE MISCELLANEOUS EQUIPMENT	---	---	10,000	5,000
C130J	---	---	---	71,300
TOTAL, RESERVE EQUIPMENT	---	138,176	50,000	194,300
NATIONAL GUARD EQUIPMENT				
ARMY NATIONAL GUARD MISCELLANEOUS EQUIPMENT	---	---	15,000	10,000
BRADLEY ODS	---	60,000	---	51,000
HEAVY EQUIPMENT TRANSPORT SYSTEM (HETS)	---	5,000	---	2,500
RESERVE COMPONENT AUTOMATION SYSTEM	---	18,000	---	15,500
LASER MARKSMANSHIP TRAINING SYSTEM (BEAMHIT)	---	10,000	---	8,500
SINCGARS	---	15,000	20,000	14,000
ENGAGEMENT SKILLS TRAINER	---	6,000	---	4,200
MULTI-ROLE BRIDGING COMPANIES	---	22,400	---	15,700
HMMWV	---	---	25,000	17,500
FAMILY OF HEAVY TACTICAL VEHICLES (FHTV)	---	---	25,000	17,500

(In thousands of dollars)

	Budget	House	Senate	Conference
MULTI-ROLE BRIDGE COMPANIES	---	---	17,700	---
UH-60 BLACKHAWK	---	---	102,500	58,000
DISTANCE LEARNING	---	---	10,000	6,000
AIR NATIONAL GUARD MISCELLANEOUS EQUIPMENT	---	---	15,000	10,000
C-130	---	---	182,205	---
C-130J	---	226,909	---	219,730
P-19 TRUCK CRASH	---	---	5,000	3,500
F-15 E-KIT UPGRADES	---	---	20,000	20,000
F-16 BLOCK 42 ENGINE UPGRADES	---	---	52,000	31,200
C-17 MAINTENANCE TRAINER	---	---	21,100	---
TOTAL, NATIONAL GUARD EQUIPMENT	---	363,309	510,505	504,830
TOTAL, NATIONAL GUARD & RESERVE EQUIPMENT	---	501,485	560,505	699,130

MISCELLANEOUS EQUIPMENT

The conferees agree that each of the Chiefs of the Reserve and National Guard components should exercise control of modernization funds provided in this account including aircraft and aircraft modernization. The conferees further agree that separate submissions of a detailed assessment of its modernization priorities by the component commanders is required to be submitted to the defense committees. The conferees expect the component commanders to give priority consideration tot he following items: AN/AAQ–24 directional Infrared Countermeasure (DIRCM), C–130 Radar Modernization, Guard Net XXI, Integrated Training Management Program, Family of Medium Tactical Vehicles, Commercial Construction Equipment, Project ALERT, the Striker Advanced Grenade Launcher, advanced display processor, and F–15 IFF for ANG NORAD alert mission aircraft.

NATIONAL GUARD AND RESERVE AIRCRAFT

The conferees agree to provide $436,030,000 specifically for the acquisition and modernization of the following aircraft to support Reserve and National Guard missions:

UH–60 Blackhawk for the Army Reserve (6)	$87,000,000
UH–60 Blackhawk for the Army Guard (4)	58,000,0900
C–130J for the Air Force Reserve (1)	71,300,000
C–130J for the Air Force National Guard, western states firefighting (2)	148,430,000
C–130J for the Air Force National Guard (1)	71,300,000

DEFENSE PRODUCTION ACT

The conferees agree to provide a total of $40,000,000 for the Defense Production Act, a decrease of $10,000,000 from the budget request amount. Of this amount $2,000,000 is only for a Processible Rigid-Rod Polymeric Material Supplier Initiative.

TITLE IV – RESEARCH, DEVELOPMENT, TEST AND EVALUATION

The conference agreement is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
RECAPITULATION				
RDTE, ARMY	6,693,920	7,115,438	6,742,123	7,106,074
RDTE, NAVY	11,123,389	10,896,307	10,742,710	11,498,506
RDTE, AIR FORCE	14,343,982	14,884,058	13,859,401	14,669,931
RDTE, DEFENSE-WIDE	15,050,787	6,949,098	14,445,589	15,415,275
OPERATIONAL TEST AND EVALUATION	217,355	245,355	216,855	231,855
GRAND TOTAL, RDTE	47,429,433	40,090,256	46,006,678	48,921,641

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

The conference agreement on items addressed by either the House or Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
RESEARCH, DEVELOPMENT, TEST & EVAL, ARMY				
BASIC RESEARCH				
IN-HOUSE LABORATORY INDEPENDENT RESEARCH	14,815	14,815	14,815	14,815
DEFENSE RESEARCH SCIENCES	138,281	146,150	140,531	145,450
UNIVERSITY AND INDUSTRY RESEARCH CENTERS	69,147	77,347	69,147	73,647
TOTAL, BASIC RESEARCH	222,243	238,312	224,493	233,912
APPLIED RESEARCH				
MATERIALS TECHNOLOGY	13,794	13,794	25,294	20,794
SENSORS AND ELECTRONIC SURVIVABILITY	25,797	28,797	33,297	32,197
TRACTOR HIP	7,741	7,741	7,741	7,741
AVIATION TECHNOLOGY	49,265	40,029	44,265	44,265
EW TECHNOLOGY	17,449	17,449	17,449	17,449
MISSILE TECHNOLOGY	40,112	57,612	48,612	61,612
ADVANCED WEAPONS TECHNOLOGY	19,043	27,982	24,043	27,043
MODELING AND SIMULATION TECHNOLOGY	20,579	28,579	25,579	31,579
COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY	82,441	86,441	116,441	113,941
BALLISTICS TECHNOLOGY	61,502	61,502	61,502	61,502
CHEMICAL, SMOKE AND EQUIPMENT DEFEATING TECHNOLOGY	3,561	11,561	4,561	6,561
JOINT SERVICE SMALL ARMS PROGRAM	5,611	5,611	5,611	5,611
WEAPONS AND MUNITIONS TECHNOLOGY	35,549	65,549	45,549	65,649
ELECTRONICS AND ELECTRONIC DEVICES	27,819	47,319	38,819	50,319
NIGHT VISION TECHNOLOGY	20,598	23,598	20,598	23,198
COUNTERMINE SYSTEMS	16,689	22,689	21,689	23,089
HUMAN FACTORS ENGINEERING TECHNOLOGY	16,466	21,966	16,466	19,966
ENVIRONMENTAL QUALITY TECHNOLOGY	16,150	21,150	20,000	23,700

(In thousands of dollars)

	Budget	House	Senate	Conference
COMMAND, CONTROL, COMMUNICATIONS TECHNOLOGY	24,342	24,342	24,342	24,342
COMPUTER AND SOFTWARE TECHNOLOGY	6,154	6,154	4,154	4,154
MILITARY ENGINEERING TECHNOLOGY	42,850	60,850	51,350	59,850
MANPOWER/PERSONNEL/TRAINING TECHNOLOGY	16,315	16,315	15,315	15,315
WARFIGHTER TECHNOLOGY	27,061	34,561	27,061	33,761
MEDICAL TECHNOLOGY	82,494	104,994	117,644	129,694
DUAL USE SCIENCE AND TECHNOLOGY	10,045	15,045	10,045	13,545
TOTAL, APPLIED RESEARCH	689,427	851,630	827,427	916,877
ADVANCED TECHNOLOGY DEVELOPMENT				
WARFIGHTER ADVANCED TECHNOLOGY	60,332	58,017	65,332	62,632
MEDICAL ADVANCED TECHNOLOGY	17,541	212,541	46,291	175,091
AVIATION ADVANCED TECHNOLOGY	44,843	36,545	39,843	38,843
WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY	29,684	39,684	29,684	35,684
COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECHNOLOGY	193,858	222,358	222,408	227,858
COMMAND, CONTROL, COMMUNICATIONS ADVANCED TECHNOLOGY	31,865	35,865	35,865	33,465
MANPOWER, PERSONNEL AND TRAINING ADVANCED TECHNOLOGY	3,120	3,120	3,120	3,120
TRACTOR HIKE	10,415	10,415	10,415	10,415
TRACTOR ROSE	9,293	9,293	9,293	9,293
MILITARY HIV RESEARCH	5,937	5,937	5,937	5,937
GLOBAL SURVEILLANCE/AIR DEFENSE/PRECISION STRIKE TECH.	32,267	32,267	32,267	32,267
EW TECHNOLOGY	13,868	24,368	13,868	24,568
MISSILE AND ROCKET ADVANCED TECHNOLOGY	59,518	77,018	69,518	76,018
TRACTOR CAGE	3,312	3,312	3,312	3,312
LANDMINE WARFARE AND BARRIER ADVANCED TECHNOLOGY	23,062	23,062	27,062	25,862
JOINT SERVICE SMALL ARMS PROGRAM	5,828	5,828	4,428	4,428

(In thousands of dollars)

	Budget	House	Senate	Conference
LINE-OF-SIGHT TECHNOLOGY DEMONSTRATION	57,384	70,456	57,384	70,456
NIGHT VISION ADVANCED TECHNOLOGY	37,081	56,581	42,081	49,781
ENVIRONMENTAL QUALITY TECHNOLOGY DEMONSTRATIONS	4,826	9,826	8,826	7,326
MILITARY ENGINEERING ADVANCED TECHNOLOGY	4,747	4,747	4,747	4,747
ADVANCED TACTICAL COMPUTER SCIENCE AND SENSOR TECHN	18,513	18,513	16,513	16,513
TOTAL, ADVANCED TECHNOLOGY DEVELOPMENT	667,294	959,753	748,194	917,616
DEMONSTRATION & VALIDATION				
ARMY MISSILE DEFENSE SYSTEMS INTEGRATION (DEM/VAL)	19,491	37,491	51,691	71,191
LANDMINE WARFARE AND BARRIER - ADV DEV	21,651	21,651	20,051	20,051
TANK AND MEDIUM CALIBER AMMUNITION	32,986	51,000	59,986	52,500
ADVANCED TANK ARMAMENT SYSTEM (ATAS)	101,461	101,461	101,461	101,461
SOLDIER SUPPORT AND SURVIVABILITY	17,482	14,000	17,482	17,482
TACTICAL ELECTRONIC SURVEILLANCE SYSTEM - ADV DEV	16,749	16,749	16,749	16,749
NIGHT VISION SYSTEMS ADVANCED DEVELOPMENT	12,756	10,000	8,756	8,756
ENVRONMENTAL QUALITY TECHNOLOGY DEM/VAL	7,536	37,036	17,896	35,136
WARFIGHTER INFORMATION NETWORK-TACTICAL - DEM/VAL	15,075	15,075	12,575	12,575
NATO RESEARCH AND DEVELOPMENT	8,633	8,633	6,433	6,433
AVIATION - ADV DEV	9,105	13,105	15,105	13,305
WEAPONS AND MUNITIONS - ADV DEV	31,670	35,670	31,670	34,470
LOGISTICS AND ENGINEER EQUIPMENT - ADV DEV	7,456	8,456	6,456	6,456
COMBAT SERVICE SUPPORT CONTROL SYS EVAL AND ANALYSIS	8,696	8,696	8,696	8,696
MEDICAL SYSTEMS - ADV DEV	15,506	16,506	20,506	20,006
INTEGRATED BROADCAST SERVICE (JMIP/DISTP)	1,985	1,985	1,985	1,985
TRACTOR CAGE (DEM/VAL)	3,718	3,718	3,718	3,718
ARTILLERY SYSTEMS - DEM/VAL	447,949	447,949	447,949	447,949

(In thousands of dollars)

	Budget	House	Senate	Conference
SCAMP BLOCK II DEM/VAL	9,895	9,895	6,895	6,895
MEADS CONCEPTS - DEM/VAL	73,645	---	---	---
TOTAL, DEMONSTRATION & VALIDATION	863,445	859,076	856,060	885,814
ENGINEERING & MANUFACTURING DEVEL				
AIRCRAFT AVIONICS	57,474	58,974	50,174	51,274
ARMED, DEPLOYABLE OH-58D	2,345	2,345	2,345	2,345
COMANCHE	787,866	816,366	787,866	787,866
EW DEVELOPMENT	57,010	61,010	52,010	54,010
JOINT TACTICAL RADIO	80,449	80,449	75,449	75,449
ALL SOURCE ANALYSIS SYSTEM	42,166	45,666	42,166	44,566
TRACTOR CAGE	3,888	3,888	3,888	3,888
COMMON MISSILE	16,731	10,927	8,400	16,731
MEDIUM TACTICAL VEHICLES	1,962	1,962	1,962	1,962
SMOKE, OBSCURANT AND TARGET DEFEATING SYS-ENG DEV	7,920	7,920	7,920	7,920
JAVELIN	492	5,492	5,692	2,992
LANDMINE WARFARE	18,938	18,938	18,938	18,938
FAMILY OF HEAVY TACTICAL VEHICLES	---	---	3,000	---
AIR TRAFFIC CONTROL	2,197	2,197	2,197	2,197
TACTICAL UNMANNED GROUND VEHICLE (TUGV)	---	3,000	---	1,500
LIGHT TACTICAL WHEELED VEHICLES	2,523	2,523	2,523	2,523
ENGINEER MOBILITY EQUIPMENT DEVELOPMENT	9,279	9,279	9,279	9,279
NIGHT VISION SYSTEMS - ENG DEV	24,201	28,201	24,201	27,601
COMBAT FEEDING, CLOTHING, AND EQUIPMENT	91,002	91,002	91,002	91,002
NON-SYSTEM TRAINING DEVICES - ENG DEV	26,319	26,319	29,319	28,919
TERRAIN INFORMATION - ENG DEV	8,840	8,840	8,840	8,840

(In thousands of dollars)

	Budget	House	Senate	Conference
INTEGRATED METEOROLOGICAL SUPPORT SYSTEM	1,911	1,911	1,911	1,911
JSIMS CORE PROGRAM	30,985	30,985	30,985	30,985
AIR DEFENSE COMMAND, CONTROL AND INTELLIGENCE-ENG DEV.	18,233	21,233	16,033	17,233
CONSTRUCTIVE SIMULATION SYSTEMS DEVELOPMENT	66,164	66,164	66,164	66,164
AUTOMATIC TEST EQUIPMENT DEVELOPMENT	11,582	13,582	11,582	13,282
DISTRIBUTIVE INTERACTIVE SIMULATIONS (DIS) - ENG DEV.	26,058	26,058	21,158	21,158
TACTICAL SURVEILLANCE SYSTEMS - ENG DEV	68,205	68,205	57,005	60,205
BRILLIANT ANTI-ARMOR SUBMUNITION (BAT)	123,899	123,899	123,899	123,899
JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM	8,093	8,093	8,093	8,093
COMBINED ARMS TACTICAL TRAINER (CATT) CORE	13,645	13,645	13,645	13,645
JOINT NETWORK MANAGEMENT SYSTEM	26,130	26,130	26,130	26,130
AVIATION - ENG DEV	2,263	4,763	2,263	4,063
WEAPONS AND MUNITIONS - ENG DEV	7,046	21,046	7,046	17,246
LOGISTICS AND ENGINEER EQUIPMENT - ENG DEV	30,673	35,973	25,073	29,573
COMMAND, CONTROL, COMMUNICATIONS SYSTEMS - ENG DEV	122,644	132,644	122,644	119,644
MEDICAL MATERIEL/MEDICAL BIOLOGICAL DEFENSE EQUIPMENT.	8,228	10,228	8,228	9,228
LANDMINE WARFARE/BARRIER - ENG DEV	89,153	69,153	85,053	69,153
ARTILLERY MUNITIONS - EMD	67,258	63,322	62,258	61,822
COMBAT IDENTIFICATION	3,014	3,014	3,014	3,014
ARMY TACTICAL COMMAND & CONTROL HARDWARE & SOFTWARE	50,887	58,887	50,887	57,687
LOSAT	21,596	21,596	21,596	21,596
RADAR DEVELOPMENT	5,162	5,162	5,162	5,162
FIREFINDER	26,956	26,956	26,956	26,956
ARTILLERY SYSTEMS - EMD	62,481	62,481	27,481	62,481
PATRIOT PAC-3 THEATER MISSILE DEFENSE ACQUISITION	107,100	---	---	---

(In thousands of dollars)

	Budget	House	Senate	Conference
INFORMATION TECHNOLOGY DEVELOPMENT	98,178	98,178	111,178	109,378
TOTAL, ENGINEERING & MANUFACTURING DEVEL	2,339,146	2,298,606	2,162,615	2,219,510
RDT&E MANAGEMENT SUPPORT				
THREAT SIMULATOR DEVELOPMENT	16,011	18,011	18,011	19,011
TARGET SYSTEMS DEVELOPMENT	25,212	25,212	25,212	25,212
MAJOR T&E INVESTMENT	49,897	49,897	49,897	49,897
RAND ARROYO CENTER	19,972	17,972	19,972	19,972
ARMY KWAJALEIN ATOLL	150,071	150,071	150,071	150,071
CONCEPTS EXPERIMENTATION PROGRAM	33,067	35,067	38,067	31,767
ARMY TEST RANGES AND FACILITIES	114,411	114,411	114,411	114,411
ARMY TECHNICAL TEST INSTRUMENTATION AND TARGETS	34,259	35,009	34,259	35,009
SURVIVABILITY/LETHALITY ANALYSIS	27,794	37,794	27,794	34,794
DOD HIGH ENERGY LASER TEST FACILITY	14,570	19,570	21,570	23,370
AIRCRAFT CERTIFICATION	3,582	3,582	3,582	3,582
METEOROLOGICAL SUPPORT TO RDT&E ACTIVITIES	6,890	6,890	6,890	6,890
MATERIEL SYSTEMS ANALYSIS	8,884	8,884	8,884	8,884
EXPLOITATION OF FOREIGN ITEMS	3,525	3,525	3,525	3,525
SUPPORT OF OPERATIONAL TESTING	89,047	94,047	89,047	91,547
ARMY EVALUATION CENTER	31,365	31,365	47,365	44,965
PROGRAMWIDE ACTIVITIES	69,096	60,096	62,734	60,096
TECHNICAL INFORMATION ACTIVITIES	33,749	43,749	29,549	39,249
MUNITIONS STANDARDIZATION, EFFECTIVENESS AND SAFETY	16,072	34,072	18,222	30,672
ENVIRONMENTAL QUALITY TECHNOLOGY MGMT SUPPORT	1,733	1,733	1,733	1,733
MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)	7,268	7,268	7,268	7,268

(In thousands of dollars)

	Budget	House	Senate	Conference
TOTAL, RDT&E MANAGEMENT SUPPORT	756,475	798,225	778,063	801,925
OPERATIONAL SYSTEMS DEVELOPEMENT				
MLRS PRODUCT IMPROVEMENT PROGRAM	111,389	111,389	100,389	100,389
AEROSTAT JOINT PROJECT OFFICE	30,408	30,408	30,408	32,408
DOMESTIC PREPAREDNESS AGAINST WEAPONS OF MASS DESTRUCT	---	3,000	---	2,600
ADV FIELD ARTILLERY TACTICAL DATA SYSTEM	36,969	36,969	36,969	36,969
COMBAT VEHICLE IMPROVEMENT PROGRAMS	195,602	168,141	153,630	167,941
MANEUVER CONTROL SYSTEM	40,231	40,231	40,231	40,231
AIRCRAFT MODIFICATIONS/PRODUCT IMPROVEMENT PROGRAMS	143,631	132,431	159,131	146,431
AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	13,017	17,017	13,017	15,017
DIGITIZATION	29,302	36,302	29,302	32,302
FORCE XXI BATTLE COMMAND, BRIGADE AND BELOW (FBCB2)	56,872	56,872	56,872	56,872
RAPID ACQ PROGRAM FOR TRANSFORMATION	23,593	---	23,593	15,593
MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT PROGRAM	8,539	8,539	16,139	13,839
OTHER MISSILE PRODUCT IMPROVEMENT PROGRAMS	84,935	78,935	84,935	68,935
TRACTOR CARD	6,551	11,551	6,551	11,551
JOINT TACTICAL COMMUNICATIONS PROGRAM (TRI-TAC)	21,615	21,615	21,615	21,615
JOINT TACTICAL GROUND SYSTEM	5,221	5,221	5,221	5,221
SPECIAL ARMY PROGRAM	5,072	5,072	8,072	7,072
SECURITY AND INTELLIGENCE ACTIVITIES	452	2,452	452	2,452
INFORMATION SYSTEMS SECURITY PROGRAM	8,261	8,261	14,261	13,361
GLOBAL COMBAT SUPPORT SYSTEM	94,177	94,177	85,177	85,177
SATCOM GROUND ENVIRONMENT (SPACE)	47,647	39,347	46,300	44,647
WWMCCS/GLOBAL COMMAND AND CONTROL SYSTEM	13,501	13,501	13,501	13,501
TRAFFIC CONTROL, APPROACH AND LANDING SYSTEM	785	785	785	785

(In thousands of dollars)

	Budget	House	Senate	Conference
TACTICAL UNMANNED AERIAL VEHICLES	38,210	38,210	38,210	38,210
AIRBORNE RECONNAISSANCE SYSTEMS	6,862	12,862	6,862	11,062
DISTRIBUTED COMMON GROUND SYSTEMS (JMIP)	85,242	72,742	85,242	72,742
END ITEM INDUSTRIAL PREPAREDNESS ACTIVITIES	45,697	66,697	66,297	78,497
NATO JOINT STARS	2,109	2,109	2,109	---
TOTAL, OPERATIONAL SYSTEMS DEVELOPEMENT	1,155,890	1,114,836	1,145,271	1,135,420
DOE JOINT RESEARCH ADJUSTMENT	---	-5,000	---	---
GENERAL REDUCTION	---	---	---	-5,000
TOTAL, RESEARCH, DEVELOPMENT, TEST & EVAL, ARMY	6,693,920	7,115,438	6,742,123	7,106,074

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[in thousands of dollars]

	Budget	House	Senate	Conference
2 DEFENSE RESEARCH SCIENCES	**138,281**	**146,150**	**140,531**	**145,450**
Advanced Target Recognition using Nanotechnologies		+2,000		+1,000
PASIS: Perpetually Assailable and Secure Information Systems, Research, Training and Education		+7,500		+3,800
Scientific Problems with Military Applications		-1,631		-1,631
Display Performance and Environmental Evaluation Lab project (ARL)				+2,000
Cold Weather Sensor Performance			+1,250	+1,000
Optical Technologies			+1,000	+1,000
3 UNIVERSITY AND INDUSTRY RESEARCH CENTERS	**69,147**	**77,347**	**69,147**	**73,647**
Center for Optics Manufacturing-Advanced Optics Program		+3,000		+1,500
Global Information Portal		+1,200		+1,000
Thermal Fluid Design Tool		+2,000		+1,000
Virtual Parts Engineering Research Center (Note: only for expansion of Design Immersion System Environment)		+2,000		+1,000
5 MATERIALS TECHNOLOGY	**13,794**	**13,794**	**25,294**	**20,794**
Advanced Materials Processing			+4,000	+3,000
FCS Composites Research			+5,000	+2,500
AAN Multifunction Materials			+2,500	+1,500
Army Materials Center of Excellence (Note: only to continue this Center's ongoing research into lightweight, multi-functional composite materials.)				(826)
6 SENSORS AND ELECTRONIC SURVIVABILITY	**25,797**	**28,797**	**33,297**	**32,197**
Passive Millimeter Wave Camera (Note: only for the purpose of providing additional flight worthy PMMW imagers to conduct flight tests in adverse weather, nap-of-the-earth navigation scenarios, including flight demonstrations of covert personnel location under the DoD's Personnel Recovery/Extraction Aided by Smart Sensor (PRESS) ACTD program)		+3,000		+2,100
S3I Technology Project (H16)			+2,500	+1,800
Advanced Sensors and Obscurants			+5,000	+2,500
8 AVIATION TECHNOLOGY	**49,265**	**40,029**	**44,265**	**44,265**
National Rotorcraft Tech Center		-9,236		
Funding for NASA Shortfall			-5,000	-5,000
10 MISSILE TECHNOLOGY	**40,112**	**57,612**	**48,612**	**61,612**
Acceleration of Development and Testing for tactical missile components		+3,500		+3,000
MEMS/GPS/IMU Integration (Note: only to accelerate and focus efforts to significantly lower the cost and improve the performance of guidance sets for precision/guided munitions. Activities should focus on accelerated development of high-g one-degree per hour IMU's, and hardware/software development of 'ultra-deep GPS/INS coupling' to improve anti-jam performance at low cost.)		+10,000		+7,000
Loitering Attack Munition for Aviation (LAM-A)		+4,000		+2,000
Low Cost Guidance & Navigation Unit (LCGNU)				+5,000
CKEM IMU			+1,500	+1,000
Jet Interaction CFD Testbed			+5,000	+3,500
Enhanced Scramjet Mixing			+2,000	
11 ADVANCED WEAPONS TECHNOLOGY	**19,043**	**27,982**	**24,043**	**27,043**
Cooperative Micro-Satellite Experiment (CMSE)		+8,000		
Microelectro Mechanical Systems		+9,500		+8,100
Miniature Detection Devices and Analysis Methods		+1,850		+1,000
Rapid Target Acquisition & Tracking System (RTATS)		+2,000		+1,400
Reduce programmed growth		-12,411		-6,000
HELSTF Solid State Heat Capacity			+5,000	+3,500
12 MODELING AND SIMULATION TECHNOLOGY	**20,579**	**28,579**	**25,579**	**31,579**
On-Line Contract Document Management		+1,000		+1,000
Modeling, Simulation and Training Infrastructure & Community Development		+7,000		+4,500
Three-Dimensional Ultrasound Imaging				+3,000
Photonics			+5,000	+2,500

	Budget	House	Senate	Conference
13 COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY	**82,441**	**86,441**	**116,441**	**113,941**
Combat Vehicle Transportation Technologies Program: Calstart/WestStart Electric Hybrid Technology		+2,000		+1,000
Integration of Army Voice Interactive Device with an onboard central processing unit (Note: only to continue integration of AVID into the Smart Truck's voice activated central processing computer.)		+2,000		+1,700
Hydrogen PEM Fuel Cell Heavy Duty Vehicle Demonstration				+5,000
COMBATT			+20,000	+14,000
Hybrid HWMMV Field Evaluation			+5,000	+3,000
National Automotive Center Research			+3,000	+2,000
Advanced Virtual Environments			+2,000	+1,400
Smart Truck			+4,000	+3,400
15 CHEMICAL, SMOKE AND EQUIPMENT DEFEATING TECHNOLOGY	**3,561**	**11,561**	**4,561**	**6,561**
Thermobaric Warhead Development		+2,000		+1,000
U.S. Army Center of Excellence in Biotechnology		+6,000		+2,000
Biotechnology Research			+1,000	
17 WEAPONS AND MUNITIONS TECHNOLOGY	**35,549**	**69,549**	**45,549**	**65,649**
Corrosion Measurement and Control		+5,000		+4,300
Future Combat System Propellant and Survivability		+4,000		+2,800
Green Armaments Technology (GAT)		+7,500		+5,200
Liquidmetal Alloy-Tungsten (LA-T) Armor Piercing Ammunition		+4,000		+3,400
Multiple Explosively-Formed Penetrators		+2,000		+1,000
Single Crystal Tungsten Alloy Penetrator		+4,000		+2,000
Smart Coatings		+1,500		+1,000
Armament Systems Network IA Center (Title IX)		+4,000		+3,400
Army COE Acoustics			+5,000	+3,500
Cooperative Energetics Initiatives		+2,000	+5,000	+3,500
18 ELECTRONICS AND ELECTRONIC DEVICES	**27,819**	**47,319**	**38,819**	**50,319**
Cylindrical Zinc Air Battery for Land Warrior System		+1,500	+2,100	+1,800
Electronic Display Research (Flat Panel Display transfer from RDT&E, Defense-Wide)		+5,000		+9,000
Fuel Cell Power Systems		+5,000		+2,500
Improved High Rate Alkaline Cells		+1,000	+1,300	+1,000
Logistics Fuel Reformer		+2,500		+1,000
Low Cost Reusable Alkaline (Manganese-Zinc) Cells		+500	+600	+600
Polymer Extrusion/Multilaminate (Battery research)		+3,000		+2,600
Rechargeable Cylindrical Cell System		+1,000	+2,000	+1,500
TOW ITAS Cylindric Battery Replacement			+3,000	+1,500
Heat Actuated Coolers			+2,000	+1,000
19 NIGHT VISION TECHNOLOGY	**20,598**	**23,598**	**20,598**	**23,198**
Dual band detector imaging technology		+3,000		+2,600
20 COUNTERMINE SYSTEMS	**16,689**	**22,689**	**21,689**	**23,089**
Acoustic Mine Detection		+4,000		+2,000
Integrated Countermine Testbed and Training Project		+2,000		+1,400
Standoff Mine Detection			+3,000	+2,000
Landmine Detection Tech./Seismic Energy			+2,000	+1,000
21 HUMAN FACTORS ENGINEERING TECHNOLOGY	**16,466**	**21,966**	**16,466**	**19,966**
MedTeams (Medical Error Reduction Research)		+3,500		+2,500
Soldier Centered Design Tools for the Army		+2,000		+1,000

	Budget	House	Senate	Conference
22 ENVIRONMENTAL QUALITY TECHNOLOGY	**16,150**	**21,150**	**20,000**	**23,700**
Transportable Detonation Chamber Demonstration/Validation		+5,000		+6,000
Duplicative Technology Research		-5,000		-5,000
Rangesafe Demonstration Program		+5,000		+4,300
Excessive Growth: Environmental Restoration Tech			-1,150	-1,150
Waste Minimization and Pollution Research			+3,000	+2,000
Molecular and Computational Risk Assessment (MACERAC)			+2,000	+1,400
24 COMPUTER AND SOFTWARE TECHNOLOGY	**6,154**	**6,154**	**4,154**	**4,154**
Duplication of Other DoD Programs			-2,000	-2,000
25 MILITARY ENGINEERING TECHNOLOGY	**42,850**	**60,850**	**51,350**	**59,850**
Climate Change Fuel Cell Program (Buydown)		+7,000		+3,500
DoD Fuel Cell Test and Evaluation Center		+6,000		+5,100
Ft. George G. Meade Fuel Cell Demonstration		+5,000		+2,500
Center for Geosciences			+3,000	+1,500
Cold Regions Military Engineering			+1,500	+1,000
University Partnership for Operational Support (UPOS)			+4,000	+3,400
26 MANPOWER/PERSONNEL/TRAINING TECHNOLOGY	**16,315**	**16,315**	**15,315**	**15,315**
Excessive Growth: Studies			-1,000	-1,000
27 WARFIGHTER TECHNOLOGY	**27,061**	**34,561**	**27,061**	**33,761**
Airbeam Manufacturing Process (lightweight transportable military shelter tech)		+1,000		+1,000
Center for Reliable Wireless Communications Technology for Digital Battlefield (NDU)		+1,000		+1,000
Combat Feeding (Note: Only to continue research on food and fielding technologies to improve food quality to the warfighter.)		+2,500		+1,700
Standoff Precision Aerial Delivery System (S/PADS)		+3,000		+2,000
Army Nutrition Program				+1,000
28 MEDICAL TECHNOLOGY	**82,494**	**104,994**	**117,644**	**129,694**
Diabetes Project (Pittsburgh)		+6,000		+5,100
Emergency Hypothermia for Advanced Combat Casualty and delayed resuscitation		+3,000		+2,600
Medical Area Network for Virtual Technologies		+8,000		+8,000
Osteoporosis Research		+4,000		+2,800
Speech Capable Personal Digital Assistant		+1,500		+1,000
Center for International Rehabilitation			+2,000	+1,400
Dermal Phase Meter			+600	+600
Minimally Invasive Surgery Simulator			+2,000	+1,400
Minimally Invasive Therapy (CIMIT)			+10,000	+5,000
Arthropod-borne Infectious Disease Control			+3,000	+2,500
VCT Lung Scan			+4,500	+3,200
Tissue Engineering Research			+5,500	+4,700
Monoclonal Anti-body Based Tech. (Heteropolymer System)			+3,550	+3,000
Operating Room of the Future				+2,500
Dye Targeted Laser Fusion			+4,000	+3,400
30 DUAL USE SCIENCE AND TECHNOLOGY	**10,045**	**15,045**	**10,045**	**13,545**
Manufacturing RDE Center for Nanotechnologies		+5,000		+3,500
31 WARFIGHTER ADVANCED TECHNOLOGY	**60,332**	**58,017**	**65,332**	**62,632**
Advanced Personal Navigation Technology MEMS INS/GPS precision location information		+4,000		
Metrology		+1,500		+1,000
Pneumatic Muscle Soft Landing Technology		+1,000		+1,000
Force Projection Logistics		-2,500		-2,500
Portable Cooling System Development (Note: only for heat actuated cooling for FCS apparel)		+1,000		+1,000
Warfighter Advanced Technology		-7,315		
Buying Ahead of Need			-5,000	-5,000
Personal Navigation of the Future Warfighter			+5,000	+2,500
Biosystems Technology			+5,000	+4,300

	Budget	House	Senate	Conference
32 MEDICAL ADVANCED TECHNOLOGY	**17,541**	**218,541**	**46,291**	**175,091**
Advanced Diagnostics and Therapeutic Digital Technologies		+2,500		+1,300
Artificial Hip (Volumetrically Controlled Manufacturing)		+5,000		+3,500
Biology, Education, Screening, Chemoprevention and Treatment (BESCT) Lung Cancer Research Program		+6,000		+3,500
BESCT Lung Cancer Research Program (MDACC)			+2,000	
Biosensor Research		+3,500		+2,500
Blood Safety (Note: only for the continuation of the current program to provide improved blood products and safety systems compatible with military field use.)		+8,000		+6,800
Brain Biology and Machine Initiative		+4,000	+3,000	+1,800
Cancer Center of Excellence (Notre Dame)		+3,000		+2,100
Center for Integration of Medicine and Innovative Technology--Computer-assisted minimally invasive surgery		+10,000		+8,500
Center for Untethered Healthcare at Worcester Polytechnic Institute		+2,000		+1,000
Comprehensive Neuroscience Center (transferred to Defense Health Program R&D)		+8,000		
Continuous Expert Care Network Telemedicine Program		+3,000		+1,500
Controlling Mosquito and Tick Transmitted Disease		+3,500		
Disaster Relief and Emergency Medical Services (DREAMS)		+8,000		+8,000
Fragile X (Note: only to support an intervention study aimed at finding effective methods of treatment – both pharmacological and nonpharmacological – for the symptoms and behavioral problems associated with Fragile X Syndrome.)		+1,000		+1,000
Hemoglobin Based Oxygen Carrier		+2,000		+1,000
Hepatitis C		+4,000		+3,400
Joint U.S.-Norwegian Telemedicine		+2,000		+1,400
Joslin Diabetes Research-eye care		+6,000		+4,200
Laser Vision Correction (Walter Reed)		+6,000		+3,000
Life Support for Trauma and Transport (LSTAT)		+3,500		+2,500
Secure Telemedicine Technology Program (Note: only for a suite of secure, scalable, customizable, and internet-based telemedicine solutions able to be used with a variety of operating platforms)		+4,000		+2,000
Memorial Hermann Telemedicine Network		+1,000		+1,000
Molecular Genetics and Musculoskeletal Research Program (Note: only to continue the current Army program.)		+9,000		+9,000
Monoclonal Antibodies, Massachusetts Biological Lab		+2,000		+1,000
Emergency Telemedicine Response and Advanced Technology Program		+3,000		+1,500
National Medical Testbed (Note: the Committee provides $3,700,000 only for on-going programs, and $4,000,000 only for recipient Emergency/Trauma Care advanced technology programs		+9,000		+7,700
Neurofibromatosis Research Program (NF)		+25,000		+21,000
Neurology Gallo Center-alcoholism research		+8,000		+5,600
Neurotoxin Exposure Treatment Research Program (NETRP) Parkinsons & neurological disorders		+20,000		+17,000
Polynitroxylated Hemoglobin		+1,000		+1,000
Retinal Scanning Display Technology		+3,000		+1,500
Saccadic Fatigue Measurement		+1,000		+1,000
SEAtreat cervical cancer visualization and treatment		+3,500		+1,700
Smart Aortic Arch Catheter		+1,000		+1,000
Synchrotron Based Scanning Research (Note: only to continue the current Army Synchrotron-based scanning program, to begin protocol testing for delivery to patients and to expand this service into the arena of proton telemedicine.)		+10,000		+8,500
U.S. Army Center of Excellence in Biotechnology		+7,500		
Veterans Collaborative Care Model Program		+2,000		+1,700
Joint Diabetes Program			+10,000	+5,000
Center for Prostate Disease Research at WRAMC			+7,500	+6,400
Spine Research at WRAMC			+2,500	+2,100
Medical Simulation Training Initiative			+750	+750
National Tissue Engineering Center				+2,000
Trauma Research Center			+3,000	+2,100

	Budget	House	Senate	Conference
33 AVIATION ADVANCED TECHNOLOGY	**44,843**	**36,545**	**39,843**	**38,843**
Aviation Advanced Technology (Note: only for Airborne Manned/Unmanned System Technology (AMUST) Wideband RF Network)		+3,000		+1,500
Aviation Advanced Technology (Note: $2,500,000 only for design, development, test and demonstration of a L50/60 turbojet shaft engine turbo for use in UAVs)		+5,000		+3,500
Aviation Advanced Technology-Reduce programmed growth		-16,298		-8,000
Program Delays/Execution			-5,000	-3,000
34 WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY	**29,684**	**39,684**	**29,684**	**35,684**
Low Cost Course Correction Technology		+5,000		+3,500
SMAW-D Shoulder-Launched Multipurpose Assault Weapon & Munitions Engineering Development		+5,000		+2,500
35 COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECHNOLOGY	**193,858**	**222,358**	**222,408**	**227,858**
Aluminum Reinforced Metal Matrix Composites for Track Shoes		+5,000		+2,500
Combat Vehicle Research-Weight Reduction		+7,000		+6,000
Electrochromatic Glass for Combat Vehicles (Note: only to the National Automotive Center for research and development of inorganic electrochromatic materials and processing for combat vehicle smart, switchable windows.)		+2,000		+1,700
Fuel Catalyst Research Evaluation		+500		+500
Mobile Parts Hospital		+7,000	+8,000	+5,600
Movement Tracking System (MTS) for Family of Heavy Tactical Vehicles		+2,000		+2,500
NAC Standardized Exchange of Product Data (N-STEP) Combat Vehicle Automotive Advanced Technology		+5,000	+2,750	+2,500
Up-Armored HMWWV			+3,000	+2,100
TACOM Hybrid Vehicle Demonstration; Lithium Ion Tech			+2,000	+1,000
IMPACT			+5,000	+3,500
Composite Body Parts			+2,000	+1,400
Corrosion Prevention and Control Program			+2,000	+1,400
Vehicle Body Armor Support System			+3,800	+3,300
36 COMMAND, CONTROL, COMMUNICATIONS ADVANCED TECHNOLOGY	**31,865**	**35,865**	**35,865**	**33,465**
Battlefield Ordnance Awareness		+4,000	+4,000	+2,800
Excessive Growth			-4,000	-4,000
Network Environment for C3 Mobile Services			+4,000	+2,800
44 EW TECHNOLOGY	**13,868**	**24,368**	**13,868**	**24,568**
Multi-functional Intelligence and Remote Sensor System		+5,500		+4,700
Shortstop (SEPS)		+5,000		+6,000
45 MISSILE AND ROCKET ADVANCED TECHNOLOGY	**59,518**	**77,018**	**69,518**	**76,018**
Missile Recycling Program (Note: Only to transition the AMCOM-developed Missile Recycling Capabilities (MRC) technologies to the Anniston Munitions Center to establish an organic MRC.)		+5,000		+2,500
Standoff NATO International Precision Enhanced Rocket (SNIPER) Laser Guidance for 2.75 in. Rocket		+3,000		+1,500
Volumetrically Controlled Manufacturing (VCM) Composites Technology		+3,500		+2,500
Wide Bandwidth Technology		+6,000		+3,000
Missile Simulation Technology			+10,000	+7,000
47 LANDMINE WARFARE AND BARRIER ADVANCED TECHNOLOGY	**23,062**	**23,062**	**27,062**	**25,862**
Advanced Demining Technology			+4,000	+2,800
48 JOINT SERVICE SMALL ARMS PROGRAM	**5,828**	**5,828**	**4,428**	**4,428**
Program Delays/Execution			-1,400	-1,400
49 LINE-OF-SIGHT TECHNOLOGY DEMONSTRATION	**57,384**	**70,456**	**57,384**	**70,456**
Transfer from Missile Procurement, Army		+13,072		+13,072

	Budget	House	Senate	Conference
50 NIGHT VISION ADVANCED TECHNOLOGY	**37,081**	**56,581**	**42,081**	**49,781**
BUSTER Backpack UAV (Note: only for continued development of the backpack unmanned autonomous sensor for surveillance and target acquisition to enhance reconnaissance (BUSTER) UAV)		+7,000		+5,000
Helmet Mounted Infa-Red Sensor System		+2,500		+1,200
Night Vision Advanced Technology-Digital Fusion		+7,000		+3,000
Soldier Vision 2000 (through wall surveillance radar)		+3,000		
Through Wall Radar			+5,000	+3,500
51 ENVIRONMENTAL QUALITY TECHNOLOGY DEMONSTRATIONS	**4,826**	**9,826**	**8,826**	**7,326**
Proton Exchange Membrane (PEM) fuel cell demonstration (Note: only for the demonstration of domestically produced PEM fuel cells on military facilities)		+5,000		
PEM Fuel Cell Technology Demonstration			+5,000	+3,500
Program Delays/Execution			-1,000	-1,000
53 ADVANCED TACTICAL COMPUTER SCIENCE AND SENSOR TECHN	**18,513**	**18,513**	**16,513**	**16,513**
Excessive Growth: GCSS Demonstration			-2,000	-2,000
54 ARMY MISSILE DEFENSE SYSTEMS INTEGRATION (DEM/VAL)	**19,491**	**36,491**	**51,691**	**71,191**
Advanced Warfare Environment (AWarE) (Note: only for acquisition of commercial technology solutions for the Advanced Warfare Environment (AwarE) Deployed Access to imagery archives)				+1,000
Micropower Devices for Missile Defense Applications		+1,000		
Reduce programmed growth		-1,000		-1,000
Super Cluster Distributed Memory Technology		+4,000		+2,000
THEL		+10,000		+13,000
Thermionic Technology		+3,000		+1,500
Enhanced Scramjet Mixing				+1,400
Range Safety-Kodiak			+7,200	+6,100
Low Cost Interceptor			+10,000	+7,000
Eagle Eyes			+3,000	+2,100
FOSSIM			+4,000	+2,500
Cooperative Micro-satellite Experiment			+5,000	+4,000
Space Technology Development			+3,000	+2,100
Safety Support/Deconfliction (Kodiak)				+10,000
Infrastructure Sustainment (Fort Greely)				(3,400)
55 LANDMINE WARFARE AND BARRIER - ADV DEV	**21,651**	**21,651**	**20,051**	**20,051**
Program Delays/Execution			-2,000	-2,000
Plants Detecting Landmines			+400	+400
56 TANK AND MEDIUM CALIBER AMMUNITION	**32,986**	**51,000**	**59,986**	**52,500**
Conventional tank ammunition		-2,986		-2,986
Global Positioning System Interference Suppression (GPS ISU)		+1,000		+1,000
TERM TM3		+5,000	+10,000	+7,000
XM 1007 Tank Extended Range Munition (TERM)		+15,000		
XM1007			+17,000	+14,500
59 SOLDIER SUPPORT AND SURVIVABILITY	**17,482**	**14,000**	**17,482**	**17,482**
Reduce programmed growth		-3,482		
61 NIGHT VISION SYSTEMS ADVANCED DEVELOPMENT	**12,756**	**10,000**	**8,756**	**8,756**
Reduce programmed growth		-2,756		
Program Delays/Execution: DTSP			-4,000	-4,000

	Budget	House	Senate	Conference
62 ENVIRONMENTAL QUALITY TECHNOLOGY DEM/VAL	**7,536**	**37,036**	**17,896**	**35,136**
Plasma Energy Pyrolysis (Note: only for the installation and demonstration of an on-site operational Plasma Energy Pyrolysis System at Anniston Army Depot at Anniston, Alabama, for the demonstrated destruction of toxic and hazardous waste streams generated on-site.)		+6,000		+6,000
Plasma Energy Pyrolysis System (PEPS)			+3,000	
Commercializing Dual Use Technologies		+8,000		+5,600
Environmental Cleanup Demonstration (Note: only to demonstrate and validate new environmental cleanup technology at Porta Bella)		+5,000		+2,500
Fort Ord Cleanup Demonstration Project		+4,000		+2,000
Technology Development for unexploded ordnance in support of military readiness (Note: only for the National Center for Environmental Excellence to demonstrate and validate technology to efficiently identify, characterize, and neutralize unexploded ordnance to support military readiness, promote humanitarian assistance activities, and advance peacekeeping combat missions.)		+4,000		+3,400
Vanadium Technology Program		+2,500		+1,300
Casting Emission Reduction Program (CERP)			+8,360	+5,800
Managing Army Tech. Environmental Enhancements			+1,000	+1,000
Program Delays/Execution			-2,000	
63 WARFIGHTER INFORMATION NETWORK-TACTICAL - DEM/VAL	**15,075**	**15,075**	**12,575**	**12,575**
Schedule Delays			-2,500	-2,500
64 NATO RESEARCH AND DEVELOPMENT	**8,633**	**8,633**	**6,433**	**6,433**
Unjustified Program Growth			-2,200	-2,200
65 AVIATION - ADV DEV	**9,105**	**13,105**	**15,105**	**13,305**
Virtual Cockpit Optimization		+4,000	+6,000	+4,200
66 WEAPONS AND MUNITIONS - ADV DEV	**31,670**	**35,670**	**31,670**	**34,470**
Precision Guided Mortar Munition		+4,000		+2,800
67 LOGISTICS AND ENGINEER EQUIPMENT - ADV DEV	**7,456**	**8,456**	**6,456**	**6,456**
ManTech-Cylindrical Zinc Batteries for Land Warrior System		+1,000		
Program Delays/Execution			-1,000	-1,000
69 MEDICAL SYSTEMS - ADV DEV	**15,506**	**16,506**	**20,506**	**20,006**
IMED Tools Rural Mobile Communications Platform		+1,000		+1,000
Future Medical Shelter			+5,000	+3,500
73 SCAMP BLOCK II DEM/VAL	**9,895**	**9,895**	**6,895**	**6,895**
Buying Ahead of Need: AEHF Schedule Slip			-3,000	-3,000
74 MEADS CONCEPTS - DEM/VAL	**73,645**	**0**	**0**	**0**
Transfer to R&D, Defense-Wide - MEADS		-73,645	-73,645	-73,645
75 AIRCRAFT AVIONICS	**57,474**	**58,974**	**50,174**	**51,274**
Airborne Separation Video System (ASVS)		+1,500		+1,100
Schedule Slips/Execution			-7,300	-7,300
77 COMANCHE	**787,866**	**816,366**	**787,866**	**787,866**
Transfer from Missile Procurement, Army		+28,500		
78 EW DEVELOPMENT	**57,010**	**61,010**	**52,010**	**54,010**
ATIRCM/CMWS-Installed Systems Test Facility at CECOM		+4,000		+2,000
Program Delays/Execution			-5,000	-5,000
79 JOINT TACTICAL RADIO	**80,449**	**80,449**	**75,449**	**75,449**
Program Delays/Execution			-5,000	-5,000

	Budget	House	Senate	Conference
80 ALL SOURCE ANALYSIS SYSTEM	**42,166**	**45,666**	**42,166**	**44,566**
All Source Analysis System (Note: only for the development of the Intelligence Analysis Advanced Tool Sets (IAATS) Communications Control Sets for ASAS)		+2,000		+1,400
ASAS Light		+1,500		+1,000
82 COMMON MISSILE	**16,731**	**10,927**	**8,400**	**16,731**
Reduce programmed growth		-5,804		
Schedule Slips/Execution			-8,331	
86 JAVELIN	**492**	**5,492**	**5,692**	**2,992**
Javelin Pre-Planned Product Improvements		+5,000		+2,500
Upgrades			+5,200	
88 FAMILY OF HEAVY TACTICAL VEHICLES	**0**	**0**	**3,000**	**0**
Movement Tracking System (Note: see line 35)			+3,000	
90 TACTICAL UNMANNED GROUND VEHICLE (TUGV)	**0**	**3,000**	**0**	**1,500**
Viking Mine Clearing System		+3,000		+1,500
94 NIGHT VISION SYSTEMS - ENG DEV	**24,201**	**28,201**	**24,201**	**27,601**
Avenger Upgrade of First Generation FLIR (Only for the Navy Center of Excellence in ElectroOptics Manufacturing to finalize technology transfer and fabricate a pilot quantity to validate manufacturing technology.)		+4,000		+3,400
96 NON-SYSTEM TRAINING DEVICES - ENG DEV	**26,319**	**26,319**	**29,319**	**28,919**
Camp Dawson Simulation			+3,000	+2,600
101 AIR DEFENSE COMMAND, CONTROL AND INTELLIGENCE-ENG DEV	**18,233**	**21,233**	**16,033**	**17,233**
Air Defense Alerting Device (ADAD) for Avenger		+3,000		+1,200
Excessive Growth			-2,200	-2,200
103 AUTOMATIC TEST EQUIPMENT DEVELOPMENT	**11,582**	**13,582**	**11,582**	**13,282**
Integrated Family of Test Equipment		+2,000		+1,700
104 DISTRIBUTIVE INTERACTIVE SIMULATIONS (DIS) - ENG DEV	**26,058**	**26,058**	**21,158**	**21,158**
Program Testing Delay			-4,900	-4,900
105 TACTICAL SURVEILLANCE SYSTEMS - ENG DEV	**68,205**	**68,205**	**57,005**	**60,205**
TES Program Delays/Execution			-11,200	-8,000
111 AVIATION - ENG DEV	**2,263**	**4,763**	**2,263**	**4,063**
CH-47 Cockpit Airbag System		+2,500		+1,800
112 WEAPONS AND MUNITIONS - ENG DEV	**7,046**	**21,046**	**7,046**	**17,246**
Common Remotely Operated Weapon Station (CROWS)		+4,000		+3,400
M795E1 155mm Extended Range, High Explosive Base Burner Projectile		+3,000		+1,500
Shoulder-Launched Multipurpose Assault Weapon-Disposable Confined Space		+5,000		+4,300
Small Arms Fire Control System II (MK-19 Grenade Launcher, M-2 .50 Cal., .50 Cal. Sniper Rifle)		+2,000		+1,000
113 LOGISTICS AND ENGINEER EQUIPMENT - ENG DEV	**30,673**	**35,973**	**25,073**	**29,573**
Intelligent Power Management for Shelters and Vehicles		+5,300		+4,500
Program Delays/Execution			-5,600	-5,600
114 COMMAND, CONTROL, COMMUNICATIONS SYSTEMS - ENG DEV	**122,644**	**132,644**	**122,644**	**119,644**
Applied Communications and Information Networking (Note: The Committee commends CECOM for their aggressive implementation of ACIN and recommends the Army work with the ASD(C3I) to ensure the applicability of the ACIN to the overall DoD communications architecture.)		+10,000		+7,000
Applied Communications and Information Network (ACIN)			+10,000	
Excessive Growth: Risk Reduction			-10,000	-10,000
115 MEDICAL MATERIEL/MEDICAL BIOLOGICAL DEFENSE EQUIPMENT	**8,228**	**10,228**	**8,228**	**9,228**
Cartledge Infuser PE 0604807A-832		+2,000		+1,000

	Budget	House	Senate	Conference
116 LANDMINE WARFARE/BARRIER - ENG DEV	**89,153**	**69,153**	**85,053**	**69,153**
Reduce programmed growth		-20,000		-20,000
Program Delays/Execution: CMCS			-4,100	
117 ARTILLERY MUNITIONS - EMD	**67,258**	**63,322**	**62,258**	**61,822**
Trajectory Correctable Munitions (TCM) Sense and Destroy Armament		+5,000	+5,000	+3,500
Reduce programmed growth		-8,936		-8,936
Schedule Delays			-10,000	
119 ARMY TACTICAL COMMAND & CONTROL HARDWARE & SOFTWARE	**50,887**	**58,887**	**50,887**	**57,687**
Next Generation Command and Control System (Note: only for Advanced Warfare Environment 3-dimension display technology to support Army's C2 modernization.)		+8,000		+6,800
123 ARTILLERY SYSTEMS - EMD	**62,481**	**62,481**	**27,481**	**62,481**
Buying Long Lead Items Ahead of Need: Crusader			-35,000	
124 PATRIOT PAC-3 THEATER MISSILE DEFENSE ACQUISITION	**107,100**	**0**	**0**	**0**
Transfer to R&D, Defense-Wide		-107,100	-107,100	-107,100
125 INFORMATION TECHNOLOGY DEVELOPMENT	**98,178**	**98,178**	**111,178**	**109,378**
JCALS			+12,000	+10,200
Electronic Commodity Pilot Program			+1,000	+1,000
126 THREAT SIMULATOR DEVELOPMENT	**16,011**	**18,011**	**18,011**	**19,011**
Threat Simulator Development-Anti Tank Guided Missile Program		+2,000		+1,000
Adv Cognitive Reasoning Tech			+1,000	+1,000
RF/SAM Threat Simulator			+1,000	+1,000
129 RAND ARROYO CENTER	**19,972**	**17,972**	**19,972**	**19,972**
Reduce FFRDC/CAAS		-2,000		
131 CONCEPTS EXPERIMENTATION PROGRAM	**33,067**	**35,067**	**38,067**	**31,767**
Battle Lab Cooperative and Collaborative Research		+4,000		
Concepts Experimentation Program (Note: only for acquisition of commercial licenses and integration support for commercial geo-spatial distributed data visualization and management network at Ft. Huachuca Army Battle Lab.)		+6,000		+4,200
MANPRINT Analysis		+2,000		+1,000
Reduce programmed growth		-10,000		-10,000
Battle Lab at Ft. Knox			+5,000	+3,500
134 ARMY TECHNICAL TEST INSTRUMENTATION AND TARGETS	**34,259**	**35,009**	**34,259**	**35,009**
ACES		+750		+750
135 SURVIVABILITY/LETHALITY ANALYSIS	**27,794**	**37,794**	**27,794**	**34,794**
Information Operations/Vulnerability and Survivability Analysis (IOVSA)		+10,000		+7,000
136 DOD HIGH ENERGY LASER TEST FACILITY	**14,570**	**19,570**	**21,570**	**23,370**
Manufacturing of solid state laser diode arrays for the Solid State Heat Capacity Laser		+5,000		+4,300
HELSFT Infrastructure and Mobile Diagnostics			+3,500	+2,000
HELSTF Lethality, Propagation & Susceptibility			+2,500	+1,500
HELSTF Military Utility analysis			+1,000	+1,000
141 SUPPORT OF OPERATIONAL TESTING	**89,047**	**94,047**	**89,047**	**91,547**
MATTRACKS		+5,000		+2,500
142 ARMY EVALUATION CENTER	**31,365**	**31,365**	**47,365**	**44,965**
Starstreak			+16,000	+13,600
143 PROGRAMWIDE ACTIVITIES	**69,096**	**60,096**	**62,734**	**60,096**
Reduce programmed growth		-9,000		-9,000
Reimbursement for PY Reprogramming			-6,362	

	Budget	House	Senate	Conference
144 TECHNICAL INFORMATION ACTIVITIES	**33,749**	**43,749**	**29,549**	**39,249**
Army High Performance Computing Research Center		+15,000		+10,500
Reduce programmed growth		-5,000		-5,000
Excessive Growth			-4,200	
145 MUNITIONS STANDARDIZATION, EFFECTIVENESS AND SAFETY	**16,072**	**34,072**	**18,222**	**30,672**
Public Private Partnering Initiative		+15,000		+10,500
Cryofracture Anti-personnel Mine Disposal System (Note: only to continue current anti-personnel mine disposal program.)		+3,000		+2,600
Plasma Ordnance Demilitarization System (PODS)			+2,150	+1,500
150 MLRS PRODUCT IMPROVEMENT PROGRAM	**111,389**	**111,389**	**100,389**	**100,389**
Excessive Growth			-11,000	-11,000
151 AEROSTAT JOINT PROJECT OFFICE	**30,408**	**30,408**	**30,408**	**32,408**
Lightweight X-band Radar				+2,000
152 DOMESTIC PREPAREDNESS AGAINST WEAPONS OF MASS DESTRUCT	**0**	**3,000**	**0**	**2,600**
WMD First Responder Training at the National Terrorism Preparedness Institute		+3,000		+2,600
154 COMBAT VEHICLE IMPROVEMENT PROGRAMS	**195,602**	**168,141**	**153,630**	**167,941**
Combat Vehicle Improvement Programs		+5,000		+2,000
Reduce programmed growth/ACCE Execution Delays		-32,461	-45,972	-32,461
Abrams Legacy Fleet Sidecat/Embedded Diagnostics			+2,000	+1,400
Composite Track Improvement			+2,000	+1,400
156 AIRCRAFT MODIFICATIONS/PRODUCT IMPROVEMENT PROGRAMS	**143,631**	**132,431**	**159,131**	**146,431**
Guardrail/Aerial Common Sensor termination of JSAF/LBSS		-11,200		-11,200
Program Delays/Execution			-4,500	
Integrated Mechanical Diagnostics System			+20,000	+14,000
157 AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	**13,017**	**17,017**	**13,017**	**15,017**
Universal Full Authority Digital Engine Control (FADEC)		+2,000		+1,000
VDVP and LOLA Equipped Fuel Delivery Unit		+2,000		+1,000
158 DIGITIZATION	**29,302**	**36,302**	**29,302**	**32,302**
Digitization (Note: only to conduct battalion level testing of the digital intelligence situation mapboard.)		+2,000		+1,000
University XXI Effort--Digitization at Ft. Hood		+5,000		+2,000
160 RAPID ACQ PROGRAM FOR TRANSFORMATION	**23,593**	**0**	**23,593**	**15,593**
Reduction		-23,593		-8,000
161 MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT PROGRAM	**8,539**	**8,539**	**16,139**	**13,839**
Patriot Ground SLEP			+7,600	+5,300
162 OTHER MISSILE PRODUCT IMPROVEMENT PROGRAMS	**84,935**	**78,935**	**84,935**	**68,935**
Reduce programmed growth		-6,000		-16,000
163 TRACTOR CARD	**6,551**	**11,551**	**6,551**	**11,551**
Transfer from Missile Procurement, Army (IBCT Studies)		+5,000		+5,000
166 SPECIAL ARMY PROGRAM	**5,072**	**5,072**	**8,072**	**7,072**
ERADS			+3,000	+2,000
167 SECURITY AND INTELLIGENCE ACTIVITIES	**452**	**2,452**	**452**	**2,452**
Security & Intelligence Activities (Note: only for continued development of information technology support at INSOCM's Information Dominance Center.)		+2,000		+2,000
168 INFORMATION SYSTEMS SECURITY PROGRAM	**8,261**	**8,261**	**14,261**	**13,361**
Biometrics			+6,000	+5,100
169 GLOBAL COMBAT SUPPORT SYSTEM	**94,177**	**94,177**	**85,177**	**85,177**
Program Delays/Execution			-9,000	-9,000

	Budget	House	Senate	Conference
170 SATCOM GROUND ENVIRONMENT (SPACE)	**47,647**	**39,347**	**46,300**	**44,647**
STAR-T termination		-8,300		-3,000
Schedule Slips/Execution			-1,347	
174 AIRBORNE RECONNAISSANCE SYSTEMS	**6,862**	**12,862**	**6,862**	**11,062**
Hyperspectral long-wave imager		+6,000		+4,200
175 DISTRIBUTED COMMON GROUND SYSTEMS (JMIP)	**85,242**	**72,742**	**85,242**	**72,742**
Transfer to Tactical Surveillance System and Guardrail Modifications		-12,500		-12,500
176 END ITEM INDUSTRIAL PREPAREDNESS ACTIVITIES	**45,697**	**66,697**	**66,297**	**78,497**
MANTECH for Munitions		+16,000		+11,200
Totally Integrated Munitions Enterprise (TIME)		+6,000	+10,000	+7,000
Laser Peening Technology for Aircraft and Ground Equipment		+2,000		+1,000
Rechargeable Bipolar Wafer Cell NiMH Battery for SINCGARS		+1,000		+1,000
Femtosecond Laser		+6,000		+4,200
Reduced program growth		-10,000		
Force Provider Microwave Wastewater Treatment			+2,000	+1,400
Mantech Program for Cylindrical Zinc Batteries			+2,600	+1,800
Continuous Manuf. Process for Metal Matrix Composites			+3,000	+2,600
Modular Extendable Rigid Wall Shelter			+3,000	+2,600
NATO JOINT STARS	2,109	+2,109	+2,109	

ARMY VENTURE CAPITAL SCIENCE AND TECHNOLOGY DEMONSTRATION

The conferees agree with the concept, as proposed in the House passed Department of Defense Appropriations bill for fiscal year 2002, of establishing a Venture Capital fund demonstration to enhance Army access to advances in science and technology. Accordingly, the conferees have included a general provision, Sec., 8150 that provides $25,000,000 for the formation of such a corporation pursuant to authority of 10 U.S.C. 2371.

HYBRID ELECTRIC DRIVE RESEARCH

The conferees agree to fully fund the Army's request for Combat Hybrid Power Systems (PE 603005/441), an amount of $18,000,000. These funds should be used to accelerate the development of critical hybrid electric technology components and integration into FCS ground vehicles. These funds also should be applied to development of hybrid electric architectures for combat vehicles. The conferees direct the Secretary of the Army to provide to the congressional defense committees a report detailing the Army's plan for implementing this direction with the submission of the fiscal year 2003 Department of Defense budget request.

Though the conferees are encouraged by recent developments in the area of hybrid electric drive, there is concern that the Army has not performed adequate testing and evaluation of hybrid electric technology in extreme temperature environments. In particular, the conferees are concerned that the sources necessary to ensure stable, consistent and adequate power to the overall system have not been developed and tested in extreme cold-weather environments. Therefore, the conferees recommend that the Army conduct testing of hybrid electric technology, including the power sources associated with the technology, in extreme cold weather environments to ensure adequate power and performance to this critical technology.

STARSTREAK-STINGER OPERATIONAL TEST

The conferees agree to provide an additional $13,600,000 for the Starstreak-Stinger operational test program. Of this amount, $12,000,000 should be used to conduct the live-fire, side-by-side operational test of the Starstreak and Stinger missile for the Apache helicopter. The remainder should be made available to conduct test firing from the Apache against ground targets.

ARMY HIGH PERFORMANCE COMPUTING RESEARCH CENTER (AHPCRC)

The conferees have added $10,500,000 for the activities of the Army High Performance Computing Research Center. Of these funds, $2,000,000 is only for basic research at the Center's academic partner institutions; and $8,500,000 is only for (1) the use, operation and maintenance of the Center's high performance computing systems and networks; (2) staff scientist services to support Army research activities; (3) technology exchange programs with Army laboratories, outreach and education programs; and (4) management activities of the research program and center, including publications, seminars and workshops.

DOMED HOUSING UNITS

From within funds made available in Research, Development, Test and Evaluation, Army, the conferees direct that the Commanding General of the Army Space and Missile Defense Command acquire and maintain domed housing units for military personnel on Kwajalein Atoll and other island locations in support of the mission of the command.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

The Conference agreement on items addressed by either the House or Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
RESEARCH, DEVELOPMENT, TEST & EVAL, NAVY				
BASIC RESEARCH				
IN-HOUSE LABORATORY INDEPENDENT RESEARCH	16,291	16,291	16,291	16,291
DEFENSE RESEARCH SCIENCES	389,829	382,829	399,329	391,829
TOTAL, BASIC RESEARCH	406,120	399,120	415,620	408,120
APPLIED RESEARCH				
POWER PROJECTION APPLIED RESEARCH	66,322	80,322	81,322	84,172
FORCE PROTECTION APPLIED RESEARCH	117,072	125,937	124,072	132,037
MARINE CORPS LANDING FORCE TECHNOLOGY	31,248	31,248	31,248	31,248
HUMAN SYSTEM TECHNOLOGY	---	---	3,000	---
MATERIALS, ELECTRONICS AND COMPUTER TECHNOLOGY	---	---	16,500	19,300
HUMAN SYSTEMS TECHNOLOGY	---	---	---	2,600
MATERIALS, ELECTRONICS AND COMPUTER TECHNOLOGY	---	---	---	19,300
COMMON PICTURE APPLIED RESEARCH	83,557	88,645	108,557	125,545
WARFIGHTER SUSTAINMENT APPLIED RESEARCH	71,294	96,894	101,294	108,804
RF SYSTEMS APPLIED RESEARCH	62,141	62,141	71,141	68,941
OCEAN WARFIGHTING ENVIRONMENT APPLIED RESEARCH	50,738	66,288	50,738	62,588
UNDERSEA WARFARE WEAPONRY TECHNOLOGY	---	---	2,000	1,700
UNDERSEA WARFARE APPLIED RESEARCH	76,510	76,510	76,510	76,510
MINE AND EXPEDITIONARY WARFARE APPLIED RESEARCH	57,668	57,668	57,668	57,668
DUAL USE SCIENCE AND TECHNOLOGY PROGRAM	10,000	10,000	13,000	12,600
TOTAL, APPLIED RESEARCH	626,550	695,653	737,050	803,013
ADVANCED TECHNOLOGY DEVELOPMENT				
POWER PROJECTION ADVANCED TECHNOLOGY	76,410	133,510	82,910	118,810

(In thousands of dollars)

	Budget	House	Senate	Conference
FORCE PROTECTION ADVANCED TECHNOLOGY	85,297	140,297	109,797	133,397
COMMON PICTURE ADVANCED TECHNOLOGY	48,583	50,583	48,583	50,283
WARFIGHTER SUSTAINMENT ADVANCED TECHNOLOGY	57,685	75,185	57,685	73,485
RF SYSTEMS ADVANCED TECHNOLOGY	76,876	76,876	81,876	81,176
SURFACE SHIP & SUBMARINE HM&E ADVANCED TECHNOLOGY	---	---	7,000	3,000
MARINE CORPS ADVANCED TECHNOLOGY DEMONSTRATION (ATD)	51,310	61,810	55,810	62,510
MEDICAL DEVELOPMENT	---	71,500	---	59,000
MANPOWER, PERSONNEL AND TRAINING ADV TECH DEV	---	---	4,000	2,000
ENVIRONMENTAL QUALITY AND LOGISTICS ADVANCED TECHN	---	---	---	1,400
JOINT EXPERIMENTATION	118,802	30,802	118,802	103,802
WARFIGHTER PROTECTION ADVANCED TECHNOLOGY	17,678	28,178	17,678	28,678
UNDERSEA WARFARE ADVANCED TECHNOLOGY	56,303	58,803	59,303	59,703
NAVY WARFIGHTING EXPERIMENTS AND DEMONSTRATIONS	43,277	43,277	43,277	43,277
MINE AND EXPEDITIONARY WARFARE ADVANCED TECHNOLOGY	48,279	51,279	49,979	49,779
TOTAL, ADVANCED TECHNOLOGY DEVELOPMENT	680,500	822,100	736,700	870,300
DEMONSTRATION & VALIDATION				
AIR/OCEAN TACTICAL APPLICATIONS	32,332	32,332	32,332	32,332
AVIATION SURVIVABILITY	25,572	37,572	25,572	33,372
DEPLOYABLE JOINT COMMAND AND CONTROL	50,000	---	---	---
ASW SYSTEMS DEVELOPMENT	12,922	16,922	12,922	14,922
TACTICAL AIRBORNE RECONNAISSANCE	1,934	1,934	1,934	1,934
ADVANCED COMBAT SYSTEMS TECHNOLOGY	3,458	3,458	3,458	3,458
SURFACE AND SHALLOW WATER MINE COUNTERMEASURES	135,284	142,484	135,284	141,384
SURFACE SHIP TORPEDO DEFENSE	4,818	19,318	7,818	18,718
CARRIER SYSTEMS DEVELOPMENT	165,150	165,150	165,150	165,150

(In thousands of dollars)

	Budget	House	Senate	Conference
SHIPBOARD SYSTEM COMPONENT DEVELOPMENT	288,382	104,000	296,382	297,782
PILOT FISH	99,600	99,600	99,600	99,600
RETRACT LARCH	50,441	50,441	50,441	50,441
RADIOLOGICAL CONTROL	1,056	1,056	1,056	1,056
SURFACE ASW	3,724	3,724	3,724	3,724
SSGN COVERSION	30,000	30,000	---	75,000
ADVANCED SUBMARINE SYSTEM DEVELOPMENT	110,766	131,766	112,766	125,366
SUBMARINE TACTICAL WARFARE SYSTEMS	5,405	5,405	13,405	9,405
SHIP CONCEPT ADVANCED DESIGN	1,949	22,949	1,949	20,849
SHIP PRELIMINARY DESIGN & FEASIBILITY STUDIES	14,922	9,922	14,922	14,922
ADVANCED NUCLEAR POWER SYSTEMS	175,176	173,076	175,176	173,076
ADVANCED SURFACE MACHINERY SYSTEMS	3,921	3,921	3,921	3,921
CHALK EAGLE	35,313	35,313	35,313	35,313
COMBAT SYSTEM INTEGRATION	42,915	66,915	42,915	61,915
CONVENTIONAL MUNITIONS	22,299	24,299	27,299	24,799
MARINE CORPS ASSAULT VEHICLES	263,066	263,066	263,066	263,066
MARINE CORPS GROUND COMBAT/SUPPORT SYSTEM	25,957	36,957	31,957	38,657
JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT	12,918	12,918	12,918	12,918
COOPERATIVE ENGAGEMENT	74,231	112,331	74,231	106,631
OCEAN ENGINEERING TECHNOLOGY DEVELOPMENT	16,077	16,077	16,077	16,077
ENVIRONMENTAL PROTECTION	46,117	50,117	46,117	48,117
NAVY ENERGY PROGRAM	5,025	8,025	9,025	7,025
FACILITIES IMPROVEMENT	1,728	1,728	1,728	1,728
CHALK CORAL	48,187	48,187	48,187	48,187
NAVY LOGISTIC PRODUCTIVITY	11,735	38,735	11,735	31,935

(In thousands of dollars)

	Budget	House	Senate	Conference
RETRACT MAPLE	148,856	156,856	148,856	156,856
LINK PLUMERIA	62,601	62,601	62,601	62,601
RETRACT ELM	22,200	22,200	22,200	22,200
SHIP SELF DEFENSE - DEM/VAL	8,353	10,353	8,353	9,353
LINK EVERGREEN	26,151	26,151	26,151	26,151
SPECIAL PROCESSES	58,858	66,858	58,858	65,658
NATO RESEARCH AND DEVELOPMENT	11,551	11,551	11,551	11,551
LAND ATTACK TECHNOLOGY	130,993	173,193	122,510	150,393
JOINT STRIKE FIGHTER (JSF) - DEM/VAL	---	---	30,000	---
NONLETHAL WEAPONS - DEM/VAL	34,008	34,008	36,008	35,408
ALL SERVICE COMBAT IDENTIFICATION EVALUATION TEAM	13,530	13,530	13,530	13,530
SINGLE INTEGRATED AIR PICTURE (SIAP) SYSTEM ENGINEER	43,140	43,140	43,140	43,140
SPACE AND ELECTRONIC WARFARE (SEW) ARCHITECTURE/ENGINE	32,259	39,259	34,259	39,659
TOTAL, DEMONSTRATION & VALIDATION	2,414,880	2,429,398	2,396,397	2,619,280
ENGINEERING & MANUFACTURING DEVEL				
OTHER HELO DEVELOPMENT	64,392	79,892	74,392	83,692
AV-8B AIRCRAFT - ENG DEV	32,897	32,897	32,897	32,897
STANDARDS DEVELOPMENT	120,552	127,052	120,552	123,802
MULTI-MISSION HELICOPTER UPGRADE DEVELOPMENT	149,418	149,418	149,418	149,418
S-3 WEAPON SYSTEM IMPROVEMENT	428	428	428	428
AIR/OCEAN EQUIPMENT ENGINEERING	6,346	6,346	6,346	6,346
P-3 MODERNIZATION PROGRAM	3,220	3,220	3,220	3,220
TACTICAL COMMAND SYSTEM	64,832	64,832	64,832	64,832
COMMON STRATEGIC ROTARY LAUNCHER (H)	96,000	96,000	96,000	96,000
NAVY AREA MISSILE DEFENSE	388,496	---	---	---

(In thousands of dollars)

	Budget	House	Senate	Conference
H-1 UPGRADES	170,068	170,068	170,068	170,068
ACOUSTIC SEARCH SENSORS	16,825	16,825	16,825	16,825
V-22A	546,735	446,735	546,735	446,735
AIR CREW SYSTEMS DEVELOPMENT	7,717	19,217	27,717	15,517
EW DEVELOPMENT	112,473	121,473	112,473	118,773
SC-21 TOTAL SHIP SYSTEM ENGINEERING	355,093	56,500	281,093	237,343
SURFACE COMBATANT COMBAT SYSTEM ENGINEERING	262,037	286,937	176,037	329,537
LPD-17 CLASS SYSTEMS INTEGRATION	1,001	1,001	1,001	1,001
TRI-SERVICE STANDOFF ATTACK MISSILE	1,946	1,946	1,946	1,946
STANDARD MISSILE IMPROVEMENTS	1,309	1,309	16,309	14,109
AIRBORNE MCM	52,041	61,041	57,041	61,641
SSN-688 AND TRIDENT MODERNIZATION	43,706	68,706	43,706	65,206
AIR CONTROL	12,821	12,821	12,821	12,821
ENHANCED MODULAR SIGNAL PROCESSOR	1,013	1,013	1,013	1,013
SHIPBOARD AVIATION SYSTEMS	16,375	19,875	16,375	18,125
COMBAT INFORMATION CENTER CONVERSION	5,392	5,392	5,392	5,392
NEW DESIGN SSN	201,596	208,596	201,596	206,496
SSN-21 DEVELOPMENTS	5,770	5,770	5,770	5,770
SUBMARINE TACTICAL WARFARE SYSTEM	29,246	29,246	49,246	39,246
SHIP CONTRACT DESIGN/ LIVE FIRE T&E	130,388	131,388	114,388	131,388
NAVY TACTICAL COMPUTER RESOURCES	3,836	52,836	3,836	41,036
UNGUIDED CONVENTIONAL AIR-LAUNCHED WEAPONS	12,890	12,890	17,890	17,190
LIGHTWEIGHT TORPEDO DEVELOPMENT	10,310	10,310	10,310	10,310
JOINT DIRECT ATTACK MUNITION	56,285	56,285	56,285	56,285
JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT	8,123	8,123	8,123	8,123

(In thousands of dollars)

	Budget	House	Senate	Conference
PERSONNEL, TRAINING, SIMULATION, AND HUMAN FACTORS....	1,300	1,300	1,300	1,300
NAVY ENERGY PROGRAM.....	3,157	3,157	3,157	3,157
BATTLE GROUP PASSIVE HORIZON EXTENSION SYSTEM.....	8,130	8,130	8,130	8,130
JOINT STANDOFF WEAPON SYSTEMS.....	26,852	26,852	26,852	26,852
SHIP SELF DEFENSE - EMD.....	52,163	57,163	64,163	64,063
ADVANCED DISTRIBUTED LEARNING.....	33,530	33,530	33,530	33,530
MEDICAL CHEMICAL DEFENSE LIFE MATERIAL (H).....	41,670	41,670	41,670	41,670
MEDICAL DEVELOPMENT.....	5,455	7,455	19,955	23,255
NAVIGATION/ID SYSTEM.....	23,884	23,884	23,884	23,884
DISTRIBUTED SURVEILLANCE SYSTEM.....	34,711	42,711	42,211	42,711
JOINT STRIKE FIGHTER (JSF) - EMD.....	767,259	767,259	618,659	769,759
SMART CARD.....	896	896	896	896
INFORMATION TECHNOLOGY DEVELOPMENT.....	11,031	11,031	11,031	11,031
INFORMATION TECHNOLOGY DEVELOPMENT.....	49,333	63,533	58,333	60,233
DEFENSE INTEGRATED MILITARY HUMAN RESOURCES SYSTEM....	47,184	47,184	47,184	47,184
JOINT COUNTER-INTELLIGENCE ASSESSMENT GROUP (JCAG)....	6,000	6,000	6,000	6,000
NAVY STANDARD INTEGRATED PERSONNEL SYSTEM (NSIPS).....	13,082	13,082	13,082	13,082
TOTAL, ENGINEERING & MANUFACTURING DEVEL.....	4,117,214	3,521,225	3,522,118	3,769,268
RDT&E MANAGEMENT SUPPORT				
THREAT SIMULATOR DEVELOPMENT.....	30,110	30,110	30,110	30,110
TARGET SYSTEMS DEVELOPMENT.....	49,511	49,511	49,511	49,511
MAJOR T&E INVESTMENT.....	41,804	43,804	42,804	44,504
STUDIES AND ANALYSIS SUPPORT - NAVY.....	6,679	4,679	6,679	4,679
CENTER FOR NAVAL ANALYSES.....	44,891	44,891	44,891	44,891
FLEET TACTICAL DEVELOPMENT.....	2,912	2,912	2,912	2,912

(In thousands of dollars)

	Budget	House	Senate	Conference
TECHNICAL INFORMATION SERVICES	951	11,951	951	10,251
MANAGEMENT, TECHNICAL & INTERNATIONAL SUPPORT	21,628	18,628	21,628	18,628
STRATEGIC TECHNICAL SUPPORT	2,391	2,391	2,391	2,391
RDT&E SCIENCE AND TECHNOLOGY MANAGEMENT	54,825	54,825	54,825	54,825
RDT&E INSTRUMENTATION MODERNIZATION	11,601	11,601	11,601	11,601
RDT&E SHIP AND AIRCRAFT SUPPORT	71,735	71,735	71,735	71,735
TEST AND EVALUATION SUPPORT	277,414	274,500	277,414	278,314
OPERATIONAL TEST AND EVALUATION CAPABILITY	11,649	11,649	11,649	11,649
NAVY SPACE AND ELECTRONIC WARFARE (SEW) SUPPORT	3,433	3,433	3,433	3,433
SEW SURVEILLANCE/RECONAISSANCE SUPPORT	12,693	17,893	12,693	16,493

(In thousands of dollars)

	Budget	House	Senate	Conference
MARINE CORPS PROGRAM WIDE SUPPORT	9,614	24,614	11,614	20,314
TACTICAL CRYPTOLOGIC ACTIVITIES	85,000	---	85,000	---
FOREIGN COUNTER-INTELLIGENCE (FCI) - RDT&E	---	---	1,000	1,000
TOTAL, RDT&E MANAGEMENT SUPPORT	738,841	679,127	742,841	677,241
OPERATIONAL SYSTEMS DEVELOPEMENT				
STRATEGIC SUB & WEAPONS SYSTEM SUPPORT	43,322	46,822	43,322	45,822
SSBN SECURITY TECHNOLOGY PROGRAM	34,091	34,091	34,091	34,091
SUBMARINE ACOUSTIC WARFARE DEVELOPMENT	996	996	996	996
NAVY STRATEGIC COMMUNICATIONS	4,205	4,205	4,205	4,205
F/A-18 SQUADRONS	253,257	233,257	260,257	259,257
E-2 SQUADRONS	20,583	20,583	20,583	20,583
FLEET TELECOMMUNICATIONS (TACTICAL)	21,136	25,136	21,136	24,536
TOMAHAWK AND TOMAHAWK MISSION PLANNING CENTER (TMPC)	76,036	76,036	76,036	76,036
INTEGRATED SURVEILLANCE SYSTEM	20,041	36,041	32,041	38,641
AMPHIBIOUS TACTICAL SUPPORT UNITS	24,387	29,387	24,387	26,887
CONSOLIDATED TRAINING SYSTEMS DEVELOPMENT	22,407	25,607	23,607	25,407
ELECTRONIC WARFARE (EW) READINESS SUPPORT	7,659	12,659	10,159	10,159
HARM IMPROVEMENT	13,630	34,630	13,630	28,330
TACTICAL DATA LINKS	39,362	39,362	39,362	39,362
SURFACE ASW COMBAT SYSTEM INTEGRATION	28,119	24,219	28,119	28,119
MK-48 ADCAP	17,130	17,130	17,130	17,130
AVIATION IMPROVEMENTS	41,430	46,430	43,430	45,330
NAVY SCIENCE ASSISTANCE PROGRAM	4,945	4,945	20,945	18,645
F-14 UPGRADE	---	---	3,000	1,500
OPERATIONAL NUCLEAR POWER SYSTEMS	55,202	55,202	55,202	55,202

(In thousands of dollars)

	Budget	House	Senate	Conference
MARINE CORPS COMMUNICATIONS SYSTEMS	104,835	126,835	104,835	120,835
MARINE CORPS GROUND COMBAT/SUPPORTING ARMS SYSTEMS	43,935	43,935	33,935	38,935
MARINE CORPS COMBAT SERVICES SUPPORT	8,483	8,483	8,483	8,483
TACTICAL AIM MISSILES	16,402	16,402	16,402	16,402
ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	10,795	10,795	10,795	10,795
SATELLITE COMMUNICATIONS (SPACE)	54,230	54,230	54,230	54,230
INFORMATION SYSTEMS SECURITY PROGRAM	20,942	25,942	20,942	23,442
NAVY METEOROLOGICAL AND OCEAN SENSORS-SPACE (METOC)	23,492	21,592	23,492	22,492
JOINT C4ISR BATTLE CENTER (JBC)	13,618	13,618	13,618	13,618
JOINT MILITARY INTELLIGENCE PROGRAMS	7,179	7,179	7,179	7,179
TACTICAL UNMANNED AERIAL VEHICLES	66,349	76,349	66,349	73,349
AIRBORNE RECONNAISSANCE SYSTEMS	5,736	22,236	12,736	17,536
MANNED RECONNAISSANCE SYSTEMS	29,232	43,232	29,232	33,232
DISTRIBUTED COMMON GROUND SYSTEMS	4,467	9,467	4,467	7,267
NAVAL SPACE SURVEILLANCE	4,237	4,237	4,237	4,937
MODELING AND SIMULATION SUPPORT	7,828	9,828	14,828	12,728
DEPOT MAINTENANCE (NON-IF)	13,569	13,569	13,569	13,569
INDUSTRIAL PREPAREDNESS	70,605	75,605	70,605	73,105
MARITIME TECHNOLOGY (MARITECH)	20,065	34,065	25,065	33,565
CLASSIFIED PROGRAMS	885,347	970,347	885,347	970,347
TOTAL, OPERATIONAL SYSTEMS DEVELOPEMENT	2,139,284	2,354,684	2,191,984	2,356,284
DOE JOINT RESEARCH ADJUSTMENT	---	-5,000	---	---
GENERAL REDUCTION	---	---	---	-5,000
TOTAL, RESEARCH, DEVELOPMENT, TEST & EVAL, NAVY	11,123,389	10,896,307	10,742,710	11,498,506

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
(in thousands of dollars)

	Budget	House	Senate	Conference
2 DEFENSE RESEARCH SCIENCES	**389,829**	**382,829**	**399,329**	**391,829**
Program Growth Reduction		-7,000		-3,500
(Note: Of the funds made available. $250,000 only to study the feasability of employing decommissioned USN nuclear submarines to furnish electric power to military installations.)		(250)		(250)
Quantum Optics Research			+500	+500
Southeast Atlantic Coastal Ocean Observing System (SEA-COOS)			+8,000	+4,000
Marine Mammal Low Frequency Sound Research			+1,000	+1,000
4 POWER PROJECTION APPLIED RESEARCH	**66,322**	**80,322**	**81,322**	**84,172**
Real World Based Immersive Imaging		+2,500		+1,250
Hybrid Fiber Optic/Wireless System for Secure Communications		+2,000		+1,400
Hyperspectral SAR (Note: Only for hyperspectral SARs retro-reflectometers for alternative UAV communications that includes an interrogator system with special tracking optics and algorithms.)		+1,500	+5,000	+4,200
SAR for All Weather Targeting (Note: only for SAR all weather precision targeting system to develop and demonstrate UAV mounted high resolution SAR for all-weather precision targeting.)		+3,000		+3,000
Integrated Biological Warfare Technology Platform		+5,000	+2,000	+2,500
Combustion Light Gas Gun			+5,000	+3,500
Fast Pattern Processor, SLAM-ER			+3,000	+2,000
7 FORCE PROTECTION APPLIED RESEARCH	**117,072**	**125,937**	**124,072**	**132,037**
Modular Advanced Hull Form		+3,000		+1,500
Center for Advanced Power Systems Technology		+2,000	(7,200)	+3,600
3-Dimensional Printing Metal Working Technology		+3,000		+2,500
Battery Charging Technology		+865		+865
Fusion of Hyperspectral and Panchromatic Data			+5,000	+4,500
Endeavor			+1,000	+1,000
American Underpressure System			+1,000	+1,000
10 HUMAN SYSTEM TECHNOLOGY	**0**	**0**	**3,000**	**2,600**
Maritime Fire Training / Barbers Point			+3,000	+2,600
11 MATERIALS, ELECTRONICS, AND COMPUTER TECHNOLOGY	**0**	**0**	**16,500**	**19,300**
ADPICAS			+1,500	+1,300
Carbon Foam for Navy Applications			+3,000	+2,600
Anti-Corrosion Coatings			+5,000	+3,500
Silicon Carbide Semiconductor Material			+2,000	+1,400
High Brightness Electron Source Program			+2,500	+1,500
Devlopment of Magnetic Random Access Memory			+1,500	+1,000
Thick Film Ferrite Magnetic Materials for Microwave Applications			+1,000	+1,000
Materials micronization technology				+3,500
MicroArray Technology				+3,500
12 COMMON PICTURE APPLIED RESEARCH	**83,557**	**88,645**	**108,557**	**125,545**
Authorization Reduction		-1,912		-1,912
Battlespace Information Display Technology (Note: Only for optical scanning displays for man wearable portable wireless tactical systems.)		+3,000		+2,100
Common Sensor Module (Note: Only for Common Sensor Module using multiple modalities and sensor fusion to track vehicles for identification and force protection.)		+4,000		+2,000
Tactical Component Network/PMRF			+20,000	+35,500
Theater Undersea Warfare Initiative			+5,000	+4,300
13 WARFIGHTER SUSTAINMENT APPLIED RESEARCH	**71,294**	**96,894**	**101,294**	**108,804**
Formable Aligned Carbon Thermosets (FACTS)		+2,000	+1,000	+1,500
Virtual Company Distributed Manufacturing		+1,500		+1,100
Combinatorial Materials Synthesis		+3,000		+2,100
Wood Composite Technology		+3,000		+2,100
Rhode Island Disaster Initiative		+3,000		+1,500
Marine Mammal Research		+2,100		+1,110
Advanced Fuel Additive Pilot (Note: only for a pilot demonstration blending bio-derived alcohols and diesel fuel.)		+2,000		+1,700

	Budget	House	Senate	Conference
Automated Diode Array Manufacturing (Note:only to develop an automated capability to test large area diode arrays.)		+3,000		+2,600
Battlespace Information Display Technology		+4,000		+3,400
Printed Wiring Boards		+2,000		+1,700
Bioenvironmental Hazards Research Program			+2,000	+1,000
Modeling Simulation and Training Immersion Facility			+2,000	+1,000
Three Dimensional MetalWorking Project			+5,000	0
Advanced Materials and Intelligent Processing			+3,000	+1,500
Titanium Matrix Composites Program			+3,000	+2,600
Visualization of Technical Information			+2,000	+1,700
Wire Chaffing Detection Technology			+2,000	+1,400
Agile Vaccinology			+10,000	+8,500
Advanced Safety Tether Operation				+1,000
15 RF SYSTEMS APPLIED RESEARCH	**62,141**	**62,141**	**71,141**	**68,941**
Nanoscale Science and Technology Program			+3,000	+1,500
Nanoscale Devices			+1,000	+1,000
Maritime Synethic Range			+5,000	+4,300
18 OCEAN WARFIGHTING ENVIRONMENT APPLIED RESEARCH	**50,738**	**66,288**	**50,738**	**62,588**
Bioluminescence Truth Data Measurment and Signature Detection		+1,800		+1,000
South Florida Ocean Measurement Center		+1,750		+1,750
Multiple Intelligent Distributed Underwater Vehicle and Sensing Technology		+4,000		+3,000
Littoral Acoustic Demonstration Center		+2,000		+1,000
Oceanographic Sensors for Mine Countermeasures		+6,000		+5,100
19 UNDERSEA WARFARE WEAPONERY TECHNOLOGY	**0**	**0**	**2,000**	**1,700**
SAUVIM			+2,000	+1,700
22 DUAL USE SCIENCE AND TECHNOLOGY PROGRAM	**10,000**	**10,000**	**13,000**	**12,600**
Energy and Environmental Technology			+3,000	+2,600
23 POWER PROJECTION ADVANCED TECHNOLOGY	**76,410**	**133,510**	**82,910**	**118,810**
Aircraft Lightening Protection Applique System		+3,000		+1,500
Affordable Weapon Program		+10,000		+7,000
Variable Delivery Pump/Variable Engine Nozzle		+3,000		+1,500
DP-2 Thrust Vectoring System		+8,000		+5,600
HEL - Low Aspect Target Tracking System		+12,000		+8,400
Thermobaric Warhead Development		+3,000		+2,100
Magdalena Ridge Observatory		+12,000		+8,400
Integrated Hypersonic Aeromechanics Tool (IHAT)		+3,100		+2,700
Vectored Thrust Ducted Propellor		+3,000	+4,000	+3,400
Precision Strike Navigator			+2,500	+1,800
24 FORCE PROTECTION ADVANCED TECHNOLOGY	**85,297**	**140,297**	**109,797**	**133,397**
Littoral Support Craft		+19,000		+16,200
Curved Plate Technology		+5,000		+2,500
Advanced Waterjet - 21		+3,000	+4,000	+3,500
Superconducting DC Homopolar Motor		+4,000		+2,000
Project M (Note: Of which not less than $1,400,000 shall be for impact mitigation for MK V patrol craft)		+4,000		+2,800
Smartlink System		+3,000		+1,500
Real Time Fire and Smoke Prediction Tool		+2,000		+1,000
Wireless Sensors for Total Ship Monitoring		+4,000		+2,800
Knowledge Projection for Fleet Maintenance		+3,000		+2,500
Direct Ship Service Fuel Cell		+3,000		0
Wave Powered Electric Power Generating Equipment			+4,000	+2,000
SES 2000 Modification (HYSWAC)			+8,500	+7,300
Modular Advanced Composite Hull			+3,000	0
HTS - AC Synchrous Propulsion Motor		+5,000	0	+4,000
26 COMMON PICTURE ADVANCED TECHNOLOGY	**48,583**	**50,583**	**48,583**	**50,283**
National Cargo Tracking Program (Note: Funds are to be managed by a non-profit corporation.)		+2,000		+1,700
27 WARFIGHTER SUSTAINMENT ADVANCED TECHNOLOGY	**57,685**	**75,185**	**57,685**	**73,485**
Authorization Reduction		-5,000		-2,500
Low Volume Production Program		+3,500		+3,500
National Center for Remanufacturing and Resource Recovery		+2,000		+1,000

	Budget	House	Senate	Conference
COTS Carbon Fiber Qualification Program		+2,000		+1,000
Distance Learning IT Center (Note: Only to continue and expand the existing program)		+15,000		+12,800
30 RF SYSTEMS ADVANCED TECHNOLOGY	**76,876**	**76,876**	**81,876**	**81,176**
M3CAS			+5,000	+4,300
31 SURFACE SHIP & SUBMARINE HM&E ADVANCED TECHNOLOGY	**0**	**0**	**7,000**	**3,000**
Ship Service Fuel Cell Technology Verification and Training Program			+4,000	+2,000
DDG-51 Composite Twisted Rudder			+3,000	+1,000
32 MARINE CORPS ADVANCED TECHNOLOGY DEMONSTRATION (ATD)	**51,310**	**61,810**	**55,810**	**62,510**
Mobile Counter-fire System		+5,000		+2,500
C3RP (Note: Only to continue the existing program.)		+1,500		+1,300
Marine Corps Future Logistics (Note: Only for expansion of the Future Naval Capability Expeditionary Logistics program)		+2,000		+1,700
Fast Refueling System (Note: Only for operational test and evaluation, modifications, and procurement of the fast refueling system. The Committee directs that the Marine Corps shall make this system available to other services desiring to evaluate its potential.)		+2,000		+1,700
Project Albert			+4,500	+4,000
33 MEDICAL DEVELOPMENT	**0**	**71,500**	**0**	**59,000**
Vectored Vacine Research		+2,000		+1,000
Medical Readiness Telemedicine Initaitive (Note: only for continued development of integrated medical transfer systems for operations in a joint environment.)		+9,000		+7,700
Optical Sensing System: RobotEyes for the Advancement of Military Medicine		+3,000		+2,500
Rural Health		+8,000		+6,800
Nursing Telehealth Applications		+3,000		+2,600
National Bone Marrow Program		+34,000		+28,900
Teleradiology Program (Note: The Committee encourages the Department to fund the Teleradiology program in its 2003 and subsequent budget requests.)		+1,500		+1,000
Mobile Integrated Diagnostic and Data Analysis System (MIDDAS) (Note: only to complete MIDDAS transistion to a fully integrated and functional field prototype for testing.)		+2,000		+1,000
Minimally Invasive Surgical Technology Institute - CSMC		+2,000		+1,000
Biomedical Research Imaging Core-CoH National Medical Center (Note: only for the Biomedical Research Imaging Core related to bone marrow transplantation, breast, and prostrate cancer)		+5,000		+4,000
Portable Production of Sterile Water for Intravenous Solutions (Note: only to conduct research and continued development of a light-weight hand-held, portable, disposable and rugged device for production of IV solutions.)		+2,000		+1,000
Community Hospital Telehealth Consortium				+1,500
34 MANPOWER, PERSONNEL, AND TRAINING ADV TECH DEV	**0**	**0**	**4,000**	**2,000**
Center for Integrated Manufacturing			+4,000	+2,000
35 ENVIRONMENTAL QUALITY AND LOGISTICS ADVANCED TECHNOLOGY	**0**	**2,000**		**1,400**
Sustainable Readiness Center		+2,000		+1,400
36 JOINT EXPERIMENTATION	**118,802**	**30,802**	**118,802**	**103,802**
Program Growth Reduction		-88,000		-15,000
37 WARFIGHTER PROTECTION ADVANCED TECHNOLOGY	**17,678**	**28,178**	**17,678**	**28,678**
Damage Control Operational Concepts- Distributed Damage Control Performance Evaluation		+2,000		+1,700
Distributed Simulation, Warfighting Concepts to Future Weapon System Design (WARCON)		+6,000		+5,100
Disaster Management and Humanitarian Assistance Research (Note: Only for research, training, education, and communication projects impacting emergency response and preparedness in Latin American and the Carribean.)		+2,500	0	+2,200
Organ Transfer Technology				+2,000
38 UNDERSEA WARFARE ADVANCED TECHNOLOGY	**56,303**	**58,803**	**59,303**	**59,703**
Multipulse Airgun System		+2,500		+1,300
Magnetorestrictive Transduction			+3,000	+2,100
40 MINE AND EXPEDITIONARY WARFARE ADVANCED TECHNOLOGY	**48,279**	**51,279**	**49,979**	**49,779**
Ocean Modeling Research for Mine and Submarine / Expeditionary Warfare		+3,000	+1,700	+1,500
44 AVIATION SURVIVABILITY	**25,572**	**37,572**	**25,572**	**33,372**
Modular Helmet and Display Development		+4,000		+2,000
JPALS		+3,000		+1,500
Two Color Focal Plane Array for Tactical Aircraft Missile Warning (Note: Only for advanced development through the Navy Center of Excellence in Electro-Optics				

	Budget	House	Senate	Conference
Manufacturing of 2-color focal plane arrays.)		+5,000		+4,300
46 ASW SYSTEMS DEVELOPMENT	**12,922**	**16,922**	**12,922**	**14,922**
BEARTRAP (Note: only to perform the non-linear dynamic/stochastic resonance device field tests and supporting research essential for implementation assessment.)		+4,000		+2,000
49 SURFACE AND SHALLOW WATER MINE COUNTERMEASURES	**135,284**	**142,484**	**135,284**	**141,384**
Remote Mine Hunting System - Program Management Support Cost Growth		-1,500		0
UUV Center of Excellence at NUWC		+8,700		+6,100
50 SURFACE SHIP TORPEDO DEFENSE	**4,818**	**19,318**	**7,818**	**18,718**
Tripwire Torpedo Defense (Note: $7,600,000 is only to complete development begun under SBIR N97-090 for onboard sensors and signal processing; $400,000 is only for the Distributed Engineering Center; $2,700,000 is only for the anti-torpdeo torpedo; and $1,700,000 is only for associated components.)		+14,500		+12,400
Micro-electromechanical Systems			+3,000	+1,500
52 SHIPBOARD SYSTEM COMPONENT DEVELOPMENT	**288,382**	**104,000**	**296,382**	**297,782**
DD-21 Program Restructure		-188,382		0
Automated Maintenance Environment		+4,000		+3,400
MTTC - National Surface Treatment Center			+8,000	+6,000
58 SSGN CONVERSION	**30,000**	**30,000**	**0**	**75,000**
Program Acceleration		0	0	+45,000
59 ADVANCED SUBMARINE SYSTEM DEVELOPMENT	**110,766**	**131,766**	**112,776**	**125,366**
Conformal Acoustic Velocity Sonar (CAVES)		+3,000		+2,100
Advanced Composite Sail Phase II		+8,000		+4,000
MK 48 ADCAP Torpedo Improvements (Note: $10,000,000 is only for MPP/ARCI SBIR phase III to develop a torpedo APB.)		+10,000		+8,500
Composite Submarine Sail			+2,000	0
60 SUBMARINE TACTICAL WARFARE SYSTEMS	**5,405**	**5,405**	**13,405**	**9,405**
Multi-Line Towed Array			+8,000	+4,000
61 SHIP CONCEPT ADVANCED DESIGN	**1,949**	**22,949**	**1,949**	**20,849**
Small Combatant Craft (Note: Only for acquisition, test and evaluation of a high speed variable freeboard planing craft, and related special warfare high speed support craft and equipment.)		+12,000		+8,400
Sealion Technology Demonstration - Situation Awareness Module		+2,000		+1,000
Metallic Materials Advanced Development and Certification Program		+4,000		+3,400
Document Automation of ICAS Maintenance and other Navy Procedures in XML format		+3,000		+2,600
Planning and Design LHD-Type Ship				+3,500
62 SHIP PRELIMINARY DESIGN & FEASIBILITY STUDIES	**14,922**	**9,922**	**14,922**	**14,922**
Authorization Reduction		-5,000		0
63 ADVANCED NUCLEAR POWER SYSTEMS	**175,176**	**173,076**	**175,176**	**173,076**
Authorization Reduction		-2,100		-2,100
66 COMBAT SYSTEM INTEGRATION	**42,915**	**66,915**	**42,915**	**61,915**
Wideband Optically Multiplexed Beamforming Architecture (WOMBAT)		+4,000		+2,000
Navy Common Command and Decision System (Note: Only for SBIR Phase III efforts to develop common command and decision functions for theater air and missile defense.)		+20,000		+17,000
67 CONVENTIONAL MUNITIONS	**22,299**	**24,299**	**27,299**	**24,799**
Navy Insensitive Munitions/Green Energetics		+2,000	+5,000	+2,500
69 MARINE CORPS GROUND COMBAT/SUPPORT SYSTEM	**25,957**	**36,957**	**31,957**	**38,657**
Non-lethal and Urban Operations Weaponization Technology		+1,000		+1,000
Nanotechnology-based response to chemical / biological threats		+3,000		+1,500
Imaging System Upgrade Development (Note: Only for the AN/TAS-4 night sight upgrade program through the Navy Center of Excellence in Electro-Optics Manufacturing to finalize technology transfer and fabricate a pilot quantity to validate manufacturing technology.)		+7,000		+6,000
Urban Operations Lab			+4,000	+2,800
Nanoparticles for Neutralization of Facility Threats			+2,000	+1,400
71 COOPERATIVE ENGAGEMENT	**74,231**	**112,331**	**74,231**	**106,631**
(Note: $12,750,000 is only for Enhanced Communications and Network Capacity Expansion; $11,900,000 is only for Next Generation / Reduced Size CEC equipment; $5,950,00 is only for Baseline 2.1B Support; and $1,800,000 is only for Multi-level security for CEC.)		+38,100		+32,400
73 ENVIRONMENTAL PROTECTION	**46,117**	**50,117**	**46,117**	**48,117**

	Budget	House	Senate	Conference
Naval Environmental Compliance Operations Monitoring (Note: Only for the National Defense Center for Environmental Excellence for the development and application of advanced technology leading to a Naval Environmental Compliance Operations Monitoring System.)		+4,000		+2,000
74 NAVY ENERGY PROGRAM	**5,025**	**8,025**	**9,025**	**7,025**
PEM Fuel Cell Technology Demonstrations		+3,000	+4,000	+2,000
77 NAVY LOGISTIC PRODUCTIVITY	**11,735**	**38,735**	**11,735**	**31,935**
Compatible Processor Upgrade (CPUP)		+5,000		+2,500
JEDMICS Enhancements		+7,000		+4,900
JEDMICS Security (Note: Only for the continued procurement and integration of the same security solution implemented in 2000 and 2001, and its extension into other logistics processes.)		+2,000		+1,700
Collaborative Logistics Productivity Virtual Systems Implementation Program		+8,000		+6,800
Rapid Retargeting		+5,000		+4,300
81 SHIP SELF DEFENSE - DEM/VAL	**8,353**	**10,353**	**8,353**	**9,353**
Transportable Anti-intrusion Pontoon Barrier System		+2,000		+1,000
85 LAND ATTACK TECHNOLOGY	**130,993**	**173,193**	**122,510**	**150,393**
Naval Fires Network (Note: $18,00,000 only for Naval Fires Network including prototyping, development of requirements and concept of operations, and integration into strike warfare training; $8,500,000 only for devlopment and fielding of tactical dissemination module; and $3,000,000 only for development of shipboard training and software applications.)				
Advanced Medium Caliber Gun Demonstrator (Note: Only to demonstrate an advanced gun design encompassing modularity, scalability, compactness, and long-range.)		+3,000	+29,500	+29,500 +2,600
Land Attack Standard Missile			-35,483	-25,000
Autonomous Naval Support Round			+12,000	+10,200
Integrated Deepwater System			+3,000	+2,100
86 JOINT STRIKE FIGHTER (JSF) - DEM/VAL	**0**	**0**	**30,000**	**0**
Delay in Down-Select			+30,000	0
87 NONLETHAL WEAPONS - DEM/VAL	**34,008**	**34,008**	**36,008**	**35,408**
New Generation Non-Lethal Weapons			+2,000	+1,400
92 SPACE AND ELECTRONIC WARFARE (SEW) ARCHITECTURE/ENGINE	**32,259**	**39,259**	**34,259**	**39,659**
IT-21 Block 1 C4ISR Computing Equipment Upgrade (Note: Only to develop a common AN / UYQ - 70 based solution for the IT-21 block upgrade.)		+7,000		+6,000
Navy Collaborative Integrated Information Tachnology			+2,000	+1,400
95 OTHER HELO DEVELOPMENT	**64,392**	**79,892**	**74,392**	**83,692**
SH-60 Laser Aim Scoring System (LASS)		+2,000		+1,000
High Tech Training in Support of DOD Legacy Parts Solutions		+1,500		+1,000
H-60 FLIR Mount (Note: Only for third party design of the FLIR mount.)		+3,000		+2,600
H-60 Helicopter Dynamic Component Life Cycle Engineering Evaluation (Note: Only for an independent third party engineering analysis to assess dynamic component life cycle criteria and development of component upgrades for life extension.)		+3,000		+2,600
MH-60S Airborne Mine Countermeasure Carriage, Stream,Tow, Recovery System (CSTARS)		+6,000		+5,100
Integrated Mechanical Diagnostics - Health and Usage Monitoring System			+10,000	+7,000
97 STANDARDS DEVELOPMENT	**120,552**	**127,052**	**120,552**	**123,802**
Joint Service Metrology		+6,500		+3,250
103 E-2C RADAR MODERNIZATION PROGRAM	**96,000**	**96,000**	**96,000**	**96,000**
UESA Radar				(17,000)
107 V-22A	**546,735**	**446,735**	**546,735**	**446,735**
Program Restructure		-100,000		-100,000
108 AIR CREW SYSTEMS DEVELOPMENT	**7,717**	**19,217**	**27,717**	**15,517**
Joint Helmet Mounted Cueing System (JHMCS)		+5,000		+2,500
SIIS Ejection System		+1,500		+1,000
Intensifier Tube Advanced Development		+5,000		+4,300
Program Increase			+20,000	0
109 EW DEVELOPMENT	**112,473**	**121,473**	**112,473**	**118,773**
LOCO-GPSI		+4,000		+3,800
IDECM		+5,000		+2,500
EA-6B Follow-on			(10,000)	(5,000)
110 SC-21 TOTAL SHIP SYSTEM ENGINEERING	**355,093**	**56,500**	**281,093**	**237,343**
DD-21 Program Restructure		-305,093	-80,000	-125,000
Power Node Control Program		+2,500	+3,000	+2,750

	Budget	House	Senate	Conference
Regional Electric Power Technology, Integration and Leveraging Enterprises (REPTILE)		+4,000		+3,000
Aluminum Mesh Tank Liner			+3,000	+1,500
111 SURFACE COMBATANT COMBAT SYSTEM ENGINEERING	**262,037**	**286,937**	**176,037**	**329,537**
Aegis Operational Readiness Training System Network (ORTS)		+6,000	+4,000	+4,000
Aegis Peripheral Consolidation		+8,900		+6,500
Aegis Tactical Display Upgrade		+10,000		+7,000
Cruiser Conversion			-90,000	0
Navy Area Theater Transfer		0	0	+49,000
Traveling Wave Tube Circuit				+1,000
114 STANDARD MISSLE IMPROVEMENTS	**1,309**	**1,309**	**16,309**	**14,109**
General Program Increase			+15,000	+12,800
115 AIRBORNE MCM	**52,041**	**61,041**	**57,041**	**61,641**
Remote Technical Assistance Program (RTASS)		+4,000		+2,800
CH-60S Untethered Airborne Mine Neutralization System		+5,000		+4,300
AQS - 20 Airborne Mine Hunting Sonar			+5,000	+2,500
116 SSN-688 AND TRIDENT MODERNIZATION	**43,706**	**68,706**	**43,706**	**65,206**
MPP/APB/A-RCI Model for Tactical Control Information Management and Net-centric Warfare (SSN-688 and Trident Modernization) (Note: Only to continue SBIR Phase III efforts to extend APB / MPP technology insertion to enable submarines to achieve Navy network-centric warfare objectives and to accelerate development and extension of common processing capabilities.)		+25,000		+21,500
117 AIR CONTROL	**12,821**	**12,821**	**12,821**	**12,821**
Transportable Transponder Landing System			(5000)	(2,000)
119 SHIPBOARD AVIATION SYSTEMS	**16,375**	**19,875**	**16,375**	**18,125**
Aviation Shipboard Technology Initiative		+3,500		+1,750
123 NEW DESIGN SSN	**201,596**	**208,596**	**201,596**	**206,496**
Virginia Class SSN Combat System Technology Insertion / Refresh SBIR Phase III		+7,000		+4,900
125 SUBMARINE TACTICAL WARFARE SYSTEM	**29,246**	**29,246**	**49,246**	**39,246**
Submarine Combat System Modernization Program			+20,000	+10,000
126 SHIP CONTRACT DESIGN/ LIVE FIRE T&E	**130,388**	**131,388**	**114,388**	**131,388**
Titanium Watertight Door and Hatch Cover		+1,000		+1,000
Transfer to SCN Cruiser Conversion			-16,000	0
127 NAVY TACTICAL COMPUTER RESOURCES	**3,836**	**52,836**	**3,836**	**41,036**
AN/UYQ - 70 submarine common electronics equipment replacement		+8,000		+6,800
AN/UYQ - 70 tactical computer resources (Note: Only to maintain, develop and implement technology refresh capabilities to incorporate into the future AN/UYQ - 70 workstation /server production across surface, submarine, and air platforms.)		+30,000		+21,000
Multi-level Security for Network-centric AN/UYQ - 70 (Note: Only to productize and integrate the COTS network security product that has previously received the NSA's B2 rating into the ultra thin client architecture onboard the USS Coronado.)		+4,000		+3,400
Complimentary high energy laser/missile for ship self-defense		+7,000		+6,000
129 UNGUIDED CONVENTIONAL AIR-LAUNCHED WEAPONS	**12,890**	**12,890**	**17,890**	**17,190**
Light Defender Precision Strike Missile			+5,000	+4,300
131 JOINT DIRECT ATTACK MUNITION	**56,285**	**56,285**	**56,285**	**56,285**
JDAM PIP (Note: Of this amount, $4,000,000 in only for DAMASK)		(12,200)		(12,200)
137 SHIP SELF DEFENSE - EMD	**52,163**	**57,163**	**64,163**	**64,063**
AIEWS SBIR Phase III		+3,000		+2,100
SEA RAM System Ordalt Upgrade		+2,000		+1,400
NUKLA Ship Self Defense Missile			+4,000	+2,800
Phalanx CIWS SEA RAM OrdAlt			+8,000	+5,600
140 MEDICAL DEVELOPMENT	**5,455**	**7,455**	**19,955**	**23,255**
Navy Voice Interactive Device follow-on		+2,000		+6,000
High Resolution Digital Mammography			+3,000	+1,500
Military Dental Research			+4,000	+2,800
Sonarman Earcom Technology			+500	+500
Coastal Cancer Control			+5,000	+3,500
Naval Blood Research Laboratory			+2,000	+1,000
Naval Medical Research Center Radiation Exposure Treatment				+2,500
142 DISTRIBUTED SURVEILLANCE SYSTEM	**34,711**	**42,711**	**42,211**	**42,711**
Advanced Deployable System (Note: $4,000,000 only for acceleration of cable burial capability, larger diamter cable, and surface ship deployment.)		+8,000		+4,000

	Budget	House	Senate	Conference
Advanced Deployable System (Note: $4,000,000 onlly for the application of fiber optic technology)			+7,500	+4,000
143 JOINT STRIKE FIGHTER (JSF) - EMD	**767,259**	**767,259**	**618,659**	**769,759**
Delay in Down-Select			-153,600	0
Alternate Engine Program			+5,000	+2,500
147 INFORMATION TECHNOLOGY DEVELOPMENT	**49,333**	**63,533**	**58,333**	**60,233**
SPAWAR ITC Enterprise Management		+6,000	+9,000	+4,500
Defense Software Productivity Initiative		+3,200		+2,800
Secure Interactive Distributed Learning (SIDL)		+2,000		+1,000
Total Fleet Support System (Note: Only to reduce fleet support costs by consolidating integrated call centers in the Distance Support Anchordesk and Web Portal.)		+3,000		+2,600
151 THREAT SIMULATOR DEVELOPMENT	**30,110**	**30,110**	**30,110**	**30,110**
Battle Effects Simulator			(1,500)	(1,500)
153 MAJOR T&E INVESTMENT	**41,804**	**43,804**	**42,804**	**44,504**
Navy Test and Evaluation Range and Airborne Telemetry System Modernization - Sub Column Array and Receiver Upgrade		+2,000		+1,700
Flight Operation Safety at Paxtuxent River			+1,000	+1,000
154 STUDIES AND ANALYSIS SUPPORT - NAVY	**6,679**	**4,679**	**6,679**	**4,679**
Authorization Reduction		-2,000		-2,000
158 TECHNICAL INFORMATION SERVICES	**951**	**11,951**	**951**	**10,251**
Supply Chain Practices		+2,500		+2,000
Commercialization of Advanced Technology (CAT) (Note: Only to continue and expand the existing program)		+6,000		+5,100
Lean Pathways Project Expansion and Distance Learning (Note: funds are for a distance learning component.)		+2,500		+2,200
159 MANAGEMENT, TECHNICAL & INTERNATIONAL SUPPORT	**21,628**	**18,628**	**21,628**	**18,628**
Program Growth Reduction		-3,000		-3,000
164 TEST AND EVALUATION SUPPORT	**277,414**	**274,500**	**277,414**	**278,314**
Authorization Reduction		-7,414		-3,000
Safety and Survivability Study of Protective Pumice Technology (Note: Only for Pumice Protective Technology testing and development.)		+2,500		+2,200
Collaborative Virtual Interactive Design Environment		+2,000		+1,700
167 SEW SURVEILLANCE/RECONAISSANCE SUPPORT	**12,693**	**17,893**	**12,693**	**16,493**
(Note: Only for projects in support of Time Critical Strike.)		+1,200		+1,000
(Note: Only for a limited demonstration of Radiant Argon on F/A -18.)		+4,000		+2,800
168 MARINE CORPS PROGRAM WIDE SUPPORT	**9,614**	**24,614**	**11,614**	**20,314**
CBIRF		+6,000		+3,000
Chemical-Biological Multi-Sensor Analyzer / Detector		+2,000		+1,700
Consequence Management Interoperability Services		+7,000		+5,000
Nanoparticle Responses to Chem Bio Threats			+2,000	+1,000
169 TACTICAL CRYPTOLOGIC ACTIVITIES	**85,000**	**0**	**85,000**	**0**
Defense Cryptological Program Transfer		-85,000		-85,000
176 STRATEGIC SUB & WEAPONS SYSTEM SUPPORT	**43,322**	**46,822**	**43,322**	**45,822**
Radiation Hardened Electronics Application Program (RHEAP)		+3,500		+2,500
180 F/A-18 SQUADRONS	**253,257**	**233,257**	**260,257**	**259,257**
Authorization Reduction		-20,000		0
SHARP Pods for shortfall due to accelerated deployment schedule			+7,000	+6,000
182 FLEET TELECOMMUNICATIONS (TACTICAL)	**21,136**	**25,136**	**21,136**	**24,536**
Programmable Integrated Computer Terminal (Note: Funds are only to combine the Integrated Voice Network and the Programmable Integrated Communications Terminal with the Digital Modular Radio.)		+4,000		+3,400
184 INTEGRATED SURVEILLANCE SYSTEM	**20,041**	**36,041**	**32,041**	**38,641**
Web centric ASW Net (WeCan) (Note: Only for continued devolpment of Web centric ASW (WeCan) for collaborative planning, execution and follow-on analysis for the common undersea picture, integration of additional tactical decision aids, and expansion to multi-warfare areas and domains.)		+8,000	+4,000	+6,000
IUSS (Note: Only for the IUSS Mission Planning System.)		+8,000		+6,800
Fixed Distributed System			+4,000	+3,000
SURTASS/LFA			+4,000	+2,800
185 AMPHIBIOUS TACTICAL SUPPORT UNITS	**24,387**	**29,387**	**24,387**	**26,887**
Supporting Arms Technology Insertion		+5,000		+2,500

	Budget	House	Senate	Conference
186 CONSOLIDATED TRAINING SYSTEMS DEVELOPMENT	**22,407**	**25,607**	**23,607**	**25,407**
SEAT - Battle Force Tactical Training		+2,000		+1,000
Tactical Communications On-board Trainer for Battle Force Tactical Training		+1,200		+1,000
LINK On-Board Trainer			+1,200	+1,000
187 ELECTRONIC WARFARE (EW) READINESS SUPPORT	**7,659**	**12,659**	**10,159**	**10,159**
Common High Bandwidth Datalink - CHBDL		+5,000		+2,500
CDL-N Modernization			+2,500	0
188 HARM IMPROVEMENT	**13,630**	**34,630**	**13,630**	**28,330**
AARGM		+21,000		+14,700
190 SURFACE ASW COMBAT SYSTEM INTEGRATION	**28,119**	**24,219**	**28,119**	**28,119**
Authorization Reduction		-3,900		0
192 AVIATION IMPROVEMENTS	**41,430**	**46,430**	**43,430**	**45,330**
Aircraft AGE Exploration Model Development		+5,000		+2,500
Nano-Composite Hard-Coat for Aircraft Coatings			+2,000	+1,400
193 NAVY SCIENCE ASSISTANCE PROGRAM	**4,945**	**4,945**	**20,945**	**18,645**
LASH Airship			+6,000	+5,100
LASH ASW			+5,000	+4,300
Littoral / Mine Countermeasures Program			+5,000	+4,300
194 F-14 UPGRADE	**0**	**0**	**3,000**	**1,500**
TACL SAR Pod			+3,000	+1,500
196 MARINE CORPS COMMUNICATIONS SYSTEMS	**104,835**	**126,835**	**104,835**	**120,835**
Surface Warfare Center - Ballon Upgrade for Sonobouys		+1,500		+1,100
AN/TPS-59(v)3 SLEP Slotted Waveguide Antenna		+10,000		+6,000
Combined Arms Command and Control Training Upgrade System (CACTUS)		+6,000		+5,100
Mobile Electronic Warfare Support System (MEWSS) specific emitter identification upgrade		+4,500		+3,800
197 MARINE CORPS GROUND COMBAT/SUPPORTING ARMS SYSTEM S	**43,935**	**43,935**	**33,935**	**38,935**
Lightweight 155 MM Howizter			-10,000	-5,000
204 INFORMATION SYSTEMS SECURITY PROGRAM	**20,942**	**25,942**	**20,942**	**23,442**
Intelligent Agent Security Module (Note: Only for SBIR Phase III.)		+5,000		+2,500
206 NAVY METEOROLOGICAL AND OCEAN SENSORS-SPACE (METOC)	**23,492**	**21,592**	**23,492**	**22,492**
Authorization Reduction		-1,900		-1,000
209 TACTICAL UNMANNED AERIAL VEHICLES	**66,349**	**76,349**	**66,349**	**73,349**
(a)VTOL UAV (Note: $5,000,000 only for Maritime Patrol and Reconnaissance (MPR) study, experimentation, and ecamination of the concept of operations for employment of Global Hawk UAV in conjunction with other assets for MPR mission)				+5,000
(b)Joint Operational Test Bed for UAVs (Note: $2,000,000 only for system upgrades and support of Government Flight Activity.)				+2,000
210 AIRBORNE RECONNAISSANCE SYSTEMS	**5,736**	**22,236**	**12,736**	**17,536**
(a) EO Framing (NOTE: $5,000,000 only for continued development of precision strike, integrated electronic shutter, and zoom lens upgrades.)				+5,000
(b)EO Framing (NOTE: $1,700,000 only for NRL core R&D on sensors to restore EO/IR sensor research efforts to fiscal year 2001 levels as originally requested by NRL. The Secretary of the Navy is directed to continue to full support core research funding requirements.)				+1,700
(c) EP-3 (NOTE: $2,500,000 only for EP-3 mission system weight reduction initiative)				+2,500
(d) Upgrades (NOTE: $2,600,000 only for hyperspectral modular upgrades to ARS)			+3,000	+2,600
211 MANNED RECONNAISSANCE SYSTEMS	**29,232**	**43,232**	**29,232**	**33,232**
(a) (Note: Shared Reconnaissance Pod (SHARP) $6,000,000 provided in PE0204136N F/A Squadrons)		+7,000		0
(b) (Note: $4,000,000 only to accelerate the introduction of the Advanced Multiband Receiver System (AMOSS) on special project aircraft.)		+7,000		+4,000
212 DISTRIBUTED COMMON GROUND SYSTEMS	**4,467**	**9,467**	**4,467**	**7,267**
(a) (Note: $2,800,000 only for accleration of the PC Digitial Imagery Workstation Suite (DIWS) initial operating capability.)		+4,000		+2,800
(b) (Note: Precision targeting)		+1,000		0
213 NAVAL SPACE SURVEILLANCE SPACE ACTIVITIES	**4,237**	**4,237**	**4,237**	**4,937**
Excessive Program Growth	0	-2,500		-1,000
SPAWAR Covert Communication and Information Transfer Project (CCIT)		+2,500		+1,700
214 MODELING AND SIMULATION SUPPORT	**7,828**	**9,828**	**14,828**	**12,728**
Enhanced Modeling and Simulation Initiatives		+2,000	+7,000	+4,900
216 INDUSTRIAL PREPAREDNESS	**70,605**	**75,605**	**70,605**	**73,105**
General Increase		+5,000		+2,500

	Budget	House	Senate	Conference
217 MARITIME TECHNOLOGY (MARITECH)	**20,065**	**34,065**	**25,065**	**33,565**
High Speed Cargo Craft		+4,000		+4,000
Maritime Technology , Ship Design and Systems Development Initiative (Note: Only for the New Orleans Maritime Technology Center of Excellence.)		+10,000	+5,000	+7,000
National Shipbuilding Research Program (NSRP)			+5,000	+2,500

CCS–MK2

The conferees agree that it is vital that the future development and evolution of combat control capabilities for the nation's submarine force takes place in a fully competitive acquisition environment and that the technical architecture of submarine combat control systems utilizes open systems compute processing standards. The conferees therefore, direct the Department of the Navy to submit an acquisition plan for the CCS–MK2 program to Congress no later than April 15th, 2002 which addresses these concerns to include potential options to compete the role of prime system integrator. The conferees do not agree to House language restricting the use of funds for the CCS–MK2 program.

JOINT EXPERIMENTATION

The conferees agree to provide $103,802,000 for Joint Experimentation, a decrease of $15,000,000 to the budget request. The conferees also direct the Secretary of Defense to provide a report to the Appropriations Committees no later than May 15, 2002 which examines whether the Office of the Director, Force Transformation should assume responsibility for the oversight and funding of the direction, preparation, execution and assessment of the U.S. Joint Forces Command Joint Experimentation program.

TACTICAL INPUT SEGMENT (TIS) AND NAVY INPUT STATION (NAVIS)

In an effort to assist the Navy in ensuring an on-time delivery of a next generation real-time reconnaissance imagery receiving and display system, the conferees recommend that within amounts appropriated to the Office of Naval Research, up to $2,000,000 may be made available to build additional Navy Input Stations (NAVIS) ground stations that meet emergent operational requirements and provide risk mitigation for the Tactical Input Segment (TIS).

In addition, the conferees direct the Navy to continue to integrate the technologies developed in NAVIS into the TIS architecture to ensure the best capabilities of both systems are delivered to the Fleet in time for the first F/A–18 SHARP deployment. The conferees believe that combining such technologies will best serve the tactical precision strike requirements for the Navy now and in the future.

SPRAY COOLING TECHNOLOGY

The Conferees are concerned to learn that despite appropriations in two prior years, arrangements for the manufacture of spray cooling technology have yet to be finalized. The conferees direct the Marine Corps to act in an expedited manner to resolve this issue.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
RESEARCH, DEVELOPMENT, TEST & EVAL, AF				
BASIC RESEARCH				
DEFENSE RESEARCH SCIENCES	220,869	227,119	220,869	228,419
TOTAL, BASIC RESEARCH	220,869	227,119	220,869	228,419
APPLIED RESEARCH				
MATERIALS	77,164	88,664	98,164	98,564
AEROSPACE VEHICLE TECHNOLOGIES	97,465	100,715	97,465	99,415
HUMAN EFFECTIVENESS APPLIED RESEARCH	69,080	70,930	69,080	70,480
AEROSPACE PROPULSION	149,211	189,111	154,211	179,811
AEROSPACE SENSORS	84,149	79,049	84,149	81,149
SPACE TECHNOLOGY	61,086	69,586	78,586	81,686
CONVENTIONAL MUNITIONS	49,270	49,270	49,270	49,270
DIRECTED ENERGY TECHNOLOGY	36,678	31,978	36,678	34,678
COMMAND CONTROL AND COMMUNICATIONS	61,659	70,959	61,659	66,659
DUAL USE SCIENCE AND TECHNOLOGY PROGRAM	10,417	10,417	10,417	10,417
TOTAL, APPLIED RESEARCH	696,179	760,679	739,679	772,129
ADVANCED TECHNOLOGY DEVELOPMENT				
ADVANCED MATERIALS FOR WEAPON SYSTEMS	32,748	45,248	41,748	46,248
ADVANCED AEROSPACE SENSORS	55,809	65,109	55,809	61,509
FLIGHT VEHICLE TECHNOLOGY	---	4,000	4,000	4,600
AEROSPACE TECHNOLOGY DEV/DEMO	26,269	27,869	26,269	23,169
AEROSPACE PROPULSION AND POWER TECHNOLOGY	114,335	124,335	117,335	122,735
CREW SYSTEMS AND PERSONNEL PROTECTION TECHNOLOGY	32,356	36,856	32,356	34,356
ELECTRONIC COMBAT TECHNOLOGY	28,221	37,221	28,221	32,721

(In thousands of dollars)

	Budget	House	Senate	Conference
BALLISTIC MISSILE TECHNOLOGY	---	2,500	---	1,200
ADVANCED SPACECRAFT TECHNOLOGY	54,528	59,528	63,528	61,528
MAUI SPACE SURVEILLANCE SYSTEM (MSSS)	6,484	6,484	30,984	27,284
CONVENTIONAL WEAPONS TECHNOLOGY	37,617	44,317	37,617	40,117
ADVANCED WEAPONS TECHNOLOGY	43,758	52,758	65,458	67,558
C3I ADVANCED DEVELOPMENT	32,644	35,844	32,644	33,544
UCAV	---	21,100	---	21,100
TOTAL, ADVANCED TECHNOLOGY DEVELOPMENT	464,769	563,169	535,969	577,669
DEMONSTRATION & VALIDATION				
INTELLIGENCE ADVANCED DEVELOPMENT	4,482	4,482	4,482	4,482
NAVSTAR GLOBAL POSITIONING SYSTEM III	78,358	66,358	78,358	78,358
ADVANCED EHF MILSATCOM (SPACE)	549,659	459,659	549,659	479,659
POLAR MILSATCOM (SPACE)	18,724	13,724	18,724	18,724
NATIONAL POLAR-ORBITING OPERATIONAL ENVIRONMENTAL	157,394	103,394	157,394	157,394
SPACE CONTROL TECHNOLOGY	33,022	33,022	33,022	33,022
COMBAT IDENTIFICATION TECHNOLOGY	11,523	11,523	11,523	11,523
NATO RESEARCH AND DEVELOPMENT	5,616	5,616	5,616	5,616
JOINT STRIKE FIGHTER	---	---	30,000	---
INTEGRATED BROADCAST SERVICE (DEM/VAL)	20,529	17,529	20,529	17,529
INTERCONTINENTAL BALLISTIC MISSILE - DEM/VAL	44,484	51,484	44,484	47,984
WIDEBAND GAPFILLER SYSTEM RDT&E (SPACE)	96,670	99,370	96,670	100,670
AIR FORCE/NATIONAL PROGRAM COOPERATION (AFNPC)	4,433	---	4,433	2,433
POLLUTION PREVENTION (DEM/VAL)	2,688	---	2,688	---
JOINT PRECISION APPROACH AND LANDING SYSTEMS - DEM/VAL	9,554	9,554	9,554	9,554

(In thousands of dollars)

	Budget	House	Senate	Conference
TOTAL, DEMONSTRATION & VALIDATION	1,037,136	875,715	1,067,136	966,948
ENGINEERING & MANUFACTURING DEVEL				
GLOBAL BROADCAST SERVICE (GBS)	34,544	34,544	34,544	34,544
JOINT HELMET MOUNTED CUEING SYSTEM (JHMCS)	5,960	5,960	5,960	5,960
INTEGRATED AVIONICS PLANNING AND DEVELOPMENT	---	---	3,000	---
NUCLEAR WEAPONS SUPPORT	13,120	13,120	13,120	13,120
B-1B	194,507	152,307	152,307	152,307
SPECIALIZED UNDERGRADUATE PILOT TRAINING	4,885	4,885	4,885	4,885
F-22 EMD	865,464	881,556	865,464	881,556
NEXT GENERATION TANKER	---	150,000	---	---
B-2 ADVANCED TECHNOLOGY BOMBER	155,004	222,004	218,004	219,004
SPACE-BASED RADAR EMD	50,000	50,000	25,000	25,000
MULTI-MISSION C-2 AIRCRAFT	---	25,000	---	---
EW DEVELOPMENT	41,267	44,567	54,967	42,967
EXTENDED RANGE CRUISE MISSILE (ERCM)	40,235	---	---	---
SMALL DIAMETER BOMB (SDB) (DEM/VAL)	40,000	40,000	25,000	35,000
SPACE BASED INFRARED SYSTEM (SBIRS) HIGH EMD	405,229	435,229	455,229	445,229
MILSTAR LDR/MDR SATELLITE COMMUNICATIONS (SPACE)	232,084	229,584	232,084	232,184
ARMAMENT/ORDNANCE DEVELOPMENT	3,838	3,838	3,838	3,838
SUBMUNITIONS	4,809	4,809	4,809	4,809
AGILE COMBAT SUPPORT	6,674	6,674	6,674	16,174
JOINT DIRECT ATTACK MUNITION	27,956	27,956	27,956	27,956
UAV RADAR SENSOR TESTBED (C-37A)	---	50,000	---	---
LIFE SUPPORT SYSTEMS	4,586	11,286	8,586	9,286
COMBAT TRAINING RANGES	25,943	25,943	25,943	25,943

(In thousands of dollars)

	Budget	House	Senate	Conference
INTEGRATED COMMAND &; CONTROL APPLICATIONS (IC2A).....	224	8,224	3,224	6,824
INTELLIGENCE EQUIPMENT.....	1,323	1,323	1,823	1,823
TACTICAL DATA LINK INFRASTRUCTURE.....	17,648	17,648	17,648	17,648
COMMON LOW OBSERVABLES VERIFICATION SYSTEM (CLOVERS)..	6,713	6,713	6,713	6,713
TACTICAL DATA LINK INTEROPERABILITY.....	5,677	5,677	5,677	5,677
JOINT STRIKE FIGHTER EMD.....	769,511	769,511	615,911	769,511
NEXT GENERATION JSTARS TESTBED.....	---	190,000	---	---
INTERCONTINENTAL BALLISTIC MISSILE - EMD.....	81,086	81,086	81,086	81,086
EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM (SPACE).....	320,321	310,321	320,321	315,321
RDT&E FOR AGING AIRCRAFT.....	20,115	48,115	24,015	41,615
PRECISION ATTACK SYSTEMS PROCUREMENT.....	5,984	5,984	5,984	5,984
COMBAT SURVIVOR EVADER LOCATOR.....	11,486	11,486	11,486	11,486
CV-22.....	10,008	10,008	---	190,008
TOTAL, ENGINEERING & MANUFACTURING DEVEL.....	3,406,201	3,885,358	3,261,258	3,633,458
RDT&E MANAGEMENT SUPPORT				
THREAT SIMULATOR DEVELOPMENT.....	38,153	38,153	38,153	38,153
MAJOR T&E INVESTMENT.....	49,857	64,857	59,857	62,857
RAND PROJECT AIR FORCE.....	25,098	25,098	25,098	25,098
RANCH HAND II EPIDEMIOLOGY STUDY.....	10,950	10,950	10,950	10,950
INITIAL OPERATIONAL TEST & EVALUATION.....	28,998	35,998	28,998	33,498
TEST AND EVALUATION SUPPORT.....	396,583	393,283	396,583	392,583
ROCKET SYSTEMS LAUNCH PROGRAM (SPACE).....	8,538	32,538	8,538	27,838
SPACE TEST PROGRAM (STP).....	50,523	50,523	50,523	50,523
GENERAL SKILL TRAINING.....	309	---	309	---
JUDGMENT FUND REIMBURSEMENT.....	10,000	10,000	10,000	10,000

(In thousands of dollars)

	Budget	House	Senate	Conference
INTERNATIONAL ACTIVITIES	3,846	3,846	3,846	3,846
TOTAL, RDT&E MANAGEMENT SUPPORT	622,855	665,246	632,855	655,346
OPERATIONAL SYSTEMS DEVELOPEMENT				
B-52 SQUADRONS	66,874	66,874	66,874	66,874
ADVANCED CRUISE MISSILE	2,487	2,487	2,487	2,487
AIR-LAUNCHED CRUISE MISSILE (ALCM)	6,841	6,841	6,841	6,841
REGION/SECTOR OPER CONTROL CENTER MODENIZATION PROGRAM REGION/SECTOR OPERATION CONTROL CENTER MODERNIZATION	---	---	7,000	6,000
WARFIGHTER RAPID ACQUISITION PROCESS (WRAP) RAPID TRAN	30,247	30,247	30,247	30,247
JOINT EXPEDITIONARY FORCE EXPERIMENT	64,005	22,605	64,005	44,005
A-10 SQUADRONS	3,049	8,049	3,049	5,549
F-16 SQUADRONS	110,797	115,797	110,797	115,097
F-15E SQUADRONS	101,439	101,439	113,439	108,439
MANNED DESTRUCTIVE SUPPRESSION	22,239	22,239	22,239	22,239
F-22 SQUADRONS	16,092	---	16,092	---
F-117A SQUADRONS	2,305	2,305	2,305	2,305
TACTICAL AIM MISSILES	5,771	5,771	5,771	5,771
ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	57,702	57,702	57,702	57,702
AF TENCAP	10,811	13,811	12,811	12,811
SPECIAL EVALUATION PROGRAM	100,027	100,027	100,027	100,027
COMPASS CALL	3,908	3,908	3,908	3,908
AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	175,101	175,101	175,101	175,101
CSAF INNOVATION PROGRAM	1,961	1,961	4,961	1,961
JOINT AIR-TO-SURFACE STANDOFF MISSILE (JASSM)	79,197	79,197	79,197	79,197
AEROSPACE OPERATIONS CENTER (AOC)	19,514	19,514	19,514	19,514

(In thousands of dollars)

	Budget	House	Senate	Conference
CONTROL AND REPORTING CENTER (CRC)	7,047	7,047	7,047	7,047
AIRBORNE WARNING AND CONTROL SYSTEM (AWACS)	39,787	39,787	39,787	39,787
ADVANCED COMMUNICATIONS SYSTEMS	9,324	9,324	9,324	9,324
EVALUATION AND ANALYSIS PROGRAM	204,467	183,467	204,467	204,467
ADVANCED PROGRAM TECHNOLOGY	107,716	100,716	107,716	107,716
THEATER BATTLE MANAGEMENT (TBM) C4I	37,331	37,331	38,331	38,331
JOINT SURVEILLANCE AND TARGET ATTACK RADAR SYSTEM	147,859	243,359	159,359	155,359
SEEK EAGLE	17,833	17,833	17,833	17,833
ADVANCED PROGRAM EVALUATION	82,397	82,397	82,397	82,397
USAF MODELING AND SIMULATION	25,345	31,345	25,345	30,845
WARGAMING AND SIMULATION CENTERS	5,033	9,033	10,433	8,033
FULL COMBAT MISSION TRAINING	3,763	3,763	3,763	3,763
MISSION PLANNING SYSTEMS	16,904	19,904	16,904	18,404
INFORMATION WARFARE SUPPORT	1,803	1,803	1,803	1,803
TECHNICAL EVALUATION SYSTEM	154,621	154,621	154,621	154,621
SPECIAL EVALUATION SYSTEM	42,334	42,334	42,334	42,334
COBRA BALL	---	---	6,000	5,100
E-4B NATIONAL AIRBORNE OPERATIONS CENTER (NAOC)	23,359	23,359	23,359	23,359
DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPACE)	3,895	3,895	3,895	3,895
AIR FORCE COMMUNICATIONS (AIRCOM)	31,828	31,828	31,828	31,828
MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK (ME	5,982	5,982	5,982	5,982
INFORMATION SYSTEMS SECURITY PROGRAM	7,936	22,436	12,936	20,536
GLOBAL COMBAT SUPPORT SYSTEM	48,911	54,911	48,911	53,011
GLOBAL COMMAND AND CONTROL SYSTEM	3,521	3,521	3,521	3,521
COMMUNICATIONS SECURITY (COMSEC)	4,131	4,131	4,131	4,131

(In thousands of dollars)

	Budget	House	Senate	Conference
MILSATCOM TERMINALS	41,763	41,763	41,763	41,763
SELECTED ACTIVITIES	79,208	58,208	53,208	59,208
GLOBAL AIR TRAFFIC MANAGEMENT (GATM)	9,331	9,331	9,331	9,331
SATELLITE CONTROL NETWORK (SPACE)	56,349	56,349	56,349	56,349
WEATHER SERVICE	11,452	11,452	11,452	11,452
AIR TRAFFIC CONTROL, APPROACH, AND LANDING SYSTEM	26,982	26,982	26,982	26,982
SECURITY AND INVESTIGATIVE ACTIVITIES	472	472	472	472
TITAN SPACE LAUNCH VEHICLES (SPACE)	21,293	21,293	21,293	21,293
DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES (SPACE)	46,578	46,578	46,578	46,578
DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)	12,259	12,259	12,259	12,259
NAVSTAR GLOBAL POSITIONING SYSTEM (USER EQUIPMENT)	53,093	53,093	53,093	53,093
NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE AND CONTROL	186,459	186,459	186,459	180,459
SPACELIFT RANGE SYSTEM (SPACE)	65,097	75,197	65,097	70,897
DRAGON U-2 (JMIP)	32,804	25,804	36,804	30,804
ENDURANCE UNMANNED AERIAL VEHICLES	190,237	172,737	206,237	197,737
AIRBORNE RECONNAISSANCE SYSTEMS	77,766	81,785	92,766	57,785
MANNED RECONNAISSANCE SYSTEMS	---	4,500	---	2,000
DISTRIBUTED COMMON GROUND SYSTEMS	11,429	21,429	11,429	16,429
NCMC - TW/AA SYSTEM	15,797	15,797	15,797	15,797
SPACETRACK (SPACE)	32,591	23,691	32,591	23,691
DEFENSE SUPPORT PROGRAM (SPACE)	6,363	6,363	6,363	6,363
NUDET DETECTION SYSTEM (SPACE)	18,823	18,823	21,823	21,823
SHARED EARLY WARNING (SEW)	3,697	3,697	3,697	3,697
C-130 AIRLIFT SQUADRON	80,533	60,533	80,533	60,533
C-5 AIRLIFT SQUADRONS	166,508	152,508	166,508	156,508

(In thousands of dollars)

	Budget	House	Senate	Conference
C-17 AIRCRAFT	110,619	110,619	110,619	110,619
LARGE AIRCRAFT IR COUNTERMEASURES (LAIRCM)	62,530	62,530	62,530	62,530
KC-135S	5,416	5,416	5,416	5,416
KC-10S	22,774	22,774	22,774	22,774
SPECIAL OPERATIONS FORCES	---	3,000	---	---
DEPOT MAINTENANCE (NON-IF)	1,542	4,042	1,542	2,742
INDUSTRIAL PREPAREDNESS	53,782	61,782	53,782	58,982
PRODUCTIVITY, RELIABILITY, AVAILABILITY, MAINTAIN PRO.	20,689	32,189	20,689	26,889
JOINT LOGISTICS PROGRAM - AMMUNITION STANDARD SYSTEM	106	---	106	---
SUPPORT SYSTEMS DEVELOPMENT	24,221	30,221	25,221	29,221
COMPUTER RESOURCES SUPPORT IMPROVEMENT PROGRAM (CRSIP)	2,376	2,376	2,376	2,376
CIVILIAN COMPENSATION PROGRAM	7,019	7,019	7,019	7,019
CLASSIFIED PROGRAMS	4,424,521	4,412,699	3,864,283	4,389,589
TOTAL, OPERATIONAL SYSTEMS DEVELOPEMENT	7,895,973	7,911,772	7,401,635	7,840,962
DOE JOINT RESEARCH ADJUSTMENT	---	-5,000	---	---
GENERAL REDUCTION	---	---	---	-5,000
TOTAL, RESEARCH, DEVELOPMENT, TEST & EVAL, AF	14,343,982	14,884,058	13,859,401	14,669,931

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[In thousands of dollars]

	Budget	House	Senate	Conference
1 DEFENSE RESEARCH SCIENCES	**220,869**	**227,119**	**220,869**	**228,419**
Center for Astronomical Adaptive Optics		+4,000		+2,000
Environmentally Sound Aircraft Coatings		+1,000		0
Center for Solar Geophysical Interactions at Mt. Wilson Observatory		+750		+750
Coal based jet fuels		+3,000		+2,500
Focused Ion Beam System		+1,500		+1,300
Reduce mathematical and computer sciences to prior year levels		-3,000		0
Reduce electronics to prior year levels		-2,000		0
California Science Center		+1,000		+1,000
2 MATERIALS	**77,164**	**88,664**	**98,164**	**98,564**
Metal Affordability Initiative		+4,500	+5,000	+3,000
Advanced silicon carbide crystal device technology		+7,000		+6,000
Durable Hybrid Coatings for Aircraft Systems			+3,000	+2,000
Titanium Matrix Composites			+5,000	+4,300
Environmentally Sound Aircraft Coatings			+1,500	+1,000
Carbon Foam Development for Aircraft and Spacecraft			+4,000	+3,400
UV Free Electron Laser			+2,500	+1,700
3 AEROSPACE VEHICLE TECHNOLOGIES	**97,465**	**100,715**	**97,465**	**99,415**
AFRL Tyndall		+2,500		+1,200
Advanced Comprehensive Engineering Simulator (ACES)		+750		+750
4 HUMAN EFFECTIVENESS APPLIED RESEARCH	**69,080**	**70,930**	**69,080**	**70,480**
UCAV funding consolidation		-1,400		-1,400
Fatigue Countermeasure Research (Note: Only to conduct laboratory studies at Brooks AFB to complete research on the efficacy and safety of fatigue countermeasure medications during military operations.)		+1,250		+1,100
Rapid Detection of Biological Weapons of Mass Destruction (Note: Only to design and develop probe kits to identify Biological Weapons of Mass Destruction.)		+2,000		+1,700
5 AEROSPACE PROPULSION	**149,211**	**189,111**	**154,211**	**179,811**
Magnetic Bearing Cooling Turbine Technology (MBCT)		+1,500	+5,000	+3,000
Pulse Detonation Engine		+6,000		+3,000
Engineering Tool Improvement Program		+2,600		+1,500
PBO Membrane Fuel Cell		+2,000		+1,000
Lithium ion battery for aircraft, spacecraft, and handheld applications		+2,000		+1,000
Lithium ion battery technology for solid state lasers		+1,000		+1,000
IHPRPT		+9,500		+7,100
AFRL Test Stands (1D and 2A modernization at Edwards AFB)		+12,600		+10,700

	Budget	House	Senate	Conference
Jet Engine Test Cell Upgrade		+2,700		+2,300
Note: Only to retrofit and upgrade existing space and aircraft engine test facilities to support reusable launch vehicle and new propellant development programs.				
6 AEROSPACE SENSORS	**84,149**	**79,049**	**84,149**	**81,149**
Reduction		-14,100		-7,000
Adverse Weather Ballistic Imaging		+4,000		+1,800
Advanced FT-IR Gas Analysis		+2,000		+1,000
Integration of Flexible Substances		+3,000		+1,200
8 SPACE TECHNOLOGY	**61,086**	**69,586**	**78,586**	**81,686**
Mixed Signal VLSI for Space Vehicle Comm Subsystems		+2,500		+1,300
Composite Cryogenic Fuel Tank		+4,000		+3,000
Terabit		+2,000		+1,700
HAARP Electromagnetic Wave Gradiometer			+2,000	+1,700
HAARP Incoherent Radar			+3,000	+2,600
HAARP Space Technology			+10,000	+8,500
Satellite Simulation Tool Kit			+2,500	+1,800
10 DIRECTED ENERGY TECHNOLOGY	**36,678**	**31,978**	**36,678**	**34,678**
Reduction		-5,700		-3,000
Tactical/Operations Systems Simulator		+1,000		+1,000
11 COMMAND CONTROL AND COMMUNICATIONS	**61,659**	**70,959**	**61,659**	**66,659**
Reduction		-5,200		-3,000
Simulation Based Acquisition Initiative		+6,500		+3,900
Information Hiding, Steganography & Digital Watermarking for Information Protection and Authentications Systems		+3,000		+1,800
Assured Communications		+5,000		+2,300
14 ADVANCED MATERIALS FOR WEAPON SYSTEMS	**32,748**	**45,248**	**37,748**	**46,248**
Technology Development Investment for Aging Aircraft		+3,000		+2,100
Vapor Growth Carbon Fiber (VGCF)		+1,000		+1,000
Handheld Holographic Radar Gun		+1,500		+1,000
Ceramic Matrix Composite for Engines (Note: Only for the continuation of S200 CMC technology development program)		+2,000	+4,000	+2,800
Metal Affordability Initiative		+2,500		+1,100
Plasma Enhanced Chemical Vapor Deposition Techniques		+2,500		+2,100
Advanced Aluminum Aerostructures			+5,000	+3,400
16 ADVANCED AEROSPACE SENSORS	**55,809**	**65,109**	**55,809**	**61,509**
UCAV funding consolidation		-2,700		-2,700
Advanced Physical Vapor Transport		+1,500		+1,000
Radar Target Modeling Thrust		+10,500		+7,400
17 FLIGHT VEHICLE TECHNOLOGY	**0**	**4,000**	**4,000**	**4,600**
AFRL Tyndall		+4,000		+1,800
E-SMART Chemical and Biological Sensors			+4,000	+2,800

	Budget	House	Senate	Conference
18 AEROSPACE TECHNOLOGY DEV/DEMO	**26,269**	**27,869**	**26,269**	**23,169**
UCAV funding consolidation		-11,900		-11,900
Access to space systems project		+2,000		+1,400
Aeronautical Systems Center		+7,000		+4,900
Affordable Combat Avionics Initiative		+2,500		+1,500
3D Bias Woven Preforms		+2,000		+1,000
19 AEROSPACE PROPULSION AND POWER TECHNOLOGY	**114,335**	**124,335**	**117,335**	**122,735**
Joint Expendable Turbine Engine Concept (JETEC)		+4,000		+2,000
IHPRPT		+6,000		+4,400
Vector Thrusted Ducted Propeller			+3,000	+2,000
CREW SYSTEMS AND PERSONNEL PROTECTION 21 TECHNOLOGY	**32,356**	**36,856**	**32,356**	**34,356**
Combat Automation Requirements Testbed		+1,500		+1,000
Head Mounted Display Technology		+3,000		+1,000
24 ELECTRONIC COMBAT TECHNOLOGY	**28,221**	**37,221**	**28,221**	**32,721**
IDAL C3NI		+1,000		+1,000
CLIRCM		+8,000		+3,500
26 BALLISTIC MISSILE TECHNOLOGY	**0**	**2,500**	**0**	**1,200**
GPS Range Safety		+2,500		+1,200
27 ADVANCED SPACECRAFT TECHNOLOGY	**54,528**	**59,528**	**63,528**	**61,528**
Scorpius Space Lift Program		+3,000	+9,000	+6,000
Next Generation Hybrid Orbital Maneuver Vehicle		+2,000		+1,000
29 MAUI SPACE SURVEILLANCE SYSTEM (MSSS)	**6484**	**6484**	**30984**	**27284**
Program Increase			+20,500	+17,400
Pan-STARRS			+4,000	+3,400
30 CONVENTIONAL WEAPONS TECHNOLOGY	**37,617**	**44,317**	**37,617**	**40,117**
UCAV funding consolidation		-1,300		-1,300
LOCAAS		+8,000		+3,800
31 ADVANCED WEAPONS TECHNOLOGY	**43,758**	**52,758**	**65,458**	**67,558**
Reduction		-5,000		-3,000
GLINT		+10,000		+7,000
Sodium wavelength laser		+2,000		+1,700
Manufacturing Analysis for the Advanced Tactical Laser		+2,000		+1,700
Aerospace Relay Mirror System			+9,200	+6,400
Field Laser Demonstration (FLD) Upgrades (ALVA)			+10,000	+8,500
Laser Spark Countermeasure			+2,500	+1,500
34 C3I ADVANCED DEVELOPMENT	**32,644**	**35,844**	**32,644**	**33,544**
Adaptive Information Protection Technologies		+2,000		+1,700
Note: For system protection philosophies through the exploration of the application of adaptive technology using and modifying commercial off-the-shelf technology.				
UCAV funding consolidation		-3,800		-3,800
Information Hiding, Steganography & Digital Watermarking for Information Protection and Authentications Systems		+5,000		+3,000
UCAV		**21,100**	**0**	**21,100**
UCAV funding consolidation		+21,100		+21,100

	Budget	House	Senate	Conference
38 NAVSTAR GLOBAL POSITIONING SYSTEM III	78,358	66,358	78,358	78,358
Poor execution. Large unobligated prior year balances carried into current fiscal year.		-12,000		0
39 ADVANCED EHF MILSATCOM (SPACE)	549,659	459,659	549,659	479,659
Delay in start of EMD		-90,000		-70,000
40 POLAR MILSATCOM (SPACE)	18,724	13,724	18,724	18,724
Reduction		-5,000		0
NATIONAL POLAR-ORBITING OPERATIONAL 41 ENVIRONMENTAL	157,394	103,394	157,394	157,394
Slip of EMD contract award to end of fiscal year 2002		-54,000		0
46 JOINT STRIKE FIGHTER	0	0	30,000	0
Delay in Down-select			+30,000	0
47 INTEGRATED BROADCAST SERVICE (DEM/VAL)	20,529	17,529	20,529	17,529
General reduction		-3,000		-3,000
48 INTERCONTINENTAL BALLISTIC MISSILE - DEM/VAL	44,484	51,484	44,484	47,984
Northern Edge		+7,000		+3,500
49 WIDEBAND GAPFILLER SYSTEM RDT&E (SPACE)	96,670	99,370	96,670	100,670
Transfer from OPAF for "Development Lab" Equipment. Reduction for incremental funding and lack of budget justification for 8 strings.		+2,700		+4,000
AIR FORCE/NATIONAL PROGRAM COOPERATION 50 (AFNPC)	4,433	0	4,433	2,433
Reduction		-4,433		-2,000
51 POLLUTION PREVENTION (DEM/VAL)	2,688	0	2,688	0
Reduction		-2,688		-2,688
INTEGRATED AVIONICS PLANNING & DEVELOPMENT	0	0	3,000	0
Affordable Combat Avionics Initiative (Transferred to line 18)			+3,000	0
58 B-1B	194,507	152,307	152,307	152,307
Transfer to ANG O&M		-42,200	-42,200	-42,200
61 F-22 EMD	865,464	881,556	865,464	881,556
Transfer from F-22 squadrons		+16,092		+16,092
NEXT GENERATION TANKER		150,000	0	0
767 Tanker Testbed Aircraft		+120,000		0
Tanker mod development		+30,000		0
62 B-2 ADVANCED TECHNOLOGY BOMBER	155,004	222,004	218,004	219,004
Link 16/Center Display/Inflight Replanner		+47,000	+63,000	+47,000
EGBU-28		+20,000		+17,000
63 SPACE-BASED RADAR EMD	50,000	50,000	25,000	25,000
Program reduction			-25,000	-25,000
MULTI-MISSION C2 AIRCRAFT	0	25,000	0	0
Concept development		+25,000		0
64 EW DEVELOPMENT	41,267	44,567	54,567	42,967
Poor execution		-10,000		-5,000
Precision Location and Identification (PLAID)		+13,300	+13,300	+6,700
65 EXTENDED RANGE CRUISE MISSILE (ERCM)	40,235	0	0	0
Air Force delays in defining program		-40,235	-40,235	-40,235
66 SMALL DIAMETER BOMB (SDB) (DEM/VAL)	40,000	40,000	25,000	35,000
Program reduction			-15,000	-5,000
67 SPACE BASED INFRARED SYSTEM (SBIRS) HIGH EMD	405,229	435,229	455,229	445,229
Cost growth in EMD		+30,000	+50,000	+40,000

	Budget	House	Senate	Conference
MILSTAR LDR/MDR SATELLITE COMMUNICATIONS				
69 (SPACE)	**232,084**	**229,584**	**232,084**	**232,184**
Unjustified growth in satellite engineering		-9,000		-4,500
Automated Comms Management System Satellite Planning		+6,500		+4,600
73 AGILE COMBAT SUPPORT	**6,674**	**6,674**	**6,674**	**16,174**
Integrated Medical Information Technology System (IMITS)				+8,500
Rural low bandwidth medical collaboration system				+1,000
UAV RADAR SYSTEM TESTBED (C-37A)		**50,000**	**50,000**	**0**
76 LIFE SUPPORT SYSTEMS	**4,586**	**11,286**	**8,586**	**9,286**
ACES II P3I		+3,000		+1,500
Crash Resistant Wall Style Troop Seat		+3,000		0
LESPA		+700		+700
Panoramic Night Vision Goggle (PNVG) Development			+4,000	+2,500
INTEGRATED COMMAND & CONTROL APPLICATIONS				
80 (IC2A)	**224**	**8,224**	**3,224**	**6,824**
NPLACE		+4,000		+2,000
AF Center for Acquisition Reengineering and Enabling Technology		+2,000		+1,000
AF Product Line Engineering Activity		+2,000		+1,000
ASSET/eWing Program			+3,000	+2,600
85 JOINT STRIKE FIGHTER EMD	**769,511**	**769,511**	**615,911**	**769,511**
Delay in Down-select			-153,600	0
NEXT GENERATION JSTARS TESTBED	**0**	**190,000**	**0**	**0**
767 Testbed Aircraft		+190,000		0
EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM				
88 (SPACE)	**320,321**	**310,321**	**320,321**	**315,321**
Excessive SPO and FFRDC growth		-10,000		-5,000
89 RDT&E FOR AGING AIRCRAFT	**20,115**	**48,115**	**24,015**	**41,615**
Aging Wiring and Corrosion Treatment for Aging Aircraft		+10,000		+7,000
Aging Landing Gear Life Extension		+15,000		+10,500
Aging Propulsion Systems Life Extension		+3,000		+2,000
Aging Aircraft Knowledge Portal			+3,900	+2,000
92 CV-22	**10,008**	**10,008**	**0**	**190,008**
Program reduction			-10,008	0
2 CV-22 EMD Test articles				+180,000
94 MAJOR T&E INVESTMENT	**49,857**	**64,857**	**59,857**	**62,857**
Holloman High Speed Test Track Upgrade		+4,000		+2,500
Airborne Separation Video System (ASVS)		+1,500		+1,000
Laser Induced Surface Improvement (LISI)		+2,000		+1,000
Mariah II Hypersonic Wind Tunnel		+7,500	+10,000	+8,500
98 INITIAL OPERATIONAL TEST & EVALUATION	**28,998**	**35,998**	**28,998**	**33,498**
AFOTECH		+7,000		+4,500

	Budget	House	Senate	Conference
99 TEST AND EVALUATION SUPPORT	**396,583**	**393,283**	**396,583**	**392,583**
Large unobligated carryforward into current fiscal year		-7,000		-5,000
Generic Radar Target Generator (GRTG)		+1,700		0
Enhanced Flight Termination System		+2,000		+1,000
101 ROCKET SYSTEMS LAUNCH PROGRAM (SPACE)	**8,538**	**32,538**	**8,538**	**27,838**
Missile Technology Demonstration (MTD)-3B		+6,000		+4,000
Ballistic Missile Range Safety Technology Program		+18,000		+15,300
103 GENERAL SKILL TRAINING	**309**	**0**	**309**	**0**
Program reduction		-309		-309
REGION/SECTOR OPERATION CONTROL CENTER 111 MODERNIZATION	**0**	**0**	**7,000**	**6,000**
RAOC Modernization Aero & Range Surveillance			+7,000	+6,000
WARFIGHTER RAPID ACQUISITION PROCESS (WRAP) 113 RAPID TRAN	**30,247**	**30,247**	**30,247**	**30,247**
Note: Tech-SAT 21 shall be a candidate for WRAP.				
115 JOINT EXPEDITIONARY FORCE EXPERIMENT	**64,005**	**22,605**	**64,005**	**44,005**
Reduced scope to accommodate planning and operational needs of Enduring Freedom and Noble Eagle		-41,400		-20,000
116 A-10 SQUADRONS	**3,049**	**8,049**	**3,049**	**5,549**
A-10 Precision Engagement		+5,000		+2,500
117 F-16 SQUADRONS	**110,797**	**115,797**	**110,797**	**115,097**
Distributed Training Centers		+5,000		+4,300
AKITS			(3,000)	(3,000)
118 F-15E SQUADRONS	**101,439**	**101,439**	**113,439**	**108,439**
F-15 Block Upgrade Program			+12,000	+7,000
120 F-22 SQUADRONS	**16,092**	**0**	**16,092**	**0**
Transfer to F-22 EMD		-16,092		-16,092
124 AF TENCAP	**10,811**	**13,811**	**12,811**	**12,811**
GPS jammer detection and location system for transition to an operational capability under Phase III effort		+3,000	+2,000	+2,000
128 CSAF INNOVATION PROGRAM	**1,961**	**1,961**	**4,961**	**1,961**
Eagle Vision (funded at $2.5M in O&M,AF)			+3,000	0
137 THEATER BATTLE MANAGEMENT (TBM) C4I	**37,331**	**37,331**	**38,331**	**38,331**
Theater Battle Management Core Systems/Air Support Operations Center at INEEL			+1,000	+1,000
JOINT SURVEILLANCE AND TARGET ATTACK RADAR 138 SYSTEM	**147,859**	**243,359**	**159,359**	**155,359**
Poor prior year execution		-5,000		-4,000
SATCOM transfer from APAF		+5,700	+5,700	+5,700
RVSM transfer from APAF		+5,800	+5,800	+5,800
Accelerate MP-RTIP		+89,000		0
141 USAF MODELING AND SIMULATION	**25,345**	**31,345**	**25,345**	**30,845**
STORM		+1,000		+1,000
Intelligent Flight Control System Simulation Research (including acquisition of advanced flight control research equipment and related laboratory/support equipment).		+5,000		+2,500
Oklahoma City ALC Modeling and Simulation				+2,000

	Budget	House	Senate	Conference
142 WARGAMING AND SIMULATION CENTERS	**5,033**	**9,033**	**10,433**	**8,033**
Theater Aerospace Command and Control Simulation Facility (TACCSF)		+4,000	+5,400	+3,000
144 MISSION PLANNING SYSTEMS	**16,904**	**19,904**	**16,904**	**18,404**
Powerscene		+3,000		+1,500
COBRA BALL	**0**	**0**	**6,000**	**5,100**
Advanced Airborne Sensor			+6,000	+5,100
160 INFORMATION SYSTEMS SECURITY PROGRAM	**7,936**	**22,436**	**12,936**	**20,536**
Information Assurance for Enabling Technologies		+1,500		+1,000
Worldwide Information Security Environment (WISE) (Note: Only to continue ongoing efforts using intelligent sensors/JAVA intelligent agents.)		+13,000		+9,100
Cyber Security Program			+5,000	+2,500
161 GLOBAL COMBAT SUPPORT SYSTEM	**48,911**	**54,911**	**48,911**	**53,011**
GCSS (Enterprise Data Warehouse) (Note: Only for GCSS-AF to continue development of the EDW in support of the AF maintenance data collection program.)		+6,000		+4,100
NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE AND 177 CONTROL	**186,459**	**186,459**	**186,459**	**180,459**
Reduction reapplied from GPS III				-6,000
179 SPACELIFT RANGE SYSTEM (SPACE)	**65,097**	**75,197**	**65,097**	**70,897**
Space Integration Master Planning		+2,100		+1,800
Note: Only to analyze future space requirements in support of homeland defense				
RSA		+8,000		+4,000
180 DRAGON U-2 (JMIP)	**32,804**	**25,804**	**36,804**	**30,804**
Dual data link		-7,000		-4,000
SYERS			+4,000	+2,000
181 ENDURANCE UNMANNED AERIAL VEHICLES	**190,237**	**172,737**	**206,237**	**197,737**
Demonstration at Berlin Air Show		-5,000		-4,500
Program office growth		-12,500		-4,000
Global Hawk sensor development and testing			+16,000	+16,000
182 AIRBORNE RECONNAISSANCE SYSTEMS	**77,766**	**81,785**	**92,766**	**57,785**
Termination of LBSS; Transition of HBSS		-36,381		-36,381
JSAF Program Office		-4,600		-4,600
Modern ELINT system (HBSS) for Global Hawk HAE UAV		+30,000		0
Theater Airborne Reconnaissance System (TARS)		+15,000		+10,500
Wideband Global Grid Common Data Link			+10,000	+7,000
High Data Rate Laser Communications			+5,000	+3,500
183 MANNED RECONNAISSANCE SYSTEMS	**0**	**4,500**	**0**	**2,000**
Combat Sent Passive Airborne Ranging		+4,500		+2,000
184 DISTRIBUTED COMMON GROUND SYSTEMS	**11,429**	**21,429**	**11,429**	**16,429**
DCGS/NCCT (Note: of which $4,000,000 is for ongoing modeling and exercise support activities to assist in modifying reconnaissance ground stations and targeting processes to engage time critical targets.)		+10,000		+5,000

	Budget	House	Senate	Conference
186 SPACETRACK (SPACE)	**32,591**	**23,691**	**32,591**	**23,691**
Space Based Surveillance Concept Technology Development: await results of AOA before development		-2,900		-2,900
Space Situational Awareness: excessive office standup		-6,000		-6,000
188 NUDET DETECTION SYSTEM (SPACE)	**18,823**	**18,823**	**21,823**	**21,823**
Transfer			+3,000	+3,000
192 C-130 AIRLIFT SQUADRON	**80,533**	**60,533**	**80,533**	**60,533**
Late EMD contract award		-20,000		-20,000
193 C-5	**166,508**	**152,508**	**166,508**	**156,508**
1 year delay in RERP EMD, availability of prior year funds		-14,000		-10,000
199 SPECIAL OPERATIONS FORCES	**0**	**3,000**	**0**	**0**
Program increase (transferred)		+3,000		0
200 DEPOT MAINTENANCE (NON-IF)	**1,542**	**4,042**	**1,542**	**2,742**
Metrology		+2,500		+1,200
201 INDUSTRIAL PREPAREDNESS	**53,782**	**61,782**	**53,782**	**58,982**
Advanced Low Observable Coatings		+6,000		+4,200
Laser peening for F-119 engine		+2,000		+1,000
202 PRODUCTIVITY, RELIABILITY, AVAILABILITY, MAINTAIN PRO	**20,689**	**32,189**	**20,689**	**26,889**
Automated Nondestructive Inspection for Turbine Engine Sustainment		+6,500		+4,000
Inspection Technology for Turbine Engines		+5,000		+2,200
203 JOINT LOGISTICS PROGRAM - AMMUNITION STANDARD SYSTEM	**106**	**0**	**106**	**0**
Program reduction		-106		-106
204 SUPPORT SYSTEMS DEVELOPMENT	**24,221**	**30,221**	**25,221**	**29,221**
Center for aircraft and systems support		+6,000		+3,000
Commodity Management Systems Consolidation			+1,000	+1,000
Battlespace Logistics Readiness and Sustainment				+1,000

INFORMATION ASSURANCE

Of the funds provided to the Air Force, the Senate provided $5,000,000 for a university/government/business partnership on information assurance. The House provided no funds for this effort. Of the funds provided to the Air Force, the conferees agree to provide $2,500,000 for this effort.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
RESEARCH, DEVELOPMENT, TEST & EVAL, DEFWIDE				
BASIC RESEARCH				
IN-HOUSE LABORATORY INDEPENDENT RESEARCH	2,097	2,097	2,097	2,097
DEFENSE RESEARCH SCIENCES	121,003	139,003	132,003	145,303
UNIVERSITY RESEARCH INITIATIVES	240,374	248,374	250,874	250,874
FORCE HEALTH PROTECTION	26,952	26,952	39,452	36,652
HIGH ENERGY LASER RESEARCH INITIATIVES	11,877	11,877	11,877	11,877
GOVERNMENT/INDUSTRY COSPONSORSHIP OF UNIV RESEARCH	3,421	11,421	2,421	9,221
DEFENSE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE	9,901	9,901	19,901	16,901
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	39,066	---	42,066	46,066
TOTAL, BASIC RESEARCH	454,691	449,625	500,691	518,991
APPLIED RESEARCH				
MEDICAL FREE ELECTRON LASER	14,660	24,660	14,660	19,660
HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU)	14,484	14,484	22,484	19,484
HISPANIC SERVING INSTITUTIONS	---	5,000	---	4,300
LINCOLN LABORATORY RESEARCH PROGRAM	21,969	21,969	21,969	21,969
COMPUTING SYSTEMS AND COMMUNICATIONS TECHNOLOGY	382,294	329,294	354,394	358,494
EMBEDDED SOFTWARE AND PERVASIVE COMPUTING	75,561	65,561	62,561	65,561
BIOLOGICAL WARFARE DEFENSE	140,080	---	140,080	146,680
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	125,481	---	144,481	147,281
TACTICAL TECHNOLOGY	173,885	164,885	179,385	169,585
MATERIALS AND ELECTRONICS TECHNOLOGY	358,254	342,754	331,754	344,554
NUCLEAR SUSTAINMENT & COUNTERPROLIFERATION TECHNOLOGI	295,132	---	294,032	300,132
MEDICAL TECHNOLOGY	8,971	8,971	8,971	8,971
HIGH ENERGY LASER RESEARCH	36,005	36,005	36,005	36,005

(In thousands of dollars)

	Budget	House	Senate	Conference
TOTAL, APPLIED RESEARCH	1,646,776	1,013,583	1,610,776	1,642,676
ADVANCED TECHNOLOGY DEVELOPMENT				
MEDICAL ADVANCED TECHNOLOGY	2,086	2,086	2,086	2,086
EXPLOSIVES DEMILITARIZATION TECHNOLOGY	8,815	11,815	19,615	17,015
SO/LIC ADVANCED DEVELOPMENT	8,799	10,799	8,799	10,199
COMBATING TERRORISM TECHNOLOGY SUPPORT	42,243	60,243	46,743	56,443
COUNTERPROLIFERATION ADVANCED DEVELOPMENT TECHNOLOGIES	89,772	---	89,772	89,772
BALLISTIC MISSILE DEFENSE TECHNOLOGY	132,890	---	144,890	141,090
BMD SYSTEMS ENG & INTEGRATION	---	---	203,663	---
BMD PROGRAM OPERATIONS	---	---	191,243	---
JOINT DOD-DOE MUNITIONS TECHNOLOGY DEVELOPMENT	19,178	19,178	19,178	19,178
AUTOMATIC TARGET RECOGNITION	7,716	7,716	7,716	7,716
ADVANCED AEROSPACE SYSTEMS	153,700	128,700	153,700	153,700
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - ADV DEV	69,249	---	72,249	75,749
SPECIAL TECHNICAL SUPPORT	11,019	13,019	11,019	12,219
ARMS CONTROL TECHNOLOGY	52,474	---	52,474	62,974
GENERIC LOGISTICS R&D TECHNOLOGY DEMONSTRATIONS	30,373	78,473	55,373	82,573
STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM	69,376	73,376	53,346	62,876
JOINT WARFIGHTING PROGRAM	7,613	7,613	7,613	7,613
ADVANCED ELECTRONICS TECHNOLOGIES	177,264	194,264	194,764	199,564
ADVANCED CONCEPT TECHNOLOGY DEMONSTRATIONS	148,917	124,917	153,917	159,417
HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM	188,376	188,376	187,200	185,600
COMMAND, CONTROL AND COMMUNICATIONS SYSTEMS	117,451	117,451	117,451	117,451
SENSOR AND GUIDANCE TECHNOLOGY	203,095	202,095	190,095	194,595
MARINE TECHNOLOGY	41,497	36,497	41,497	41,497

(In thousands of dollars)

	Budget	House	Senate	Conference
LAND WARFARE TECHNOLOGY	153,067	153,067	153,067	153,067
CLASSIFIED DARPA PROGRAMS	142,395	137,395	142,395	142,395
SOFTWARE ENGINEERING INSTITUTE	21,091	23,091	21,091	22,091
QUICK REACTION PROJECTS	25,000	35,000	---	---
JOINT WARGAMING SIMULATION MANAGEMENT OFFICE	45,065	48,065	45,065	46,565
HIGH ENERGY LASER ADVANCED TECHNOLOGY PROGRAM	16,005	16,005	16,005	16,005
COUNTERPROLIFERATION SUPPORT	1,781	1,781	1,781	1,781
AGILE PORT DEMONSTRATION	---	---	10,000	8,500
TOTAL, ADVANCED TECHNOLOGY DEVELOPMENT	1,986,307	1,691,022	2,413,807	2,089,731
DEMONSTRATION & VALIDATION				
PHYSICAL SECURITY EQUIPMENT	33,543	46,543	33,543	40,043
JOINT ROBOTICS PROGRAM	11,302	14,302	11,302	12,802
ADVANCED SENSOR APPLICATIONS PROGRAM	15,780	26,780	17,780	21,580
CALS INITIATIVE	1,614	1,614	7,614	6,714
ENVIRONMENTAL SECURITY TECHNICAL CERTIFICATION PROGRAM	25,314	25,314	31,054	21,054
BALLISTIC MISSILE DEFENSE SYSTEM SEGMENT	779,584	---	---	819,084
BMD SYSTEM BMC2	---	---	18,792	---
BMD SYSTEM COMMUNICATIONS	---	---	10,000	---
BMD SYSTEM TARGETS & CM	---	---	96,539	---
BMD SYSTEM T&E	---	---	220,916	---
BALLISTIC MISSILE DEFENSE TERMINAL DEFENSE SEGMENT	968,180	---	---	203,344
THEATER HIGH ALTITUDE AREA DEFENSE	---	---	672,543	---
ARROW AND COOPERATIVE PROGRAMS	---	---	141,699	---
PAC-3	---	---	107,100	---
MEADS	---	---	71,645	---

(In thousands of dollars)

	Budget	House	Senate	Conference
NAVY AREA BMD	---	---	388,496	---
BALLISTIC MISSILE DEFENSE MIDCOURSE DEFENSE SEGMENT	3,940,534	---	---	3,820,534
GROUND-BASED TEST BED	---	---	786,485	---
GROUND-BASED MIDCOURSE	---	---	2,241,240	---
SEA-BASED MIDCOURSE	---	---	289,000	---
BALLISTIC MISSILE DEFENSE BOOST DEFENSE SEGMENT	685,363	---	---	608,863
SEA-BASED BOOST	---	---	10,000	---
AIR-BASED BOOST\AIRBORNE LASER	---	---	355,000	---
SPACE-BASED BOOST	---	---	32,000	---
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - DEM/VAL	82,636	---	82,636	90,336
BALLISTIC MISSILE DEFENSE SENSORS	495,600	---	---	340,600
SPACE SENSORS/SRIR-L	---	---	264,799	---
INTERNATIONAL COOPERATION	---	---	50,342	---
SENSORS T&E	---	---	10,000	---
HUMANITARIAN DEMINING	13,512	13,512	13,512	13,512
COALITION WARFARE	12,943	6,943	6,123	6,123
JOINT SERVICE EDUCATION AND TRAINING SYSTEMS DEVELOPME	---	13,000	---	10,000
TOTAL, DEMONSTRATION & VALIDATION	7,065,905	148,008	5,970,160	6,014,589
ENGINEERING & MANUFACTURING DEVEL				
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - EMD	159,943	---	164,943	162,443
JOINT ROBOTICS PROGRAM - EMD	13,197	17,197	13,197	15,197
ADVANCED IT SERVICES JOINT PROGRAM OFFICE (AITS-JPO)	14,254	14,254	14,254	14,254
JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	16,572	16,572	16,572	16,572
THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD - EMD.	---	---	---	872,481
PATRIOT PAC-3 THEATER MISSILE DEFENSE ACQUISITION - EM	---	---	---	129,100

(In thousands of dollars)

	Budget	House	Senate	Conference
NAVY AREA THEATER MISSILE DEFENSE - EMD	---	---	---	100,000
INFORMATION TECHNOLOGY DEVELOPMENT	2,469	2,469	2,469	2,469
INFORMATION TECHNOLOGY DEVELOPMENT-STANDARD PROCUREMEN	9,747	9,747	7,747	7,747
FINANCIAL MANAGEMENT MODERNIZATION PROGRAM	100,000	40,000	100,000	100,000
DEFENSE MESSAGE SYSTEM	11,423	11,423	11,423	11,423
INFORMATION SYSTEMS SECURITY PROGRAM	11,767	11,767	11,767	11,767
GLOBAL COMBAT SUPPORT SYSTEM	16,483	16,483	16,483	16,483
ELECTRONIC COMMERCE	25,519	25,519	25,519	25,519
TOTAL, ENGINEERING & MANUFACTURING DEVEL	381,374	165,431	384,374	1,485,455
RDT&E MANAGEMENT SUPPORT				
UNEXPLODED ORDNANCE DETECTION AND CLEARANCE	1,165	1,165	1,165	1,165
THERMAL VICAR	5,952	5,952	5,952	5,952
TECHNICAL STUDIES, SUPPORT AND ANALYSIS	33,805	20,805	33,805	27,805
CRITICAL TECHNOLOGY SUPPORT	3,313	3,313	3,313	3,313
BLACK LIGHT	5,000	5,000	5,000	5,000
GENERAL SUPPORT TO C3I	21,061	22,561	28,561	28,561
FOREIGN MATERIAL ACQUISITION AND EXPLOITATION	31,951	31,951	31,951	31,951
INTERAGENCY EXPORT LICENSE AUTOMATION	10,559	10,559	10,559	10,559
DEFENSE TRAVEL SYSTEM	29,955	9,955	29,955	19,955
JOINT THEATER AIR AND MISSILE DEFENSE ORGANIZATION	26,865	26,865	16,865	26,865
CLASSIFIED PROGRAM USD(P)	---	20,000	---	45,000
FOREIGN COMPARATIVE TESTING	30,907	30,907	27,907	35,207
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	31,276	---	31,276	31,276
CLASSIFIED PROGRAMS - C3I	56,653	28,653	61,653	44,953
SMALL BUSINESS INNOVATION RESEARCH/CHALLENGE ADMIN	2,068	2,068	2,068	2,068

(In thousands of dollars)

	Budget	House	Senate	Conference
DEFENSE TECHNOLOGY ANALYSIS	5,109	5,109	5,109	5,109
DEFENSE TECHNICAL INFORMATION SERVICES (DTIC)	44,228	44,228	44,228	44,228
R&D IN SUPPORT OF DOD ENLISTMENT, TESTING AND EVAL	8,834	8,834	8,834	8,834
DEVELOPMENT TEST AND EVALUATION	46,382	46,382	46,382	46,382
MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)	36,937	36,937	36,937	36,937
PENTAGON RESERVATION	6,571	---	6,571	6,571
MANAGEMENT HEADQUARTERS-BMDO	27,758	---	27,758	27,758
TOTAL, RDT&E MANAGEMENT SUPPORT	466,349	361,244	465,849	495,449
OPERATIONAL SYSTEMS DEVELOPEMENT				
COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	10,805	27,805	10,805	22,805
PARTNERSHIP FOR PEACE (PFP) INFORMATION MANAGEMENT SYS	1,922	1,922	1,922	1,922
C4I INTEROPERABILITY	41,389	41,389	41,389	41,389
JOINT ANALYTICAL MODEL IMPROVEMENT PROGRAM	12,163	12,163	12,163	12,163
INFORMATION TECHNOLOGY SYSTEMS	550	550	550	550
NATIONAL MILITARY COMMAND SYSTEM-WIDE SUPPORT	1,014	1,014	1,014	1,014
DEFENSE INFO INFRASTRUCTURE ENGINEERING AND INTEGRATIO	6,544	6,544	6,544	6,544
LONG HAUL COMMUNICATIONS (DCS)	10,744	10,744	10,744	10,744
SUPPORT OF THE NATIONAL COMMUNICATIONS SYSTEM	4,968	4,968	4,968	4,968
MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK	6,988	6,988	6,988	6,988
INFORMATION SYSTEMS SECURITY PROGRAM	414,844	422,594	420,744	425,994
C4I FOR THE WARRIOR	9,622	9,622	9,622	9,622
JOINT SPECTRUM CENTER	8,849	8,849	8,849	8,849
TELEPORT PROGRAM	14,371	14,371	14,371	14,371
SPECIAL RECONNAISSANCE CAPABILITIES (SRC) PROGRAM	4,422	4,422	4,422	4,422
DEFENSE IMAGERY AND MAPPING PROGRAM	115,209	144,409	122,909	139,009

(In thousands of dollars)

	Budget	House	Senate	Conference
FOREIGN COUNTERINTELLIGENCE ACTIVITIES	664	664	664	664
DEFENSE JOINT COUNTERINTELLIGENCE PROGRAM (JMIP)	5,977	5,977	20,977	17,977
C3I INTELLIGENCE PROGRAMS	10,552	10,552	12,552	16,752
TECHNOLOGY DEVELOPMENT	40,000	---	40,000	5,000
DRAGON U-2 (JMIP)	4,019	4,019	4,019	4,019
AIRBORNE RECONNAISSANCE SYSTEMS	16,515	16,515	16,515	16,515
MANNED RECONNAISSANCE SYSTEMS	4,556	13,056	22,556	17,156
DISTRIBUTED COMMON GROUND SYSTEMS	1,006	1,006	1,006	1,006
TACTICAL CRYPTOLOGIC ACTIVITIES	105,455	105,455	105,455	105,455
INDUSTRIAL PREPAREDNESS	17,544	37,044	22,044	43,744
MANAGEMENT HEADQUARTERS (OJCS)	11,312	11,312	11,312	11,312
SPECIAL OPERATIONS TECHNOLOGY DEVELOPMENT	---	---	7,606	20,506
SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEVELOPMENT	---	---	11,582	10,982
SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT	---	---	240,887	258,489
SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT	---	6,000	10,789	14,989
SOF MEDICAL TECHNOLOGY DEVELOPMENT	---	---	1,917	4,017
SOF OPERATIONAL ENHANCEMENTS	85,109	86,609	85,109	86,209
SOF ACQUISITION	252,334	299,684	---	---
CLASSIFIED PROGRAMS	1,829,938	1,808,938	1,806,938	1,853,738
TOTAL, OPERATIONAL SYSTEMS DEVELOPEMENT	3,049,385	3,125,185	3,099,932	3,199,884
DOE JOINT RESEARCH ADJUSTMENT	---	-5,000	---	---
BMD - WAIVER OF PUBLIC LAW 102-564	---	---	---	-39,000
CHALLENGE PROGRAM	---	---	---	12,500
GENERAL REDUCTION	---	---	---	-5,000
TOTAL, RESEARCH, DEVELOPMENT, TEST & EVAL, DEFWIDE	15,050,787	6,949,098	14,445,589	15,415,275

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
(In thousands of dollars)

R-1		Budget Request	House	Senate	Conference
2	**DEFENSE RESEARCH SCIENCES**	**121,003**	**139,003**	**132,003**	**145,303**
	Ultra-Performance Nanotechnology Center		+3,000	0	+2,100
	Spin Electronics (Note: Transfer from University Research Initiatives)		+15,000	0	+15,000
	Nanotechnology Initiative		0	+2,000	+1,000
	Advanced Photonic Composites		0	+6,000	+4,200
	Spectrum Labs		0	+3,000	+2,000
3	**UNIVERSITY RESEARCH INITIATIVES**	**240,374**	**248,374**	**250,874**	**250,874**
	Spin Electronics (Note: Transfer to Defense Research Sciences)		-15,000	0	-15,000
	National Security Training for non-traditional and minority students (Note: Only to continue the program funded in 2001.)		+1,500	0	+1,000
	Tropical Remote Sensing Applications and Resources		+3,000	0	+1,250
	Center of Excellence in Bioinformatics		+3,000	0	+2,000
	Advanced Power and Energy Program		+2,000	0	+1,500
	Desert Environmental Research (Only to continue the existing University based GIS program to use sensor technology, line distance sampling and spatial analysis techniques to monitor the desert tortoise population in support of expansion of the Fort Irwin National Training Center.)		+3,000	0	+2,600
	Defense Commercialization Research Initiative		+4,000	0	+4,000
	Focused Manufacturing Technologies (Note: Only for advanced research to develop distributed precision manufacturing technology.)		+2,000	0	+1,000
	Advanced Films and Coatings		+1,500	0	+1,000
	MEMS Sensors for Rolling Element Bearings (Note: only for the development of a one chip solution for the determination of temperature, vibration, strain and angular rotation in a rolling element bearing.)		+3,000	0	+2,500
	Corrosion Protection of Aluminum Alloys		0	+1,500	+1,000
	Active Hyperspectral Imaging Sensor Research		0	+4,000	+3,400
	Bioengineering/ Nanotechnology Research		0	+5,000	+4,250
4	**FORCE HEALTH PROTECTION**	**26,952**	**26,952**	**39,452**	**36,652**
	Interdisciplinary Research on Gulf War Related Illnesses		0	+6,500	+5,500
	Chronic Multi-symptom Illnesses		0	+6,000	+4,200

R-1		Budget Request	House	Senate	Conference
6	**GOVERNMENT/INDUSTRY COSPONSORSHIP OF UNIV RESEARCH**	**3,421**	**11,421**	**2,421**	**9,221**
	Program Delays/Execution		0	-1,000	-1,000
	Semi-Conductor Research (Focus Center Research Program)		+8,000	0	+6,800
7	**DEFENSE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE**	**9,901**	**9,901**	**19,901**	**16,901**
	Research Funding Increase		0	+10,000	+7,000
8	**CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM**	**39,066**	**0**	**42,066**	**46,066**
	Transfer to Title IX		-39,066	0	0
	900 MHz Magnetic Resonance Spectrometer (Note: Only for the NY Structural Biology Center)		5,000*	0	2,500
	Bug to Drug Identification and CM		0	+3,000	+2,000
	Lightweight Chem-Bio Sensors		0	0	+2,500
11	**MEDICAL FREE ELECTRON LASER**	**14,660**	**24,660**	**14,660**	**19,660**
	Medical Free Electron Laser		+10,000	0	+5,000
12	**HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU)**	**14,484**	**14,484**	**22,484**	**19,484**
	American Indian Higher Education Consortium		0	+3,500	+3,500
	Business/Tech Manuals Research and Development		0	+4,500	+1,500
	HISPANIC SERVING INSTITUTIONS	**0**	**5,000**	**0**	**4,300**
	Hispanic Serving Institutions - RDT&E Project Grants		+5,000	0	+4,300
14	**COMPUTING SYSTEMS AND COMMUNICATIONS TECHNOLOGY**	**382,294**	**329,294**	**354,394**	**358,494**
	Reuse Technology Adoption Program (Note: to include the application of dynamic system testing and for modeling systems architectures.)		+4,000	0	+2,000
	Systems Engineering for Miniature Devices		+3,000	0	+2,600
	DARPA Reduction		-60,000	0	0
	Secure and Dependable Software		0	+1,500	+1,000
	Intelligence Software for Multilingual Programs		0	-4,400	-4,400
	Excessive Growth: New Starts		0	-25,000	-25,000
15	**EMBEDDED SOFTWARE AND PERVASIVE COMPUTING**	**75,561**	**65,561**	**62,561**	**65,561**
	DARPA Reduction		-10,000	0	-10,000
	Duplication		0	-13,000	0

R-1		Budget Request	House	Senate	Conference
16	**BIOLOGICAL WARFARE DEFENSE**	**140,080**	**0**	**140,080**	**146,680**
	Transfer to Title IX		-140,080	0	0
	Hydrate Fractionation Desalination Technology		+3,000*	0	+2,600
	Center for Water Security		+2,000*	0	+1,000
	Asymmetrical Protocols for Biological Defense		+8,000*	0	+3,000
17	**CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM**	**125,481**	**0**	**144,481**	**147,281**
	Transfer to Title IX		-125,481	0	0
	Regenerative Air Filtration		0	+2,000	+1,000
	Electrostatic Decontamination		0	+8,000	0
	Air Purification Systems		0	+4,000	+2,800
	Bio-informatics Research		0	+5,000	+3,500
	Integrated Detection of Energetic and Hazardous Materials		+2,000*	0	+1,000
	Common Asset for Biological Security		+2,500*	0	+1,000
	National Center for Countermeasures to Chemical and Biological Threats		+5,000*	0	+3,500
	Continuation of Joint Biological and Chemical Terrorism Response Project		+9,000*	0	+9,000
18	**TACTICAL TECHNOLOGY**	**173,885**	**164,885**	**179,385**	**169,585**
	CEROS		0	+5,500	+4,700
	DARPA Reduction		-9,000	0	-9,000
20	**MATERIALS AND ELECTRONICS TECHNOLOGY**	**358,254**	**342,754**	**331,754**	**344,554**
	DARPA Reduction		-24,000	0	0
	Center for Integrated Technologies		+5,000	0	+5,000
	Center for Optoelectronics and Optical Communications		+3,500	0	+2,000
	Program Delays/Execution		0	-45,000	-30,000
	Optoelectronics / Integrated Technologies		0	+5,000	0
	Fabrication of 3D Structures		0	+2,000	+1,400
	Destruction of CW-Nanotechnology		0	+1,500	+1,000
	Strategic Materials		0	+4,000	+3,400
	Advanced Materials/Frequency Tunable Devices		0	+3,000	+1,500
	Boron Energy Cell Technology		0	+3,000	+2,000
21	**NUCLEAR SUSTAINMENT & COUNTERPROLIFERATION TECHNOLOGY**	**295,132**	**0**	**294,032**	**300,132**
	Program Delays/Execution		0	-1,100	-1,100
	Transfer to Title IX		-295,132	0	0
	Discrete Particle Method		+2,500*	0	+1,800
	Thermobaric Warhead Development		+4,000*	0	+2,800
	Radiation Hardened Microelectronics		+3,000*	0	+1,500

R-1		Budget Request	House	Senate	Conference
26	**EXPLOSIVES DEMILITARIZATION TECHNOLOGY**	**8,815**	**11,815**	**19,615**	**17,015**
	Demilitarization and Destruction of Conventional Ammunition and Chemical Warfare Agents (Note: Only to investigate the use of photocatalysis to assist in the destruction of explosives.)		+3,000	0	+1,500
	Thin Layered Chromotopography		0	+2,400	+2,000
	Rotary Furnace Technology		0	+1,800	+1,300
	Hot Gas Decontamination		0	+2,000	+1,400
	Explosive Demilitarization Technology		0	+3,000	+1,000
	HMX Recovery from Demilitarized Energetics		0	+2,000	+1,400
	Program Reduction		0	-400	-400
27	**SO/LIC ADVANCED DEVELOPMENT**	**8,799**	**10,799**	**8,799**	**10,199**
	Special Reconnaissance Capabilities		+2,000	0	+1,400
28	**COMBATING TERRORISM TECHNOLOGY SUPPORT**	**42,243**	**60,243**	**46,743**	**56,443**
	Chemical/Biological Electrostatic Decontamination System (Note: only to complete prototype testing and evaluation through the TSWG.)		+7,000	0	+5,600
	Historical Underground Exploitation (HUGE) (Note: Funds are to be managed by a non-profit corporation.)		+2,000	0	+1,700
	Facial Recognition Access Control and Surveillance (Note: only for the development of a surveillance prototype, utilizing facial recognition.)		+2,000	0	+1,000
	Blast Mitigation Testing		+3,000	+4,500	+3,100
	Aerogel and Fiber Optic-Based Chem/Bio Detectors (Note: only to accelerate development of this technology)		+4,000	0	+2,800
29	**COUNTERPROLIFERATION ADVANCED DEVELOPMENT TECHNOLOGIES**	**89,772**	**0**	**89,772**	**89,772**
	Transfer to Title IX		-89,772	0	0

R-1		Budget Request	House	Senate	Conference
32	**BALLISTIC MISSILE DEFENSE TECHNOLOGY**	**132,890**	**0**	**144,890**	**141,090**
	Transfer to Title IX, RDTE, BMDO		-132,890	0	0
	Transfer to ARROW (Error in budget submission)		0	-20,000	-20,000
	Wafer-Scale Planarization Technology		+3,000*	[3,000]	+2,000
	Silicon Brain Architecture		+2,500*	0	+1,200
	Wide Bandgap Semiconductor Research		+1,500*	+8,000	+5,600
	Airborne Infrared Surveillance System		0	+8,000	+5,600
	Silicon Thick Films		0	+6,000	+5,100
	AEOS MWIR Adaptive Optics		0	+2,000	+1,700
	High Data Rate Wireless Communications		0	+5,000	+4,300
	Advanced RF Technology Development		0	+2,000	+1,700
	POAP Technology		0	+1,000	+1,000
32a	**BMD SYSTEM ENG AND INTEGRATION**	**0**	**0**	**203,663**	**0**
	New Program Element/ Transfer In		0	+203,663	0
32b	**BMD PROGRAM OPERATIONS**	**0**	**0**	**191,243**	**0**
	New Program Element/ Transfer In		0	+136,243	0
	ESPRIT (See line 74)		0	+3,500	0
	Advanced Multi-Sensor Fusion Testbed (See line 74)		0	+2,000	0
	PMRF Upgrades (See line 74)		0	+28,000	0
	Airborne Intercept Monitoring (See line 74)		0	+1,000	0
	SHOTS (See line 74)		0	+5,000	0
	Range Data Fusion Upgrades (See line 74)		0	+3,500	0
	Kodiak Road Planning/Design (See line 74)		0	+2,000	0
	Safety/Support Deconfliction (Kodiak) (Transferred to RDTE, A)		0	+10,000	0
35	**ADVANCED AEROSPACE SYSTEMS**	**153,700**	**128,700**	**153,700**	**153,700**
	DARPA Reduction		-25,000	0	0
36	**CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - ADV DEV**	**69,249**	**0**	**72,249**	**75,749**
	Transfer to Title IX		-69,249	0	0
	Advanced Development for Chem/Bio Prepardness at the University of Medicine and Dentistry of New Jersey		+5,000*	0	+3,500
	Miniaturized Chemical/Biological Detectors (Note: for an industry based product application program for fieldable sensors using MEMS technology.)		+2,000*	0	+1,700
	Biodefense Statewide Medical Response		0	+3,000	+1,300
	Bio-adhesion		0	[+4,000]	[+2,000]
37	**SPECIAL TECHNICAL SUPPORT**	**11,019**	**13,019**	**11,019**	**12,219**
	Complex Systems Design		+2,000	0	+1,200

R-1		Budget Request	House	Senate	Conference
38	**ARMS CONTROL TECHNOLOGY**	**52,474**	**0**	**52,474**	**62,974**
	Transfer to Title IX		-52,474	0	0
	Arms Control Technology		+4,875*	0	+4,200
	Center for Monitoring Research (Note: In addition to those funds already included in the President's Budget request.)		+4,000*	0	+2,800
	Nuclear Test Monitoring		0	0	+3,500
39	**GENERIC LOGISTICS R&D TECHNOLOGY DEMONSTRATIONS**	**30,373**	**78,473**	**55,373**	**82,573**
	Silicon - 28 Program		+3,000	0	+2,000
	Computer Assisted Technology Transfer (CATT)		+4,000	+4,000	+2,800
	Sub-Micron CMOS and CMOS/SOS Lithography (Note: Only for the Defense Microelectronics Activity.)		+4,850	0	+2,400
	Strategic Radiation Hardened Microelectronics (Note: Only for the Defense Microelectronics Activity.)		+4,750	0	+2,300
	Center for Nanosciences Innovation		+10,000	0	+8,500
	Digital Electronic Warfare (Note: only to maintain the Product Improvement Program.)		+5,000	0	+2,500
	Diminishing Manufacturing Source Data Warehouse Solution (Note: Only for the development and population of a centralized DMS and obsolete parts data warehousing system.)		+1,500	0	+1,000
	Optimizing Electronics for Advanced Controlled Environment Systems (Note: Only to support resolving thermal issues concerning electronics densification and advanced electronics packaging.)		+6,000	0	+5,000
	Spray Cooling Migration Program		+9,000	0	+7,700
	Ultra Low Power Battlefield Sensor		0	+20,000	+17,000
	Corrosion Protection, Control and Info Distribution		0	+1,000	+1,000
40	**STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM**	**69,376**	**73,376**	**53,346**	**62,876**
	Program Delays / Execution		0	-16,030	-10,000
	Toxic Chemical Cleanup Criteria		+1,000	0	+1,000
	National Environmental Education and Training Center		+3,000	0	+2,500

R-1		Budget Request	House	Senate	Conference
44	**ADVANCED ELECTRONICS TECHNOLOGIES**	**177,264**	**194,264**	**194,764**	**199,564**
	DARPA Reduction		-8,000	0	0
	Advanced Lithography Demonstration (Note: Only to use laser plasma point-source x-ray lithography to build high performance compound semiconductor processors and components.)		+5,000	0	+4,300
	Advanced Lithography (X-Ray Mask Research)		0	+5,000	+3,500
	Laser Plasma Point Source X-Ray Lithography		+5,000	0	+4,300
	Novel crystal components for imaging and communications		+7,000	0	+6,000
	MEMS at the Army Research Laboratory, Zahl Physical Sciences Laboratory		+8,000	0	+5,200
	Program Delays/ Execution		0	-2,000	-2,000
	Defense Techlink		0	+1,500	+1,000
	Flat Panel Displays/Intelligence Pixels		0	+13,000	0
45	**ADVANCED CONCEPT TECHNOLOGY DEMONSTRATIONS**	**148,917**	**124,917**	**153,917**	**159,417**
	Flexible JP-8 Pilot Plant		0	+5,000	+3,500
	ACTD - Reduction in Growth		-24,000	0	0
	ACTD/Advanced Tactical Laser		0	0	+7,000
46	**HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM**	**188,376**	**188,376**	**187,200**	**185,600**
	Program Delays/Execution		0	-12,176	-12,176
	Operation of Selected Supercomputing Centers		0	+11,000	+9,400
48	**SENSOR AND GUIDANCE TECHNOLOGY**	**203,095**	**202,095**	**190,095**	**194,595**
	DARPA Reduction		-4,000	0	0
	Large Millimeter Wavelength Telescope		+3,000	+2,000	+1,500
	Excessive Growth: Tactical Targeting, ELA		0	-15,000	-10,000
49	**MARINE TECHNOLOGY**	**41,497**	**36,497**	**41,497**	**41,497**
	DARPA Reduction		-5,000	0	0
50	**LAND WARFARE TECHNOLOGY**	**153,067**	**153,067**	**153,067**	**153,067**
	Unmanned Ground Combat Vehicle		0	[+3,000]	0
51	**CLASSIFIED DARPA PROGRAMS**	**142,395**	**137,395**	**142,395**	**142,395**
	DARPA Reduction		-5,000	0	0
52	**SOFTWARE ENGINEERING INSTITUTE**	**21,091**	**23,091**	**21,091**	**22,091**
	Technical Insertion Demonstration and Evaluation Program (TIDE) (Note: only to be managed by the Defense Research and Engineering Office of Science and Technology.)		+2,000	0	+1,000
54	**QUICK REACTION PROJECTS**	**25,000**	**35,000**	**0**	**0**
	Quick Reaction Projects		-15,000	-25,000	-25,000
	Challenge Program		+25,000	0	0

R-1		Budget Request	House	Senate	Conference
	JOINT WARGAMING SIMULATION				
55	**MANAGEMENT OFFICE**	**45,065**	**48,065**	**45,065**	**46,565**
	WMD Attack-Effects-Response Assessment Capability at JFCOM		+3,000	0	+1,500
	AGILE PORT		**0**	**10,000**	**8,500**
	CCDOTT		[7,500]	+10,000	+8,500
59	**PHYSICAL SECURITY EQUIPMENT**	**33,543**	**46,543**	**33,543**	**40,043**
	Waterside/Landside Force Protection Planner (Note: Only to develop a software package to provide a quantitative assessment of risk.)		+2,000	0	+1,000
	Backscatter Mobile Truck System (Note: Only to test and evaluating existing COTS systems capable of using both backscatter and standard transmission X-ray technology.)		+11,000	0	+5,500
60	**JOINT ROBOTICS PROGRAM**	**11,302**	**14,302**	**11,302**	**12,802**
	Tactical Unmanned Ground Vehicle Part I		+3,000	0	+1,500
	ADVANCED SENSOR APPLICATIONS				
61	**PROGRAM**	**15,780**	**26,780**	**17,780**	**21,580**
	Program Delays/ Execution		0	-3,000	-3,000
	Ocean Remote Sensing Program (Note: only to complete the Ocean Remote Sensing Program experiments to include radar, lidar, passive optical imaging, and space-based technologies to characterize and measure the ocean environmental conditions in Mamala Bay.)		+4,000	+5,000	+4,300
	Innovative Solid State Laser Technology Development (Note: Only to continue the research initiative conducted by OSD(C3I) to advance the use of continuously pumped solid state lasers which operate in the mid-infrared region.)		+5,000	0	+3,500
	Component Development for Active Sensors (Note: Only to continue development of diode pumped laser materials technology.)		+2,000	0	+1,000
62	**CALS INITIATIVE**	**1,614**	**1,614**	**7,614**	**6,714**
	CALS Demonstration/Validation		0	+6,000	+5,100
	ENVIRONMENTAL SECURITY TECHNICAL				
63	**CERTIFICATION PROGRAM**	**25,314**	**25,314**	**31,054**	**21,054**
	Program Delays/ Execution		0	-5,180	-5,180
	Decontamination Technology Demonstration		0	+920	+920
	ACTD/Advanced Tactical Laser - (Moved to ACTD)		0	+10,000	0

R-1		Budget Request	House	Senate	Conference
74	**BALLISTIC MISSILE DEFENSE SYSTEM SEGMENT**	**779,584**	**0**	**0**	**819,084**
	Transfer to Title IX - RDTE, BMDO		-779,584	0	0
	PE Realignment / Transfer Out		0	-779,584	0
	BMDO Systems Integration		-15,000*	0	0
	Center for Missile Defense, Optical Data/Sensor Fusion (Note: Only for university research on missile detection and defense using imaging processing capabilities and optical discrimination algorithms and architectures.)		1,000*	0	+1,000
	ESPRIT		0	0	+3,000
	Advanced Multi-Sensor Fusion Testbed		0	0	+1,700
	PMRF Upgrades		0	0	+23,800
	Airborne Intercept Monitoring		0	0	+1,000
	SHOTS		0	0	+4,300
	Range Data Fusion Upgrades		0	0	+3,000
	Kodiak Road Planning/Design		0	0	+1,700
	Space Based CEC		0	[+15,000]	[+10,000]
74a	**BMD SYSTEMS BMC2**	**0**	**0**	**18,792**	**0**
	New Program Element / Transfer In		0	+18,792	0
74b	**BMD SYSTEMS COMMUNICATION**	**0**	**0**	**10,000**	**0**
	New Program Element / Transfer In		0	+10,000	0
74c	**BMD SYSTEM TARGETS AND COUNTERMEASURES**	**0**	**0**	**96,539**	**0**
	New Program Element / Transfer In		0	+96,539	0
74d	**BMD SYSTEM TEST AND EVALUATION**	**0**	**0**	**220,916**	**0**
	New Program Element / Transfer In		0	+220,916	0
75	**BALLISTIC MISSILE DEFENSE TERMINAL DEFENSE SEGMENT**	**968,180**	**0**	**0**	**203,344**
	Transfer to Title IX - RDTE, BMDO		-968,180	0	0
	PE Realignment / Transfer Out		0	-968,180	0
	Transfer of MEADS from RDTE, Army		0	0	+73,645
	MEADS Reduction		-21,000*	0	-2,000
	Transfer to ARROW (Error in budget submission)		20,000*	0	+20,000
	Transfer of THAAD to its own PE		0	0	-922,481
	Increase to ARROW		0	0	+66,000
	ARROW Test Bed		0	[+4,000]	[+3,000]
75a	**THEATER HIGH ALTITUDE AREA DEFENSE (THAAD)**	**0**	**0**	**672,543**	**0**
	New Program Element / Transfer In			+672,543	
75b	**ARROW AND COOPERATIVE PROGRAMS**	**0**	**0**	**141,699**	**0**
	New Program Element / Transfer In			+141,699	
75c	**PAC-3**	**0**	**0**	**107,100**	**0**
	New Program Element / Transfer In			+107,100	

R-1		Budget Request	House	Senate	Conference
75d	**MEADS**	**0**	**0**	**71,645**	**0**
	New Program Element / Transfer In			+71,645	
75e	**NAVY AREA BMD**	**0**	**0**	**388,496**	**0**
	New Program Element / Transfer In			+388,496	
76	**BALLISTIC MISSILE DEFENSE MIDCOURSE DEFENSE SEGMENT**	**3,940,534**	**0**	**0**	**3,820,534**
	Transfer to Title IX - RDTE, BMDO		-3,940,534	0	0
	PE Realignment / Transfer Out		0	-3,940,534	0
	Sea Based Mid-course Study		-30,000*	0	-20,000
	NTW - Additional Test Missiles		-66,000*	0	0
	Sea Based Midcourse		0	0	-100,000
	Advanced Research Center		0	[15,000]	[10,500]
	Kauai Test Facility		0	[4,000]	[3,400]
76a	**GROUND-BASED TEST BED**	**0**	**0**	**786,485**	**0**
	New Program Element / Transfer In		0	+786,485	0
76b	**GROUND-BASED MIDCOURSE**	**0**	**0**	**2,241,240**	**0**
	New Program Element / Transfer In		0	+2,241,240	0
76c	**SEA-BASED MIDCOURSE**	**0**	**0**	**289,000**	**0**
	New Program Element / Transfer In		0	+289,000	0
77	**BALLISTIC MISSILE DEFENSE BOOST DEFENSE SEGMENT**	**685,363**	**0**	**0**	**608,863**
	Transfer to Title IX - RDTE, BMDO		-685,363	0	0
	PE Realignment / Transfer Out		0	-685,363	0
	Sea Based Boost Study		-25,000*	0	-20,000
	Space Based Kinetic Energy Study		-10,000*	0	-10,000
	Space Based Laser		-120,000*	0	-120,000
	Airborne Laser		0	0	+73,500
77a	**SEA-BASED BOOST**	**0**	**0**	**10,000**	**0**
	New Program Element / Transfer In		0	+10,000	0
77b	**AIR-BASED BOOST/AIRBORNE LASER**	**0**	**0**	**355,000**	**0**
	New Program Element / Transfer In		0	+355,000	0
77c	**SPACE-BASED BOOST**	**0**	**0**	**32,000**	**0**
	New Program Element / Transfer In		0	+32,000	0
78	**CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - DEM/VAL**	**82,636**	**0**	**82,636**	**90,336**
	Transfer to Title IX		-82,636	0	0
	M93A1 FOX Simulation Training Suites		+2,000*	0	+1,400
	Mobile Chemical Agent Detector		+9,000*	0	+6,300
79	**BALLISTIC MISSILE DEFENSE SENSORS**	**495,600**	**0**	**0**	**340,600**
	Transfer to Title IX - RDTE, BMDO		-495,600	0	0
	PE Realignment / Transfer Out		0	-495,600	0
	RAMOS		-40,000*	0	-20,000
	SBIRS-Low / Space Sensors		-385,000*	0	-385,000
	Satellite Sensors Technology Program		250,000*	0	+250,000
	Ground Based Sensors		75,000*	0	0

R-1		Budget Request	House	Senate	Conference
79a	**SPACE SENSORS/SBIRS-L**	**0**	**0**	**264,799**	**0**
	New Program Element / Transfer In		0	+264,799	0
79b	**INTERNATIONAL COOPERATION**	**0**	**0**	**50,342**	**0**
	New Program Element / Transfer In		0	+50,342	0
79c	**SENSORS TEST AND EVALUATION**	**0**	**0**	**10,000**	**0**
	New Program Element / Transfer In		0	+10,000	0
82	**COALITION WARFARE**	**12,943**	**6,943**	**6,123**	**6,123**
	Reduction		-6,000	-6,820	-6,820
83	**JOINT SERVICE EDUCATION AND TRAINING SYSTEMS DEVELOPMENT**	**0**	**13,000**	**0**	**10,000**
	Advanced Distributed Learning Initiative		+10,000	0	+8,500
	ADL Prototype for OSD ADL Co-laboratory		+3,000	0	+1,500
85	**CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - EMD**	**159,943**	**0**	**164,943**	**162,443**
	Transfer to Title IX		-159,943	0	0
	Laser Interrogation of Surface Agents (LISA)		0	+5,000	+2,500
86	**JOINT ROBOTICS PROGRAM - EMD**	**13,197**	**17,197**	**13,197**	**15,197**
	Tactical Unmanned Ground Vehicle Part II		+4,000	0	+2,000
90	**THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD - EMD**	**0**	**0**	**0**	**872,481**
	Transfer from Ballistic Missile Defense Terminal Defense Segment		0	0	+922,481
	THAAD - Acceleration		-210,000*	0	-50,000
	THAAD Four Additional Test Missiles		+32,000*	0	0
91	**PATRIOT PAC-3 THEATER MISSILE DEFENSE ACQUISITION - EM**	**0**	**0**	**0**	**129,100**
	Transfer from RDTE, Army		0	0	+107,100
	PAC-3 Research and Development		44,000*	0	+22,000
92	**NAVY AREA THEATER MISSILE DEFENSE - EMD**	**0**	**0**	**0**	**100,000**
	Navy Area Termination Liability		0	0	+100,000
97	**INFORMATION TECHNOLOGY DEVELOPMENT-STANDARD PROCUREMENT SYSTEM**	**9,747**	**9,747**	**7,747**	**7,747**
	Program Delays/Execution		0	-2,000	-2,000
98	**FINANCIAL MANAGEMENT MODERNIZATION PROGRAM**	**100,000**	**40,000**	**100,000**	**100,000**
	Transfer to DWCF		-60,000	0	0
105	**TECHNICAL STUDIES, SUPPORT AND ANALYSIS**	**33,805**	**20,805**	**33,805**	**27,805**
	Information Technology Superiority Study (Note: Only to facilitate a joint industry-military dialog to be conducted under the auspices of the National Defense University and to develop pilot programs for effective industry military interaction.)		+1,000	0	+1,000
	Reduction		-14,000	0	-7,000

R-1		Budget Request	House	Senate	Conference
108	**GENERAL SUPPORT TO C3I**	**21,061**	**22,561**	**28,561**	**28,561**
	Pacific Disaster Center		0	+6,000	+6,000
	UAV Integration into Civil Air-Space (Note: Only to continue and accelerate the existing OSD program.)		+1,500	+1,500	+1,500
111	**DEFENSE TRAVEL SYSTEM**	**29,955**	**9,955**	**29,955**	**19,955**
	Reduction		-20,000	0	-10,000
112	**JOINT THEATER AIR AND MISSILE DEFENSE ORGANIZATION**	**26,865**	**26,865**	**16,865**	**26,865**
	JDEP Transfer to BMD		0	-10,000	0
113	**CLASSIFIED PROGRAM USD(P)**	**0**	**20,000**	**0**	**45,000**
	Classified		+20,000	0	+45,000
114	**FOREIGN COMPARATIVE TESTING**	**30,907**	**30,907**	**27,907**	**35,207**
	HELLAS		0	[+8.500]	+7,300
	Program Delays/Execution		0	-3,000	-3,000
116	**CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM**	**31,276**	**0**	**31,276**	**31,276**
	Transfer to Title IX		-31,276	0	0
119	**CLASSIFIED PROGRAMS - C3I**	**56,653**	**28,653**	**61,653**	**44,953**
	Intelligence Management (Note: Reduction shall not be applied to Information Assurance projects considered Congressional interest items.)		-35,000	0	-20,000
	Open Source Exploitation - MHPCC		0	+5,000	+4,300
	Global Infrastructure Data Capture		+7,000	0	+4,000
127	**PENTAGON RESERVATION**	**6,571**	**0**	**6,571**	**6,571**
	Transfer to Title IX - RDTE, BMDO		-6,571	0	0
128	**MANAGEMENT HEADQUARTERS-BMDO**	**27,758**	**0**	**27,758**	**27,758**
	Transfer to Title IX - RDTE, BMDO		-27,758	0	0
129	**COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE**	**10,805**	**27,805**	**10,805**	**22,805**
	Aircraft Affordability Initiative		+17,000	0	+12,000
142	**INFORMATION SYSTEMS SECURITY PROGRAM**	**414,844**	**422,594**	**420,744**	**425,994**
	Protection of Vital Data		+7,000	0	+6,000
	Computer Science and Internet Security Degree Program		+750	0	+750
	National Information Assurance Training		0	+2,400	+1,700
	Superconducting Processors Development		0	+1,000	+1,000
	IOTC		0	+2,500	+1,700

R-1		Budget Request	House	Senate	Conference
149	**DEFENSE IMAGERY AND MAPPING PROGRAM**	**115,209**	**144,409**	**122,909**	**139,009**
	PIPES (Note: This has been funded at $7,700,000 in the National Imagery and Mapping Program.)		0	+7,700	0
	To meet imagery library requirements for NAVOCEANO (SURF EAGLE)		+5,000	0	+2,000
	Commercial Joint Mapping Toolkit		+15,000	0	+12,800
	Geographic SAR Airborne Mapping System (GEOSAR) - only to complete GEOSAR program, to conduct demonstration tests of the GEOSAR airborne mapping system and to validate its products for priority military use and civilian applications.)		+9,200	0	+9,000
151	**DEFENSE JOINT COUNTERINTELLIGENCE PROGRAM (JMIP)**	**5,977**	**5,977**	**20,977**	**17,977**
	JCAG and ITSO		0	+15,000	+12,000
152	**C3I INTELLIGENCE PROGRAMS**	**10,552**	**10,552**	**12,552**	**16,752**
	Miniaturized Wireless Initiative		0	0	+5,000
	Joint C4ISR Architecture		0	+2,000	+1,200
153	**TECHNOLOGY DEVELOPMENT**	**40,000**	**0**	**40,000**	**5,000**
	JET		-5,000	0	0
	Special Access Program		-35,000	0	-35,000
156	**MANNED RECONNAISSANCE SYSTEMS**	**4,556**	**13,056**	**22,556**	**17,156**
	Combat Sent Upgrades (Note: Funded upgrades should include such projects as Ultra Wideband Collector and automated COMINT Search and Collection)		0	+18,000	+12,600
	Combat Sent (Note: only for Ultra Wideband Collector)		+4,000	0	0
	Distributed Common Ground System only for Octagon 10		+500	0	0
	Combat Sent (Note: only for Automated COMINT Search and Collection.)		+4,000	0	0
163	**INDUSTRIAL PREPAREDNESS**	**17,544**	**37,044**	**22,044**	**43,744**
	Unjustified Growth		0	-7,500	0
	Laser Additive Manufacturing		0	+6,000	+5,700
	ERIM Defense Sustainment		0	+6,000	+4,200
	DLA Competitive Sustainment Initiative		+4,500	0	+3,500
	Defense Supply Chain Management Program		+15,000	0	+12,800
167	**SPECIAL OPERATIONS TECHNOLOGY DEVELOPMENT**	**0**	**0**	**7,606**	**20,506**
	Transfer from PE 1160444BB		0	+7,606	+7,606
	Wireless Video Links for SOMROV		0	0	+1,600
	Spike Urban Warfare System		0	0	+4,000
	Lightweight Counter Mortar Radar Program		0	0	+3,000
	Dual Band Detector Imaging Technology		0	0	+4,300

R-1		Budget Request	House	Senate	Conference
168	**SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEVELOPMENT**	**0**	**0**	**11,582**	**10,982**
	Transfer from PE 1160444BB		0	+7,582	+7,582
	SOF Aircraft Defense Systems		0	+4,000	+2,000
	Electronic Digital Compass System		0	0	+1,400
169	**SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT**	**0**	**0**	**240,887**	**258,489**
	Transfer from PE 1160444BB		0	+232,140	+232,140
	PSYOPS Advanced Development		0	-550	-550
	Weapon Systems Advanced Development		0	-402	0
	SOF Miscellaneous Equipment Advanced Development		0	-301	-301
	Leading EDGE		0	+5,000	+4,300
	Miniature Day/Night Sight Development		0	+3,000	+1,500
	160th SOAR Modification		0	+1,000	+1,000
	Titanium Tilting Helmet Mounts		0	+1,000	+1,000
	Advanced Seal Delivery System		0	0	+7,000
	Surface Planning Wet Submersible (SPWS) (Note: for the completion of the FY 01 inititated demonstration of the SPWS and to procure additional SPWS for Special Operations Forces and other military users in the Department of Defense.)		0	0	+3,700
	Mark V Computer Upgrade		0	0	+1,000
	SOCOM Rotary Wing UAV (Note:only for Maverick and Hummingbird systems, ground stations and spares to SOCOM for testing and evaluation of rotary UAV systems.)		0	0	+6,700
	Rebreather (Note: To develop state of the art military closed-circuit rebreather applications.)		0	0	+1,000
170	**SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT**	**0**	**6,000**	**10,789**	**14,989**
	Transfer from PE 1160444BB		0	+3,089	+3,089
	SOF C4I Threat Warning and Situational Awareness		0	+2,800	+1,400
	Joint Threat Warning System (JTWS)		0	+4,900	+2,400
	Counterproliferation Analysis and Planning System		0	0	+5,100
	Solid State Synthetic Aperture Radar		+6,000	0	+3,000
171	**SOF MEDICAL TECHNOLOGY DEVELOPMENT**	**0**	**0**	**1,917**	**4,017**
	Transfer from PE 1160444BB		0	+1,917	+1,917
	Special Operations Air Force (Note: Transferred from PE 040411F)		0	0	+2,100
172	**SOF OPERATIONAL ENHANCEMENTS**	**85,109**	**86,609**	**85,109**	**86,209**
	Integrated Command and Control System (IC2S)		+1,500	0	+1,100

R-1		Budget Request	House	Senate	Conference
173	**SOF ACQUISITION**	**252,334**	**299,684**	**0**	**0**
	Transfer		0	-252,334	-252,334
	Advanced Seal Delivery System		+5,000	0	0
	Surface Planning Wet Submersible (SPWS) (Note: for the completion of the FY 01 inititated demonstration of the SPWS and to procure additional SPWS for Special Operations Forces and other military users in the Department of Defense.)		+5,250	0	0
	Electronic Digital Compass System		+2,000	0	0
	Wireless Video Links for SOMROV		+3,200	0	0
	Spike Urban Warfare System		+8,000	0	0
	Lightweight Counter Mortar Radar Program		+3,000	0	0
	Dual Band Detector Imaging Technology		+5,000	0	0
	Counterproliferation Analysis and Planning System		+6,000	0	0
	Mark V Computer Upgrade		+1,000	0	0
	SOCOM Rotary Wing UAV (Note:only for Maverick and Hummingbird systems, ground stations and spares to SOCOM for testing and evaluation of rotary UAV systems.)		+7,900	0	0
	Rebreather (Note: To develop state of the art military closed-circuit rebreather applications.)		+1,000	0	0
999	**CLASSIFIED PROGRAMS**	**1,829,938**	**1,808,938**	**1,806,938**	**1,853,738**
			-21,000	-23,000	+23,800

* Note: Items marked with an asterisk were funded by the House in Title IX.

BALLISTIC MISSILE DEFENSE

The conferees agree to provide a total of $7,766,999,000 for ballistic missile defense research and development and related procurement activities. Coupled with increases for new and expanded counter-terrorism programs, the conference agreement provides a combined total of $8,244,999,000 for ballistic missile defense and increased counter-terrorism activities.

The Department of Defense is about to initiate a radical restructuring of the ballistic missile defense program management organization. The conferees support the efforts of the Department to devise a management structure that facilitates integration of the various ballistic missile defense research and development efforts. The Department, however, is cautioned against implementing a management structure and related decision-making process that limit adequate oversight of the program by the Pentagon's operational testing, financial, and programmatic review groups. Also, the conferees will continue to monitor this program's management activities to ensure Congressional oversight.

Within each program element, the conferees have identified several special interest projects for purposes of reprogramming and budget justification material. (The conferees agree with the House language regarding reprogramming rules and budget justification material for ballistic missile defense programs.) The special interest projects are as follows:

Terminal Phase Systems: MEADS and ARROW;

Midcourse Phase Systems: Ground-based Midcourse, Pacific Test Bed, and Sea-based Midcourse (Navy Theater Wide);

Boost Phase Systems: Sea-based Boost, Air-base Boost (Airborne Laser) and Space-based Boost (Space based Laser);

Sensors: Satellite Sensor Technology and RAMOS.

THEATER HIGH ALTITUDE AREA DEFENSE

The conferees agree to provide $872,481,000 for the Theater High Altitude Area Defense (THAAD) program, a reduction of $50,000,000 to the request. This amount includes $160,000,000 for the Block 2004 THAAD research and development program. The Block 2004 funds should be used to reduce risk in the THAAD research and development program and acquire a sufficient number of test assets to ensure a robust testing profile. Further, the conferees direct that none of the funds provided be used to accelerate THAAD pre-production or deployment unless the Secretary of Defense certifies to the Congressional defense committees that threats to our national security or military forces warrant otherwise.

SATELLITE SENSOR TECHNOLOGY

The conferees agree with House funding recommendations regarding SBIRS Low and the Satellite Sensor Technology program. This agreement is based, in part, on discussions with the Undersecretary of Defense (AT&L) who indicated that the problems in the precursor SBIRS High program are so significant as to make the current schedule for SBIRS Low unexecutable. The conference agreement allows BMDO to step off the acquisition track to place greater emphasis on risk reduction and maturation of new technologies. These efforts, to be performed within the Satellite Sensor Technology program, should proceed at a measured pace. The conferees note that this agreement in no way precludes continued technology efforts on the current SBIRS Low program. The conferees agree that the Secretary may obligate the funding provided for the Satellite Sensor Technology program as he determines necessary for the SBIRS Low program. The conferees direct DoD to develop specific plans for the Satellite Sensor Technology program for fiscal year 2002 and out and provide this plan to the congressional defense committees no later than May 15, 2002. The conferees further direct that the congressional defense committees be notified of any funding realignments regarding this program.

RADIATION HARDENED ELECTRONICS

The conferees support the House language regarding radiation hardened electronics, except that they direct that not less than $14,500,000 in program element 602715BR and $38,000,000 provided in ''Domestic Radiation Hardened Electronics'' in the Defense Production Act be used for the purpose described in the House report.

MINIATURIZED WIRELESS SYSTEM

The conferees agree to provide $5,000,000 for miniaturized wireless systems and agree that these funds be used only to initiate a university-industry program to utilize advances in three-dimensional chip scale packaging and high temperature superconducting transceiver performance, to reduce the size, weight, power consumption and cost of advanced wireless communication systems for covert military and intelligence operations.

CHALLENGE PROGRAM FOR INNOVATIVE TECHNOLOGY IN DEFENSE ACQUISITION

The conferees support the actions taken by the Department in response to section 818 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261) and the initial improvements made in facilitating the rapid transition into Defense acquisition programs of technologies developed in successful Small Business Innovative Research (SBIR) phase two projects. The conferees provide $12,500,000 only for the further development and rapid insertion of innovative SBIR technologies as competitive alternatives to Defense acquisition program technologies. The Secretary of Defense shall select from third phase SBIR proposals, which will result in improvements in performance, affordability, manufacturability, or operational capability at the component, subsystem, or system level. The Secretary shall report to the Defense Committees the technologies selected and the improvements expected by June 1, 2001. In addition, the conferees direct the Office of the Secretary of Defense to work with the congressional defense committees to establish a more rigorous management and oversight structure of the burgeoning number of rapid acquisition programs within the Department. The conferees expect this management and oversight structure to be reflected in the fiscal year 2003 Defense budget request.

OPERATIONAL TEST AND EVALUATION, DEFENSE

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
OPERATIONAL TEST & EVAL, DEFENSE				
ADVANCED TECHNOLOGY DEVELOPMENT				
TEST, EVALUATION SCIENCE AND TECHNOLOGY	16,000	16,000	3,000	8,000
TOTAL, ADVANCED TECHNOLOGY DEVELOPMENT	16,000	16,000	3,000	8,000
RDT&E MANAGEMENT SUPPORT				
CENTRAL TEST AND EVALUATION INVESTMENT DEVELOPMENT (CT	113,642	132,642	127,142	132,642
OPERATIONAL TEST AND EVALUATION	17,379	17,379	17,379	17,379
LIVE FIRE TESTING	9,887	15,887	9,887	12,887
DEVELOPMENT TEST AND EVALUATION	59,447	62,447	59,447	60,947
IMPLEMENTING DSB RECOMMENDATIONS	1,000	1,000	---	---
TOTAL, RDT&E MANAGEMENT SUPPORT	201,355	229,355	213,855	223,855
TOTAL, OPERATIONAL TEST & EVAL, DEFENSE	217,355	245,355	216,855	231,855

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
(In thousands of dollars)

R-1		Budget Request	House	Senate	Conference
1	**TEST, EVALUATION SCIENCE AND TECHNOLOGY**	**16,000**	**16,000**	**3,000**	**8,000**
	Reduction		0	-13,000	-8,000
2	**CENTRAL TEST AND EVALUATION INVESTMENT DEVELOPMENT**	**113,642**	**132,642**	**127,142**	**132,642**
	Digital Video System Development		+6,000	0	+4,000
	Roadway Simulator		+10,000	+13,500	+9,500
	Digital Video Laboratory		+3,000	0	+1,500
	Big Crow		0	0	+4,000
4	**LIVE FIRE TESTING**	**9,887**	**15,887**	**9,887**	**12,887**
	Live Fire Testing and Training Initiative		+6,000	0	+3,000
5	**DEVELOPMENT TEST AND EVALUATION**	**59,447**	**62,447**	**59,447**	**60,947**
	Target and Threat Systems Interoperability Testing		+3,000	0	+1,500
6	**IMPLEMENTING DSB RECOMMENDATIONS**	**1,000**	**1,000**	**0**	**0**
	Deleted Request		0	-1,000	-1,000
	Radio Frequency Vulnerability Analysis		[+4,000]	0	[+2,000]

IMPLEMENTING DSB RECOMMENDATIONS

The President's budget requests $1,000,000 to implement Defense Science Board recommendations. While the Congress does not oppose such an effort, resources should be found from within existing funds.

TITLE V—REVOLVING AND MANAGEMENT FUNDS

The conference agreement is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Defense Working Capital Funds	1,951,986	1,826,986	1,826,986	1,312,986
Nation Defense Sealift Fund	506,408	412,708	407,408	432,408
Total, Related Agencies	2,458,394	1,937,694	2,234,394	1,745,394

DEFENSE WORKING CAPITAL FUNDS

The conferees agree to provide $1,312,986,000 for the Defense Working Capital Fund.

NATIONAL DEFENSE SEALIFT FUND

The Conferees agree to provide to $432,408,000 for the National Defense Sealift Fund, a decrease of $74,000,000 from the budget request amount. This includes a reduction of $99,000,000 originally requested for MARAD and an increase of $25,000,000 to finance the cost of constructing additional sealift capacity.

STRATEGIC SEALIFT CAPACITY

The conference agreement reserves $25,000,000 of amounts appropriated to the National Defense Sealift Fund to accelerate the introduction of next-generation high-speed sealift ships to support the Navy's global military sealift requirements. The conferees expect the Navy to work with other federal agencies using interagency agreements, economy act procedures, or other mechanisms to provide loan guarantees to shipbuilders to meet this objective. These funds may not be used for research and development, or for defense-features on commercial sealift ships.

MOBILE DEPLOYABLE ASSETS

In the wake of the tragic events of September 11, 2001, the conferees are concerned that future deployments of United States forces may expose personnel to the risk of terrorist attach similar to the bombing of Khobar Towers in Saudi Arabia and the Marine barracks in Beirut. Instead of building vulnerable fixed barracks for United States forces deployed in highly dangerous locations, the conferees believe the Navy should give the highest consideration to acquiring mobile, deployable assets, which could provide additional ''in situ'' hospital, housing, MWR, or command and control capability. The conferees recommend that the Navy expeditiously pursue the possibility of capitalizing MARAD loan guarantees for up to two multipurpose passenger ships presently under construction in a United States shipyard.

TITLE VI—OTHER DEPARTMENT OF DEFENSE PROGRAMS

The conference agreement is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Defense Working Program	17,898,969	18,277,403	18,376,404	18,391,194
Chemical Agents and Munitions Destruction, Army	1,153,557	1,093,057	1,104,557	1,105,557
Drug Interdiction and Counter Drug Activities, Defense	820,381	827,381	865,981	842,581
Office of the Inspector General	152,021	152,021	152,021	152,021
Total, Other Department of Defense Programs	20,024,928	20,349,862	20,498,963	20,491,353

DEFENSE HEALTH PROGRAM

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[In thousands of dollars]

	Budget	House	Senate	Conference
Operation and Maintenance	17,565,750	17,574,750	17,656,185	17,659,475
In-House Care	**4,502,140**	**4,592,140**	**4,592,575**	**4,678,265**
Optimization (transfer in)		+90,000		+90,000
International Medical Program Global Satellite System (IMPGSS)				+2,000
Post-Polio Syndrome				+2,500
Comprehensive Breast Care Center at Walter Reed Army Medical Center				+4,000
Balkans operations (transfer from OCTOF)			+29,035	+26,000
Hawaii Federal Health Care Network			+18,000	+15,300
Clinical Coupler Demonstration Project			+10,000	+7,000
Automated Clinical Practice Guidelines			+7,500	+6,400
Tri-Service Nursing Research Program			+6,000	+6,000
Pacific Island Health Care Referral Program			+5,000	+4,300
Digital Access and Analysis of Historic Records at AFIP			+4,000	+3,400
Defense and Veterans Head Injury Program			+3,000	+2,100
Alaska Federal Health Care Network			+2,500	+2,125
Graduate School of Nursing			+2,300	+2,000
Operation Ranch Hand/Agent Orange Study			+1,100	+1,000
Brown Tree Snakes			+1,000	+1,000
Health Study at the Iowa Army Ammunition Plant			+1,000	+1,000
Hepatitis B Vaccination for All New Recruits			(12,000)	(8,400)
Keesler Medical Center Real Property Maintenance			(10,000)	(7,000)
Bethesda Naval Hospital Real Property Maintenance			(9,000)	(6,300)
Uniformed Services University of Health sciences			(6,300)	(5,100)
Health Care Simulation Models			(6,000)	(4,200)
Vaccine Facility Project—USTA/Brooks			(1,500)	(1,100)
Private Sector Care	**10,130,687**	**10,040,687**	**10,130,687**	**10,040,687**
Optimization (transfer out)		-90,000		-90,000
Consolidated Health Support	**764,516**	**766,516**	**764,516**	**766,016**
Examining Activities Centralized Credentials Quality Assurance		+2,000		+1,500
Information Management	**602,824**	**602,824**	**602,824**	**604,924**
Computer Based Patient Records				+2,100
Management Activities	**232,965**	**239,965**	**232,965**	**236,965**
DoD-VA Health Care Consolidation Study		+5,000		+2,500
Health Care Centers of Excellence		+2,000		+1,500
Education and Training	**309,193**	**309,193**	**309,193**	**309,193**
Base Operations/Communications/Environmental	**1,023,425**	**1,023,425**	**1,023,425**	**1,023,425**

	Budget	House	Senate	Conference
Procurement	267,915	267,915	267,915	267,915
Research and Development	65,304	434,738	452,304	463,804
ACP-215, Blood Cell Washer		4,000		2,000
Advanced Cancer Detection-National Functional Genomics Project (Note: only to determine the genetic changes that cause cancer and to perfect the means of rapidly moving these discoveries into the active duty military personnel, dependents and veterans populations.)		5,000		3,500
Army Peer-Reviewed Breast Cancer Research Program		175,000	175,000	150,000
CBCP		14,000		11,900
Chronic Mylogenous Leukemia Research		5,000		5,000
Comprehensive Neuroscience Center (Note: only for a public/private comprehensive program in neurosciences for DoD medical beneficiaries in the areas of brain injury, headache, seizures/epilepsy, and other degenerative disorders. It shall be a coordinated effort among Walter Reed Army Medical Center, the Uniformed Services University of the Health Sciences, an appropriate non-profit medical Foundation, and a primary health care center, with funding management accomplished by the Uniformed Services University of the Health Sciences.)				8,000
Computer Based Patient Records (transfer to DHP O&M)		3,000		-
Coronary and Prostate Disease Reversal (Note: only to continue an on-going effort among Walter Reed Army Medical Center, and appropriate non-profit medical foundation, and a rural primary health care center, with funding management accomplished by the Uniformed Services University of the Health Services		7,000		6,000
Defense and Veterans Head Injury Program (DVHIP)		4,000		-
HIV/AIDS Prevention Program		20,000		14,000
Hyperbaric Oxygen Therapy for Cerebral Palsy at WPAFB Hospital		1,500		1,100
International Medical Program Global Satellite System (IMPGSS) (Transfer to DHP O&M)		4,000		-
National Center for Collaboration in Medical Modeling and Simulation (Note: Only to establish a National Center for Collaboration in Medical Modeling and Simulation in collaboration with the Virginia Modeling, Analysis and Simulation Center.)		200		200
National Naval Medical Center Hematology Lab mods		1,734		1,500
Ovarian Cancer Research Program		12,000	12,000	10,200
Periscopic Surgery for the Spine (Note: only to continue research into the development of minimally invasive surgical procedures for the brain, spinal cord, and spine under cooperative agreement 17-99-1-9022)		3,000		2,500
Army Peer-Reviewed Prostate Cancer Research Program		100,000	100,000	85,000
Post-Polio Syndrome (Transfer to DHP O&M)		3,000		-

	Budget	House	Senate	Conference
TRIES-AFIERA Environmental/border Health Demonstration project PE DHP 87724F		3,000		1,500
Tuberous Sclerosis Complex (TSC) Research (Note: only for Tuberous Sclerosis Complex research to better understand the role and function of proteins produced by the TSC1 and TSC2 tumor suppressor genes.)		1,000		1,000
U.S. Military Cancer Institute at USUHS		3,000		2,600
National Prion Research Project			50,000	42,500
Peer Reviewed Medical Research Program			50,000	50,000
PERATION AND MAINTENANCE	17,565,750	17,574,750	17,656,185	17,659,475
ROCUREMENT	267,915	267,915	267,915	267,915
ESEARCH AND DEVELOPMENT	65,304	434,738	452,304	463,804
TOTAL	17,898,969	18,277,403	18,376,404	18,391,194

REPROGRAMMING

The conferees share the concerns expressed in the report accompanying the House version of the Department of Defense Appropriations bill for fiscal year 2002 regarding the diversion of funds from the DoD military medical facilities (MTFs) to pay for contractor-provided medical care. To limit such transfers within the Defense Health Program operation and maintenance account, the conferees agree that the Department of Defense shall follow prior approval reprogramming procedures for transfers with a cumulative value in excess of $25,000,000, into the Private Sector Care activity group.

In addition, the conferees agree that the Department of Defense shall provide budget execution data for all of the operation and maintenance budget activities as well as the procurement and research, development, test and evaluation accounts of the Defense Health Program. Such budget execution data shall be provided quarterly to the congressional defense committees through the DD–COMP(M) 1002.

PEER REVIEWED MEDICAL RESEARCH PROGRAM

The Senate recommended $50,000,000 for a Peer Reviewed Medical Research program. The conferees agree to provide $50,000,000 for this program, and recommend that the Department of Defense consider the following projects as candidates for study: Complex rAD-Vector vaccine for MGBV; chemo-preventative approaches to smoking related illness; childhood asthma; chiropractic care; closed loop frozen blood processing systems; Counter Narcotics Tactical Operations Medical Support Program (CONTOMS); Dengue Fever vaccine; high risk infectious disease; medications for fungal and bacterial infections such as Fungi Free; metabolically engineered tissue for trauma care; military nutrition research; Padget's disease; pre-clinical & clinical activities of the Novonex/Ex-Rad drugs; radiation protection; real-time heart rate variability; self test methods of screening for cervical cancer; smoking cessation; social work research; Traumatic Brain injury; Volume Angio Cat (VAC) research, and VRE research.

TRICARE: NEXT GENERATION CONTRACTS

The conferees are aware that the Department of Defense is presently considering the issuance of new requirements for future TRICARE managed care contracts. A major revision under consideration is the prospect of ''unbundling'' healthcare and administrative services and using different contractors with different geographic coverage responsibilities. While the conferees support DoD efforts to improve and streamline the provision of healthcare services, the conferees note that the Department's deliberations have caused great concern among health care providers and, if not managed carefully and thoughtfully, could reignite the instability and confusion that has existed in the past years as this program was being implemented. Accordingly, the conferees direct that before any proposals for significant structural changes to the TRICARE managed care contract are made public, that the Assistant Secretary of Defense (Health Affairs) solicit the views of the congressional defense committees. The conferees also direct the Department to allow sufficient time for full congressional review before any final decisions are made in this respect.

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

CHEM AGENTS & MUNITIONS DESTRUCTION, ARMY:				
CHEM DEMILITARIZATION—O&M	789,020	728,520	739,020	739,020
CHEM DEMILITARIZATION—PROC	164,158	164,158	164,158	164,158
CHEM DEMILITARIZATION—RDTE	200,379	200,379	201,379	202,379
TOTAL, CHEM AGENTS & MUNITIONS DESTRUCTION, ARMY	1,153,557	1,093,057	1,104,557	1,105,557

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
(In thousands of dollars)

P-1		Budget Request	House	Senate	Conference
3	**CHEM DEMILITARIZATION - O&M**	**789,020**	**728,520**	**739,020**	**739,020**
	Reduction		-60,500	-50,000	-50,000
2	**CHEM DEMILITARIZATION - PROC**	**164,158**	**164,158**	**164,158**	**164,158**
1	**CHEM DEMILITARIZATION - RDTE**	**200,379**	**200,379**	**201379**	**202,379**
	Defense access road at Tooele Depot (Preliminary engineering)		**0**	+1,000	+1,000
	Emergency access and evacuation infrastructure (Note: Only for a study and preliminary engineering of an evacuation road at Pine Bluff Arsenal.)		0	0	+1,000

PROGRAM MANAGER FOR CHEMICAL DEMILITARIZATION

The conferees support the guidance provided in the Senate report under this heading with two changes. The conferees agree that for the quarterly report the Department may use an existing report provided it includes the data requested and is available within 14 days of the end of each quarter. In addition, there is no requirement for a restructuring report. All other direction, including the January 15th report and the language regarding incentive programs remains as written.

ANNISTON CHEMICAL DESTRUCTION FACILITY

The conferees share the Senate's concern regarding emergency preparedness measures at the Anniston Chemical Destruction Facility. In lieu of the language in the Senate report, the conferees support the current agreement established by the Department, FEMA, and state and local officials, concerning the commencement of destruction operations and critical safety matters, as stated in the letter from the Under Secretary of Defense (AT&L) dated November 1, 2001.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

The conference agreement on items addressed by either the House or the Senate is as follows:

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[In thousands of dollars]

	Budget	House	Senate	Conference
	820,381	827,381	865,981	842,581
RECOMMENDED INCREASES:				
Young Marines		2,000		1,400
National Counter-Narcotics Training Ctr.(Hammer)		2,000	7,500	5,200
Caper Focus		5,000		2,500
Southwest Anti-Drug Border States Initiative		5,000		4,200
National Interagency Civil-Military Institute		4,000		2,000
Multijurisdictional Interagency CD Task Force Training		4,000		3,400
Southwest Border Fence		6,700		5,000
Indiana National Guard Counter-Drug Activities		2,000		1,400
Kentucky National Guard Counter-Drug Activities		3,400	3,000	2,400
Tennessee National Guard Counter-Drug Activities		1,000		1,000
Nevada National Guard Counter-Drug Activities		2,000		1,000
NY National Guard Counter-Drug Port Inititiative		1,000		1,000
Army Air National Guard OH-58 EO/IR Sensors			5,000	3,500
Mississippi National Guard Counter-Drug Program			2,600	1,800
WV National Guard Counter-Drug Program			3,500	3,000
Hawaii National Guard Counter-Drug Program			3,000	2,600
P-3C Counter-Drug Thermal Imaging Systems			4,000	2,000
Northeast Regional Counter-Drug Training Academy			5,000	3,500
Regional Counter-Drug Training Academy			2,000	1,400
Pulsed Fast Neutron Analysis Demonstration			10,000	5,000
RECOMMENDED FROM WITHIN AVAILABLE FUNDS:				
National Guard counter-Drug Support			(+40,000)	0
RECOMMENDED REDUCTIONS:				
Peru Support		-7,200		-7,200
Counter-Drug Tanker Operations		-1,000		-1,000
Colombia Airborne Surveillance		-3,500		-3,500
Research, Development, Test, and Evaluation		-4,000		-4,000
LEA OCONUS Support		-3,000		-3,000
Tethered Aerostat Radar Program		-12,400		-12,400

NATIONAL GUARD ACTIVITIES

The conferees agree that adequate funding has not been provided to meet National Guard counter-drug requirements and have recommended an increase of $33,000,000 in this account for a number of specific National Guard activities. In view of this increase the conferees do not agree with the Senate proposed direction for a general earmark of funds for the National Guard.

OFFICE OF THE INSPECTOR GENERAL

The conferees agree to provide $152,021,000 for the Office of the Inspector General. Of this amount $150,221,000 shall be for operation and maintenance and $1,800,000 shall be for procurement.

TITLE VII—RELATED AGENCIES

The conference agreement is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Central Intelligence Agency Retirement & Disability System	212,000	212,000	212,000	212,000
Intelligence Community Management Account	152,776	144,929	144,776	160,429
Payment to Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund	25,000	25,000	75,000	67,500
National Security Education Trust Fund	8,000	8,000	8,000	8,000
Total, Related Agencies	397,776	389,929	439,776	447,929

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

Details of the adjustments to this account are addressed in the classified annex accompanying this report.

PAYMENT TO KAHO'OLAWE ISLAND CONVEYANCE, REMEDIATION, AND ENVIRONMENTAL RESTORATION FUND

The conference agreement provides $67,500,000 for payment to the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund.

TITLE VIII—GENERAL PROVISIONS

The conference agreement incorporated general provisions of the House and Senate versions of the bill which were not amended. Those general provisions that were amended in conference follow:

The conferees included a general provision (Section 8005) which amends language which provides the Department of Defense with transfer authority.

The conferees included a general provision (Section 8008) which amends language providing multiyear procurement authority.

The conferees included a general provision (Section 8027) which amends Senate language earmarking funds in ''Aircraft Procurement, Air Force'' for maintaining 18 B–52 attrition reserve aircraft.

The conferees included a general provision (Section 8031) which amends language which earmarks funds for Civil Air Patrol operation and maintenance, and counterdrug programs.

The conferees included a general provision (Section 8032) which amends language limiting the number of staff years that may be funded for Federally Funded Research and Development Centers and reduces funding for that purpose.

The conferees included a general provision (Section 8045) which amends language which extends the availability of funds for convert actions and agent operations.

The conferees included a general provision (Section 8054) which amends language recommending rescissions. The rescissions agreed to are:

[Rescissions]

Fiscal Year 2000:	
Former Soviet Union Threat Reduction: Fossil Fuel Energy Plants	$32,000,000
Other Procurement, Navy:	
Joint Tactical Terminals	14,300,000
Submarine Support Equipment	1,000,000
Aircraft Procurement, Air Force: JTCTS	8,500,000
Other Procurement, Air Force: Joint Tactical Terminals	20,000,000
Fiscal Year 2001:	
Aircraft Procurement, Army: CH–47 Mods	16,000,000
Procurement of Ammunition, Army: RADAM	27,400,000
Other Procurement, Army:	
STAR–T Termination	9,900,000
Teleoperating Kits	5,945,000
Joint Tactical Terminals	10,000,000
PEPS	2,900,000
Aircraft Procurement, Navy: JTCTS	8,600,000
Weapons Procurements, Navy: JSOW	$20,000,000
Other Procurement, Navy:	
Joint Tactical Terminals	6,000,000
JTCTS	1,600,000
Procurement, Marine Corps: STAR–T Termination	1,000,000
Aircraft Procurement, Air Force:	
JTCTS	1,300,000
F–15	18,000,000
C–135	36,000,000
RECON/DARP Support Equip.; JSAF Sensors	7,983,000
Missile Procurement, Air Force:	
JSOW	25,200,000
MMIIMODS	33,250,000
Procurement of Ammunition, Air Force: JDAM	5,800,000
Other Procurement, Air Force:	
MILSATCOM (GBS TIP)	6,500,000
JTCTS	3,700,000
Procurement, Defense-Wide:	
DIRCM	485,000
MH–53 SIM MATT Upgrade	3,982,000
Active RW Survivability	3,000,000
Passive RW Survivability	5,404,000
Riverine Craft	5,800,000
INOD	591,000
SOF Maritime Equipment	1,400,000
ASDS Advanced Procurement	18,972,000
Shemya Radar (Long lead items)	73,800,000
Research, Development, Test and Evaluation, Army:	
STAR–T Termination	3,300,000
MPIM	3,000,000
Research, Development, Test and Evaluation, Navy:	
JTCTS	8,800,000
Joint Ejection Seat	10,000,000
Research, Development, Test and Evaluation, Air Force:	
JSAF Termination	13,450,000
ERCM	39,633,000
Joint Ejection Seat	10,000,000
JTCTS	6,200,000
Research, Development, Test and Evaluation, Defense-Wide:	
Passive RW Survivability	280,000
NSW RIB	500,000

The conferees included a general provision (Section 8062) which amends Senate language earmaking $10,200,000 in ''Operation and Maintenance, Air Force'' to Realign railroad track on Elmendorf Air Force Base and Fort Richardson.

The conferees included a general provision (Section 8087) which amends Senate language appropriating $3,500,000 for the American Red Cross.

The conferees included a general provision (Section 8092) which amends Senate language which makes available funds in ''Research, Development, Test and Evaluation, Navy'' for a Maritime Fire Training Center at Barbers Point.

The conferees included a general provision (Section 8095) which amends language reducing military personnel and operation and maintenance accounts by $240,000,000 to reflect savings from favorable foreign currency fluctuations.

The conferees included a general provision (Section 8102) which amends Senate language reducing by $262,000,000 the total amount appropriated in title II of this Act to reduce cost growth in travel.

The conferees included a general provision (Section 8111) which amends language appropriating $8,500,000 for the United Service Organizations.

The conferees included a general provision (Section 8112) which amends language making funds available for establishing an ARROW production capability in the United States and for adjusting the cost-sharing agreement with the Israeli government.

The conferees included a general provision (Section 8116) which amends Senate language appropriating $4,500,000 for the Fort Des Moines Memorial Park and Education Center.

The conferees included a general provision (Section 8117) which amends language appropriating $4,250,000 for the National D-Day Museum.

The conferees included a general provision (Section 8119) which amends House language appropriating $1,700,000 for Fisher Houses.

The conferees included a general provision (Section 8120) which amends Senate language which provides authority for the establishment of a memorial to Dwight D. Eisenhower

and appropriates $2,600,000 for the Dwight D. Eisenhower Memorial Commission.

The conferees included a general provision (Section 8121) which amends House language which provides $1,700,000 for transfer to the Department of Energy for a proposed study to examine the feasibility of a zero emissions, steam injection process.

The conferees included a general provision (Section 8122) which amends Senate language appropriating $8,000,000 for the settlement of claims associated with the Air Force contract, Clear Radar Upgrade, at Clear Air Force Station, Alaska.

The conferees included a general provision (Section 8125) which amends Senate language establishing a new Regional Counter terrorism Fellowship program to be administered by the Secretary of Defense. The conferees expect the Department of Defense to coordinate this program with the State Department and specifically recommend that it keep the relevant United States Ambassadors informed.

The conferees included a general provision (Section 8126) which amends language to adjust applicable years for negotiated settlement for a request for equitable adjustment for the C–17 program.

The conferees included a general provision (Section 8129) which amends language to fund prior year shipbuilding cost increases.

The conferees included a general provision (Section 8130) which amends language which provides for the transfer of funds from shipbuilding and conversion programs.

The conferees included a new general provision (Section 8135) which amends House language reducing funds available in operation and maintenance accounts by $105,000,000 to reflect fact of life changes in utilities costs.

The conferees included a new general provision (Section 8136) which amends House language earmarking $2,100,000 from ''Operation and Maintenance, Air Force'' for repair, restoration, and preservation of the Lafayette Escadrille Memorial.

The conferees included a new general provision (Section 8137) which amends House language designating the World War I Memorial in the Mojave National Preserve as a national memorial.

The conferees included a new general provision (Section 8138) which amends House language which appropriates $4,200,000 for ''Operation and Maintenance, Navy'' for the preservation of the U.S.S. Alabama as a museum and memorial.

The conferees included a new general provision (Section 8139) which amends House language which appropriates $4,250,000 for ''Operation and Maintenance, Navy'' for the preservation of the U.S.S. Intrepid as a museum and memorial.

The conferees included a new general provision (Section 8140) which amends House language appropriating $4,200,000 for ''Operation and Maintenance, Air Force'' for the relocation of the Fairchild Air Force Base school within the boundary of Fairchild Air Force Base.

The conferees included a new general provision (Section 8141) which amends House language appropriating $3,500,000 for ''Operation and Maintenance, Navy'' for the Central Kitsap School district in Washington State for a special needs learning center.

The conferees included a new general provision (Section 8142) which amends House language appropriating $8,500,000 for the City of San Bernardino, California.

The conferees do not include a new House general provision (Section 8137) which prohibits the establishment of an independent operational test bed system and/or the transfer or certain UAVs from the Navy to the Joint Forces Command. The House agrees to recede from this recommendation with the understanding that the Navy will not transfer the Predator UAV assets. Instead, the Secretary of the Navy shall ensure that the Commander of Joint Forces Command receives priority in use of the Predator UAV assets and associated equipment when needed to support the joint operational test bed development and testing.

The conferees included a new general provision (Section 8145) which amends House language which extends the waiver of Operation and Maintenance investment limitations to activities funded in fiscal year 2000.

The conferees included a new general provision (Section 8146) which amends House language reducing funds available in operation and maintenance accounts by $100,000,000 to reflect savings attributed to improved scrutiny and supervision in using government purchase cards.

The conferees included a new general provision (Section 8147) which amends House language appropriating $2,500,000 for a DoD/VA Consolidation Study.

The conferees included a new general provision (Section 8149) which amends House language reducing funds available in ''Operation and Maintenance, Army'' by $5,000,000 to reflect efficiencies in Army acquisition management.

The conferees included a new general provision (Section 8150) which amends House language which earmarks $25,000,000 to establish an Army Venture Capital Investment Corporation.

The conferees included a new general provision (Section 8154) which amends House language earmarking funds for payments of expenses incurred by the Commission on the Future of the United States Aerospace Industry.

The conferees included a general provision (Section 8158) which amends Senate language appropriating $15,000,000 for the Citadel, Charleston, South Carolina.

The conferees included a new general provision (Section 8159) which amends Senate language to expand the Multiyear Aircraft Lease Pilot Program.

The conferees included a new general provision (Section 8160) which amends Senate language which earmarks funds for road repairs and safety improvements at Camp McCain, Mississippi.

The conferees included a new general provision (Section 8161) which amends Senate language which earmarks funds for the renovation of the Broadway Armory.

The conferees included a new general provision (Section 8163) which amends Senate language which provides funds for the Armed Forces Retirement Home.

The conferees included a general provision (Section 8165) which amends Senate language directing that sufficient funds may remain available to sustain the Defense Leadership and Management Program through fiscal year 2002 and pay the fixed costs for the facility in Southbridge, Massachusetts.

The conferees included a new general provision (Section 8169) which amends Senate language which provides $3,500,000 for ''Operation and Maintenance, Defense-Wide'' for impact aid for children with severe disabilities.

The conferees included a new general provision (Section 8171) which amends Senate language requiring a report on the progress toward implementation of comprehensive nuclear threat reduction programs to safeguard Pakistani and Indian nuclear stockpiles and technology.

TITLE IX

COUNTER-TERRORISM AND DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION

The conference agreement provides $881,000,000 for Title IX – Counter-Terrorism and Defense Against Weapons of Mass Destruction. The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
TITLE IX - COUNTER-TERRORISM & DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION				
COUNTER-TERRORISM & OPERATIONAL RESPONSE TRANSFER FUND				
COUNTER-TERRORISM & OPERATIONAL RESPONSE TRANSFER FUND	---	1,670,000	---	478,000
TRANSFER TO DEPARTMENT OF JUSTICE.....	---	(10,000)	---	---
FORMER SOVIET UNION THREAT REDUCTION				
FORMER SOVIET UNION THREAT REDUCTION.....	---	403,000	---	403,000

(In thousands of dollars)

	Budget	House	Senate	Conference
PROCUREMENT, BALLISTIC MISSILE DEFENSE ORGANIZATION				
PATRIOT PAC-3	---	787,574	---	---
NAVY AREA TBMD PROGRAM	---	6,983	---	---
SUBTOTAL, PROCUREMENT BMDO	---	794,557	---	---
RDT&E, BALLISTIC MISSILE DEFENSE ORGANIZATION				
BALLISTIC MISSILE DEFENSE TECHNOLOGY	---	119,890	---	---
BALLISTIC MISSILE DEFENSE SYSTEM SEGMENT	---	765,584	---	---
BALLISTIC MISSILE DEFENSE TERMINAL DEFENSE SEGMENT	---	118,344	---	---
BALLISTIC MISSILE DEFENSE MIDCOURSE DEFENSE SEGMENT	---	3,844,534	---	---
BALLISTIC MISSILE DEFENSE BOOST DEFENSE SEGMENT	---	530,363	---	---
BALLISTIC MISSILE DEFENSE SENSORS	---	395,600	---	---
THEATER HIGH ALTITUDE AREA DEFENSE	---	744,481	---	---
PATRIOT PAC-3	---	151,100	---	---
NAVY AREA MISSILE DEFENSE	---	388,496	---	---
PENTAGON RESERVATION	---	6,571	---	---
MANAGEMENT HEADQUARTERS-BMDO	---	27,758	---	---
PL WAIVER	---	-39,000	---	---
SUBTOTAL, RDT&E, BMDO	---	7,053,721	---	---
FY 2001 RESCISSION	---	-73,800	---	---
TOTAL, BALLISTIC MISSILE DEFENSE ORGANIZATION	---	7,774,478	---	---

(In thousands of dollars)

	Budget	House	Senate	Conference
DEFENSE AGAINST CHEMICAL & BIOLOGICAL WEAPONS, DEFENSE-WIDE				
PROCUREMENT - CHEMICAL/BIOLOGICAL DEFENSE				
INDIVIDUAL PROTECTION	---	116,327	---	---
DECONTAMINATION	---	15,196	---	---
JOINT BIOLOGICAL DEFENSE PROGRAM	---	155,916	---	---
COLLECTIVE PROTECTION	---	51,940	---	---
CONTAMINATION AVOIDANCE	---	24,330	---	---
SUBTOTAL, PROC CHEMICAL/BIOLOGICAL DEFENSE	---	363,709	---	---
RDTE				
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	---	44,066	---	---
BIOLOGICAL WARFARE DEFENSE	---	153,080	---	---
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	---	143,981	---	---
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM -ADV DEV	---	76,249	---	---
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - DEM/VAL	---	93,636	---	---
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - EMD	---	159,943	---	---
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	---	31,276	---	---
SUBTOTAL, RDT&E, CHEMICAL & BIOLOGICAL DEFENSE PROGR	---	702,231	---	---
TOTAL, DEFENSE AGAINST CHEMICAL & BIOLOGICAL WEAPONS	---	1,065,940	---	---

(In thousands of dollars)

	Budget	House	Senate	Conference
DEFENSE THREAT REDUCTION AGENCY				
O&M				
DEFENSE THREAT REDUCTION AGENCY	---	1,246	---	---
DEFENSE THREAT REDUCTION AGENCY	---	304,147	---	---
SUBTOTAL, O&M, DTRA	---	305,393	---	---
PROC - DEFENSE THREAT REDUCTION AGENCY				
VEHICLES	---	145	---	---
OTHER MAJOR EQUIPMENT	---	20,180	---	---
SUBTOTAL, PROC, DTRA	---	20,325	---	---
RDTE				
NUCLEAR SUSTAINMENT & COUNTERPROLIFERATION TECHNOLOGY	---	329,632	---	---
COUNTERPROLIFERATION ADVANCED DEVELOPMENT TECHNOLOGIES	---	89,772	---	---
ARMS CONTROL TECHNOLOGY	---	61,349	---	---
SUBTOTAL, RDTE, DTRA	---	480,753	---	---
TOTAL, DEFENSE THREAT REDUCTION AGENCY	---	806,471	---	---
TOTAL, TITLE IX, COUNTER-TERRORISM & DEF AGAINST WMD	---	11,719,889	---	881,000

COUNTER-TERRORISM AND OPERATIONAL RESPONSE TRANSFER FUND

The conferees agree to provide $478,000,000 for the Counter-Terrorism and Operational Response Transfer Fund as outlined in the table below.

Project	Recommended ($ thousands)
Unconventional Nuclear Threat	75,000
Operations and Maintenance, Defense-Wide	50,000
Research, Development, Test and Evaluation, Defense-Wide	25,000
Military NBC Equipment	80,000
Procurement, Defense-Wide	
Biological Warfare Detection Systems	34,000
Procurement, Defense-Wide	
Antibiotics and Vaccines (Stockpile/R&D)	76,000
Research, Development, Test and Evaluation, Defense-Wide	44,000
Operation and Maintenance, Defense-Wide	32,000
AFIP Lab Maintenance and Repairs	25,000
Defense Health Program (Operation and Maintenance)	
Domestic Response Exercises	10,000
Operation and Maintenance, Defense-Wide	
WMD-Civil Support Teams	35,000
Operation and Maintenance, Army	10,000
Other Procurement, Army	25,000
Local Emergency Communications Gear	
Other Procurement, Army	17,000
DARPA - Biological Warfare Post-Exposure Therapeutics	30,000
Research, Development, Test and Evaluation, Defense-Wide	
Chemical-Biological Medical Training	15,000
Defense Health Program	

Attack, Sensing, Warning and Response - Information Assurance 70,000
Operation and Maintenance, Defense-Wide 5,000
Procurement, Defense-Wide 26,000
Research, Development, Test and Evaluation, Defense-Wide 39,000

Facial Recognition System
Procurement, Defense-Wide 11,000

Total 478,000

UNCONVENTIONAL NUCLEAR THREAT

These funds are to implement the recommendations of the Defense Science Board Task Force on Unconventional Nuclear Warfare Defense as directed in the House bill and report.

ARMED FORCES INSTITUTE OF PATHOLOGY (AFIP)

These funds are for maintenance and repairs of buildings, including building mechanical systems, and repairs and upgrades to laboratories and associated equipment at AFIP. The lab upgrades are to include installation of Biolevel 3 labs to increase the institute's ability to test biological agents such as anthrax and botulism.

WEAPONS OF MASS DESTRUCTION CIVIL SUPPORT TEAMS

The conference agreement provides $35,000,000 to fully equip and train 22 additional highly specialized Army National Guard WMD–CST Teams. To date, a total of 32 teams have been authorized by the Department of Defense, although 22 of those teams have unfunded equipment and training requirements necessary to bring them up to fully certified status. These funds are provided to fill those critical equipment and training gaps as follows:

22 Mobile Analytical Laboratory Systems (special purpose vehicles)	$18,500,000
Dismounted analytical suites	6,500,000
Training and evaluation	10,000,000

LOCAL EMERGENCY COMMUNICATIONS GEAR

The conferees agree to provide these funds to ensure reliable and interoperable communications between elements of the Army and local emergency responders.

CHEMICAL-BIOLOGICAL MEDICAL TRAINING

The conferees agree to provide this funding to train Department of Defense personnel in the recognition and treatment of the health effects caused by exposure to chemical or biological agents.

FORMER SOVIET UNION THREAT REDUCTION

The conference agreement provides $403,000,000 for the Former Soviet Union Threat Reduction program.

DIVISION B—TRANSFERS FROM EMERGENCY RESPONSE FUND PURSUANT TO PUBLIC LAW 107–38

CHAPTER 1

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

The conference agreement includes $80,919,000 for the Office of the Secretary as proposed by the Senate instead of $4,582,000 as proposed by the House. The conferees direct that these funds be used for upgrading USDA facility and operational security and for other unforeseen needs of the Department related to counterterrorism and homeland security.

ARGICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

The conference agreement does not include $2,875,000 for Agriculture Buildings and Facilities and Rental Payments as proposed by the House. The Senate had no similar provision. Activities funded under this account by the House are included in the amount available for the Office of the Secretary.

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

The conference agreement includes $40,000,000 for salaries and expenses of the Agricultural Research Service instead of $5,635,000 as proposed by the House and $70,000,000 as proposed by the Senate. The conferees direct that of this amount, no less than $21,700,000 shall be made available for facility and operational security needs.

BUILDINGS AND FACILITIES

The conference agreement includes $73,000,000 for Agricultural Research Service Buildings and Facilities as proposed by the Senate. The House had no similar provision. Of the total amount provided, $50,000,000 is for construction of an animal bio-containment facility at the National Animal Disease Laboratory at Ames, Iowa, and $23,000,000 is for planning and design at the Plum Island Animal Disease Center for Plum Island, New York. The conferees are award of an ongoing review of security issues at Plum Island and other locations and direct that funds provided for planning and design at Plum Island not be obligated until the Secretary reports to the Appropriations Committees of the House and the Senate on the conclusions of that review.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

RESEARCH AND EDUCATION ACTIVITIES

The conference agreement does not provide $50,000,000 for Research and Education activities of the Cooperation State Research, Education, and Extension Service as proposed by the Senate. The House had not similar provision.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

The conference agreement includes $105,000,000 for the Animal and Plant Health Inspection Service instead of $8,175,000 as proposed by the House and $95,000,000 as proposed by the Senate. This amount includes up to $50,000,000 for the Agricultural Quarantine Inspection user fee program, $20,000,000 for pest detection activities, and $10,000,000 for animal health monitoring and surveillance. The balance of these funds is to be directed toward agency security needs, of which no less than $21,800,000 shall be made available for facility and operational security needs, implementation of the agency's biosecurity program, and other operational needs of the agency.

BUILDINGS AND FACILITIES

The conference agreement includes $14,081,000 for APHIS buildings and facilities as proposed by the House and the Senate. This amount includes funding for the relocation of laboratories to the main National Veterinary Services Laboratories campus where a higher level of safety and security can be provided. In addition, the funding will complete the physical security countermeasure installation, and will enhance security guard service.

FOOD SAFETY AND INSPECTION SERVICE

The conference agreement includes $15,000,000 for the Food Safety and Inspection Service as proposed by the Senate instead of $9,800,000 as proposed by the House. This amount includes no less than $3,400,000 for facility and operational security needs.

FOOD AND NUTRITION SERVICE

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

The conference agreements includes $39,000,000 for the Special Supplemental Nutrition Program for Women, Infants, and Children program as proposed by the Senate. The House had no similar provision. The conference agreement also includes language, as proposed by the Senate, to modify the method of reallocating WIC funds during fiscal year 2002.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

The conference agreement includes $151,100,000 for the Food and Drug Administration instead of $104,350,000 as proposed by the House and $127,000,000 as proposed by the Senate. Of this amount, $13,250,000 is for facility security, $40,750,000 is for enhanced availability of drugs and vaccines and the balance is for increased food safety activities.

The total $40,750,000 provided for non-food activities, including vaccines, human drugs and devices, shall be allocated as follows: (1) $14,250,000 and 32 FTE for the Center for Drug Evaluation and Research and related field activities in the Office of Regulatory Affairs; (2) $19,800,000 and 107 FTE for the Center for Biologics Evaluation and Research and related field activities in the Office of Regulatory Affairs; (3) $1,500,000 and 13 FTE for the Center for Devices and Radiological Health and related field activities in the Office of Regulatory Affairs; (4) $4,800,000 and 8 FTE for the National Center for Toxicological Research; and (5) $400,000 and 4 FTE for the Office of Chief Counsel within Other Activities. The total $97,100,000 provided for food safety activities shall be allocated as follows: (1) $92,550,000 and 630 FTE for the Center for Food Safety and Applied Nutrition and related field activities in the Office of Regulatory Affairs; (2) $3,500,000 and 35 FTE for the Center for Veterinary Medicine and related field activities in the Office of Regulatory Affairs; (3) $1,000,000 for the National Center for Toxicological Research; and (4) $50,000 within Other Activities. The total $13,250,000 for physical security shall be allocated as follows: (1) $300,000 and 3 FTE shall be for the Office of Facilities within Other Activities; and (2) $12,950,000 for Rent and Rent-Related Activities.

INDEPENDENT AGENCY

COMMODITY FUTURES TRADING COMMISSION

The conference agreement includes $16,900,000 for the Commodity Futures Trading Commission instead of $6,495,000 as proposed by the House and $10,000,000 as proposed by the Senate. These funds are to be used toward agency recovery from the events of September 11, 2001, and for other mitigation and preparedness needs for the agency.

GENERAL PROVISIONS, THIS CHAPTER

The conference agreement includes language (Sec. 101) as proposed by the Senate that amends a number under the Food and Drug Administration account in P.L. 107–76.

The conference agreement includes language (Sec. 102) as proposed by the Senate that amends a provision in P.L. 107–76 related to payments to apple producers.

CHAPTER 2

DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

USA PATRIOT ACT ACTIVITIES

The conference agreement includes a total of $5,000,000, instead of $25,000,000 as proposed in the Senate bill. Of this amount, up to $2,000,000 is available to conduct a feasibility study as proposed by the Senate. The House did not address this matter.

ADMINISTRATIVE REVIEW AND APPEALS

The conference agreement includes $3,500,000 for Administrative Review and Appeals, as proposed in both the House and Senate bills.

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

The conference agreement includes $12,500,000 for General Legal Activities, as proposed in the House bill, and instead of $21,250,000 as proposed in the Senate bill. Of the amount provided, $4,800,000 is for the Criminal Division and $7,700,000 is for administrative expenses associated with the Office of the Special Master. the conferees note that $7,090,000 was provided in P.L. 107–77 for the Computer Crime and Intellectual Property Section under General Legal Activities for cyber security activities.

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

The conference agreement includes $56,370,000 for the United States Attorneys, instead of $68,450,000 as proposed in the House bill and $74,600,000 as proposed in the Senate bill. The recommendation includes $45,000,000 to establish joint terrorism task forces; $2,000,000 for victims' assistance; and for New York city, $1,850,000 for crisis response equipment, $5,042,000 for immediate prosecutorial needs, and $2,478,000 for renovations to the Church Street office.

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

The conference agreement includes $10,200,000 for the United States Marshals Service, instead of $11,100,000 as proposed in the House bill and $26,100,000 as proposed in the Senate bill. Of this amount, $4,000,000 is provided for additional protection of the Federal Judiciary in New York City involved in the World Trade Center bombing the Embassy bombing trials; $1,200,000 is for Foley Square and Brooklyn Federal courthouse security expenses; and $5,000,000 is for courthouse security equipment. Within the total funding available, the U.S. Marshals Service is expected to provide up to $200,000 for additional security needs at the Federal Courthouse in Alexandria, Virginia.

CONSTRUCTION

The conference agreement includes $9,125,000 for U.S. Marshals Service Construction, instead of $35,000,000 as proposed in the Senate bill. The House did not address this matter. The Marshals Service is directed to apply this funding to the highest priority locations.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

The conference agreement includes $745,000,000 for the salaries and expenses of the Federal Bureau of Investigation (FBI), instead of $538,500,000 as proposed in the House bill and $654,500,000 as proposed in the Senate bill. Of this amount, $237,000,000 is for continued implementation of Trilogy. The Committees will entertain a reprogramming for other information technology needs should the FBI not need the full amount provided for Trilogy. Also within the total funding amount provided, $184,147,000 is for immediate unfunded response needs; $1,641,000 is for data network interception. In addition, $56,764,000 is for the information assurance and data digitizing, and the conferees direct that the FBI submit a spending plan, subject to section 605 reprogramming requirements of P.L. 107–77, prior to obligating any funding for these activities. Also within the total funding amount, $7,404,000 is for foreign language translation needs; $43,762,000 is for headquarters and field office counterterrorism investigation support; $8,744,000 is for the wireless intercept program; $11,278,000 is for DNA systems and analysis; $20,622,000 is for Computer Analysis Response Teams; $9,218,000 is for Intelligence Production; $12,241,000 is for audio interception technology; $5,606,000 is for the forensic and audio/video/image analysis program; $7,700,000 is for a transfer to the Drug Enforcement Administration for the Special Operations Division; $12,818,000 is for classified projects; $6,461,000 is for Title III wiretaps; $1,392,000 is for Evidence Response Teams collection and training needs; and $50,000,000 is for counterterrorism equipment and supplies.

The conferees are aware that terrorist organizations exploit the Internet to plan, coordinate, and initiate terrorist acts, finance terrorist activities, and recruit terrorists. To enable the FBI to continue its efforts to work with businesses and Federal State governments to fight cybercrime, $61,000,000 is provided for the National Infrastructure Protection center, including not less than $12,000,000 for the Special Technologies and Applications Unit, and $7,202,000 is provided for regional computer forensic labs. This funding is in addition to funding provided elsewhere in this bill to fight cybercrime.

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

ENFORCEMENT AND BORDER AFFAIRS

The conference agreement includes $449,800,000 for the salaries and expenses of the Immigration and Naturalization Service (INS), as proposed in the Senate bill, instead of $409,600,000 as proposed in the House bill. Of this amount, $10,000,000 is for additional border patrol agents along the Southwest Border; $55,800,000 is for additional inspectors and support staff on the Northern Border; and $23,900,000 shall be for transfer of an additional border patrol agents and support staff on the Northern Border. Also included in the amount provided is $13,300,000 for the entry/exit system; $10,555,000 for border crossing card and green card readers; $18,000,000 for the lease acquisition program; $25,600,000 for 16 single engine helicopters; $54,000,000 for ISIS; $5,000,000 for infrared scopes; $2,500,000 for border checkpoint improvements and canine teams; $8,157,000 for ENFORCE/IDENT data communications, biometrics redundancy equipment, and the booking module; $39,100,000 for information technology connectivity, enterprise information and information assurance; $5,000,000 for the ENFORCE detention and removals module; $36,800,000 for SEVIS; $23,454,000 for the forensic document lab equipment and staffing; $5,300,000 for fugitive operations detention and removal; $5,885,000 for ADNET/ENFORCE integration of databases; $5,904,000 for ENFORCE investigations and intelligence modules; $10,200,000 for joint terrorism task forces; $5,000,000 for border patrol planning and design; $8,800,000 for physical security and guards; $5,400,000 for attorneys; and $72,145,000 for unfunded immediate response needs.

CONSTRUCTION

The conference agreement includes $99,600,000 for INS construction as proposed in the Senate bill. The House bill did not address this matter. The conferees direct the INS to submit a proposed distribution to the Committees prior to obligating any of these funds.

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

The conference agreement includes $400,000,000 for Office of Justice Programs, Justice Assistance programs, as proposed in both the House and the Senate bills. This funding for the Office of Domestic Preparedness (ODP) within the Office of Justice Programs will enhance the preparedness and response capabilities of State and local entities with responsibility for responding to terrorist attacks. Within the funding provided for Formula Grants, up to $5,000,000 shall be made available for the continued support of the Domestic Preparedness Equipment Technical Assistance Program, a partnership between the ODP and the Pine Bluff Arsenal. The conferees are aware that the September 11, 2001, terrorist attacks also impacted Connecticut. Accordingly, the conferees encourage ODP to work with Connecticut to expedite the release of any grant funds that may be warranted. The distribution of funding is as follows:

Justice assistance

[Dollars in Thousands]

Office of Justice Programs, Justice Assistance:	
Aircraft for NYC for counterterrorism and other required activities	9,800
Capital Wireless Integrated Network in the Washington Metropolitan area	20,000
Training Programs:	
Center for Domestic Preparedness, Ft. McClellan, Alabama	17,000
Nat'l Energetic Materials Research and Testing Center, New Mexico	11,500
Nat'l Emergency Response and Rescue Training Ctr, Texas A&M	11,500
Nat'l Exercise, Test, and Training Center, Nevada Test Site	11,500
Nat'l Center for Bio-Med Research, Training, Louisiana State University	11,500
Training Grants and Support	16,000
Exercises:	
Exercise Grants/Support to States/Exercise Mgmt	33,900
TOPOFF II	4,000
Program Evaluation/After Action Analysis	5,000
Technical Assistance	8,000
Management and Administration	8,000
Formula Grants	212,300
Prepositioned Equipment	20,000
Total, Justice Assistance	400,000

STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE

The conference agreement includes $251,100,000 for Byrne Discretionary grants under the State and Local Law Enforcement Assistance programs within the Office of Justice Programs. Funding provided shall be available only for allocation to State and local public safety entities for expenses for emergency preparedness equipment, training, and other public safety purposes in their jurisdictions. The distribution of funding is as follows:

State and local law enforcement assistance

[Dollars in Thousands]

Virginia:	
Fairfax County	$12,000

State and local law enforcement assistance—Continued

City of Alexandria	8,000
City of Fairfax	1,500
City of Falls Church	500
Loudoun County	4,300
City of Manassas	1,500
Manassas Park	500
Virginia State Police for counterterrorism measures	13,900
Arlington County	16,000
Prince William County	4,300
Subtotal for Virginia	62,500
New Jersey:	
New Jersey State Police Radio System	30,000
Jersey City Police for modernization for a communications system	10,700
Newark, New Jersey Police Department for security equipment	5,000
City of Newark, New Jersey	5,000
Subtotal for New Jersey	50,700
Maryland:	
Interoperability of communications, IT systems	7,020
Upgrades to the technology infrastructure and coordination between the Federal, State and local law enforcement and public health agencies to prevent and respond to a biochemical attack on the Washington, DC region	10,573
Add and equip with robots four additional bomb squad units and provide for the rapid response of those units	3,468
Crime laboratory equipment and training	9
Police field operations equipment	508
Baltimore Washington Airport bomb and canine teams	986
Prince George's County, MD for disaster preparedness	7,885
Montgomery County, MD for major incident preparedness	8,551
Subtotal for Maryland	39,000
New York:	
New York City for Counterrorism Preparedness Training and Equipment	28,680
New York City Law Enforcement Telecommunications and Computers	9,560
New York City Security Enhancements	9,560
New York Statewide Wireless Network	24,000
Subtotal for New York	71,800
Pennsylvania: Major incident preparedness	5,000

State and local law enforcement assistance—Continued

CyberSecurity Initiative	5,000
Utah Olympics Public Safety Command	17,100
Total, State and Local Law Enforcement Assistance	251,100

CRIME VICTIMS FUND

The conference agreement includes $68,100,000 for the Office for Victims of Crime, as proposed in both the House and Senate bills. These funds will provide grants to counseling programs for the victims of the September 11, 2001, terrorist attacks, as well as their families and crisis responders. Grants will go to government and private organizations providing services to victims residing in New York, New Jersey, Virginia, and other States as needed.

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

OPERATIONS AND ADMINISTRATION

The conference agreement includes $1,000,000 for additional security enhancements for 45 overseas posts not collocated in embassies or chanceries, instead of $750,000 as proposed in the House bill and $1,500,000 as proposed in the Senate bill. No funding is included for a security survey of domestic offices.

EXPORT ADMINISTRATION

OPERATIONS AND ADMINISTRATION

The conference agreement includes $1,756,000 for overseas export enforcement attaches and a project matrix, as proposed in both the House and Senate bills.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

PUBLIC TELECOMMUNICATIONS FACILITIES, PLANNING AND CONSTRUCTION

The conference agreement includes $8,250,000 for emergency grants to assist public broadcasters in restoring broadcasting facilities and capabilities that were destroyed in the collapse of the World Trade Center towers, as proposed in both the House and Senate bills. In addition, language is included providing a waiver of matching requirements, as proposed in the House bill. The Senate bill did not include similar language.

UNITED STATES PATENT AND TRADEMARK OFFICE

SALARIES AND EXPENSES

The conference agreement includes $1,500,000 for security upgrades for the U.S. Patent and Trademark Office, instead of $3,360,000 as proposed in the Senate bill. The House bill did not include funding under this heading.

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

The conference agreement includes $5,000,000 for a new program to develop and implement cyber-intrusion and detection technologies as part of a cyber security initiative, instead of $10,400,000 as proposed in the Senate bill. The House bill did not include funding under this heading. No funds are provided under this heading for additional perimeter security.

CONSTRUCTION OF RESEARCH FACILITIES

The conference agreement includes $1,225,000 for increased security upgrades to NIST facilities, as proposed in the Senate bill. The House bill did not include funding under this heading.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

The conference agreement includes $750,000 for licensing and enforcement of commercial satellite remote sensing, as proposed in both the House and Senate bills. In addition, $2,000,000 is included for increased security measures at U.S. satellite control facilities, as proposed in the Senate bill.

The conferees agree that in the Statement of Managers accompanying the Conference Report on H.R. 2500, under the heading ''National Oceanic and Atmospheric Administration, Operations, Research, and Facilities, Program Support'', ''McArthur,'' shall be stricken and ''Townsend Cromwell'' inserted, and in the chart under ''NWS, NWSTG'', ''CIP'' shall be stricken and ''Mt. Weather'' inserted.

DEPARTMENT MANAGEMENT

SALARIES AND EXPENSES

The conference agreement includes $4,776,000, instead of $881,000 as provided in the Senate bill, and $8,636,000 as provided in the House bill. This amount includes $3,291,000 for increased contract guard services at the Herbert C. Hoover Building and Other Department of Commerce facilities, $485,000 for security equipment, and $1,000,000 for Voice-over Internet Protocols.

THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

CARE OF THE BUILDING AND GROUNDS

The conference agreement includes $30,000,000 for the Supreme Court ''Care of the Building and Grounds'' account for security enhancements as provided in the Senate bill, instead of $10,000,000 as provided in the House bill.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES AND EXPENSES

The conference agreement includes $5,000,000 for Courts of Appeals District Courts, and Other Judicial Services for emergency communications equipment as provided in the Senate bill.

COURT SECURITY

The conference agreement includes $57,521,000 for security requirements of the Federal Judiciary as provided in the Senate bill, instead of $21,500,000 as provided in the House bill.

ADMINSTRATIVE OFFICE OF THE UNITED STATES COURTS

SALARIES AND EXPENSES

The conference agreement includes $2,879,000 for the Administrative Office of the United States Courts to enhance security at the Thurgood Marshall Federal Judiciary Building as provided in the Senate bill. The House bill did not include funding under this heading.

DEPARTMENT OF STATE AND RELATED AGENCY

RELATED AGENCY

ROADCASTING BOARD OF GOVERNORS

INTERNATIONAL BROADCASTING OPERATIONS

The conference agreement includes $9,200,000 for International Broadcasting Operations for operational costs of surrogate radio broadcasting by Radio Free Europe/Radio Liberty to the people of Afghanistan in languages spoken in Afghanistan as proposed in the House bill. The Senate bill did not include funding under this heading.

BROADCASTING CAPITAL IMPROVEMENTS

The conference agreement includes $10,000,000 for Broadcasting Capital Improvements for capital requirements associated with surrogate radio broadcasting by Radio Free Europe/Radio Liberty to the people of Afghanistan in languages spoken in Afghanistan as proposed in the House bill. The Senate bill did not include funding under this heading.

RELATED AGENCIES

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

SALARIES AND EXPENSES

The conference agreement includes $1,301,000 for response and recovery needs for the Commission's New York City office as proposed in both the House and Senate bills.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

The conference agreement includes $20,705,000 for disaster recovery needs for the Commission's New York regional office, as proposed in both the House and Senate bills.

SMALL BUSINESS ADMINISTRATION

BUSINESS LOANS PROGRAM ACCOUNT

The conference agreement includes $75,000,000 for business loan subsidies related to the terrorist acts in New York, Virginia, and Pennsylvania, on September 11, 2001, as proposed in the Senate bill, with a technical modification. The House bill did not include funding under this heading. The conferees take particular note of the devasting effects that the tragic events of September 11, 2001, have had upon the software/information technology industry in and around New York City and other affected areas. The conferees encourage the SBA to work with these companies, as appropriate, in the administration of programs funded in this Act.

DISASTER LOANS PROGRAM ACCOUNT

The conference agreement includes $75,000,000 for disaster loan subsidies as proposed in the Senate bill, with a technical modification, instead of $140,000,000 as proposed in the House bill.

GENERAL PROVISIONS—THIS CHAPTER

The conference agreement includes the following general provisions:

Sec. 201.—The conference agreement includes Section 201, waiving certain authorization requirements, as proposed in the House bill

Sec. 202.—The conference agreement includes Section 202, regarding Small Business Administration disaster loans in response to the September 11, 2001, terrorist attacks, proposed as Section 201 in the Senate bill.

Sec. 203.—The conference agreement includes Section 203, regarding Small Business Administration disaster and business loans in response to the September 11, 2001, terrorist attacks, proposed as Section 202 in the Senate bill.

Sec. 204—The conference agreement includes Section 204, regarding a report on the United States-People's Republic of China Science and Technology Agreement of 1979, proposed as Section 203 in the Senate bill.

Sec. 205.—The conference agreement includes Section 205, regarding an Alaska fishing capacity reduction program, proposed as Section 204 in the Senate bill.

Sec. 206.—The conference agreement includes Section 206, proposed as Section 102 of Division D of the Senate bill, making a technical correction to Public Law 107–77.

Sec. 207—The conference agreement includes Section 207, proposed as Section 103 of Division D of the Senate bill, making a technical correction to Public Law 107–77.

Sec. 208—The conference agreement includes Section 208, proposed as Section 105 of Division D of the Senate bill, making a technical correction to Section 626 of Public Law 107–77. The language included in Section 626(c) of Public Law 107–77 quashed the Department of State's motion to vacate the judgment obtained by plaintiffs in Case Number 1:00CV03110(EGS) and reaffirmed the validity of this claim and its retroactive application. Nevertheless, the Department of State continued to argue that the judgment obtained in Case Number 1:00CV03110(EGS) should be vacated after Public Law 107–77 was enacted. The provision included in Section 626(c) of Public Law 107–77 acknowledges that, notwithstanding any other authority, the American citizens who were taken hostage by the Islamic Republic of Iran in 1979 have a claim against Iran under the Antiterrorism Act of 1996 and the provision specifically allows the judgment to stand for purposes of award damages consistent with Section 2002 of the Victims of Terrorism Act of 2000 (Public Law 106–386, 114 Stat. 1541).

The conference agreement does not include language proposed in the Senate bill regarding the HUBZone program of the Small Business Administration (SBA). Instead, the conferees direct the SBA to allocate an amount not to exceed $2,000,000 within the level provided for non-credit programs under the ''Salaries and Expenses'' account in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2002 (Public Law 107–77) for the HUBZone program, subject to the reprogramming requirements in section 605 of Public Law 107–77. In addition, the Administrator of the SBA shall make quarterly reports to the Committees on Appropriations of the House and Senate regarding all actions taken by the SBA to address the deficiencies in the HUBZone program identified by the General Accounting Office in report number GAO–02–57 of October 26, 2001.

CHAPTER 3

DEPARTMENT OF DEFENSE—MILITARY OPERATION AND MAINTENANCE

DEFENSE EMERGENCY RESPONSE FUND

Chapter 3 of the conference agreement provides a total of $3,395,600,000 in new budget authority for the Department of Defense, instead of $7,242,911,000 as proposed by the House and $1,525,000,000 as proposed by the Senate.

Specific allocations of funds agreed to by the conferees, pursuant to new appropriations provided in this chapter as well as transfers of other funds, include the following:

Category/Program	*Amount*
Situational Awareness	$850,000,000
Increased World-wide Posture	1,495,000,000
OPTEMPO	(1,495,000,000)
Offensive Counterterrorism	372,000,000
Munitions	(230,000,000)
JDAM	(130,000,000)
Laser Guided Bomb Kits	(100,000,000)
Special Operations Command	(142,000,000)
Pentagon Renovation	
Appropriations in this Act	475,000,000
Additional appropriations by transfer (Section 305):	300,000,000
Initial Crisis Response	39,100,000
Port Security	(31,000,000)
CBIRF deployment and other: DoD support to the Capitol	(8,100,000)
Relocation Costs and other purposes	164,500,000
Pentagon Relocation Costs	(33,000,000)
Advance Identification Friend or Foe for ANG	(35,000,000)
Transportation Multi-Platform Gateway for AWACS	(20,000,000)
National Infrastructure Simulation Analysis Center	(20,000,000)
DDR&E Quick reaction munitions research	(15,000,000)
Lynx Synthetic Aperture Radar	(15,000,000)
Olympics Support	(15,000,000)
COTS Blast Visualization Research	(5,000,000)
COTS Blast Mitigation Research	(5,000,000)
USAMRIID Feasibility/Infrastructure Study	(1,000,000)
National Remembrance Memorial	(500,000)
Additional Allocations of Funds Derived By Transfer	130,000,000
FSUTR Biological Weapons Stockpile Reduction	30,000,000
DoD Military and Logistical Support (Section 304)	(100,000,000)

The conferees designate these specific funding allocations as items of congressional interest, for purposes of complying with established procedures regarding transfers and proposed reprogramming of funds.

CLASSIFIED PROGRAMS

The conferees' recommendations regarding classified programs are addressed in a classified annex accompanying this report.

PENTAGON RECONSTRUCTION

Section 305 of the conference agreement appropriates $475,000,000 to continue reconstruction of the Pentagon Reservation to repair damage inflicted as a result of the attack on September 11, 2001. The conferees commend the hard work and dedication of the workers and managers responsible for this reconstruction effort, and endorse efforts to complete this endeavor in record time.

The conference agreement also includes a provision (section 305(b)), transferring an additional $300,000,000 from unobligated and uncommitted funds appropriated to the President in Public Law 107–38 to finance the simultaneous construction and hardening of military command centers at the Pentagon. Prior to September 11 the Pentagon renovation plan included above ground and unhardened military command centers. The conferees concur that it is now only prudent for security purposes that these critical command centers be relocated below ground and hardened against catastrophic attack at the earliest opportunity. This change in plan must be made now before overall Pentagon reconstruction design, construction, and budgetary decisions are set in place. It is expected that this change will accelerate completion of the entire renovation project from 2014 to 2010, at an estimated additional cost of $800,000,000. The conferees believe this acceleration is important for the national security and for the safety of the 25,000 men and women who work in the Pentagon complex.

FORMER SOVIET UNION THREAT REDUCTION

The conference agreement includes language transferring $30,000,000 of unobligated

balances from the ''Former Soviet Union Threat Reduction'' appropriation to the Department of State, in support of the Biological Weapons Redirect and Science and Technology Centers programs. The conferees endorse the use of these funds as proposed in the House report, including the redirection of former Soviet biological production facilities to vaccine production, and efforts to engage former Soviet biological weapons scientists in collaborative research with U.S. corporations to develop new vaccine and drug therapies for highly infectious diseases.

QUICK REACTION ACTIVITIES

The conferees recommend $15,000,000 only for quick reaction capabilities to develop and deploy promising new weapons and other counter-terrorism and counter-WMD capabilities that are recommended by the Department of Defense Combating Terrorism Technology Task Force.

BLAST MODELING—VISUALIZATION AND MITIGATION

The conferees recommend $5,000,000 only for the conversion of current CIA/OTI technology for use by the USAF Force Protection Battlelab, to accelerate efforts to quickly produce accurate blast models for specific or unique structures and to assist in choosing specific deployment and billeting locations. An additional $5,000,000 is provided only for Blast Mitigation Research, involving field testing of explosives tests against structures.

U.S. ARMY MEDICAL RESEARCH INSTITUTE FOR INFECTIOUS DISEASES

Due to the terrorist acts of September 11, 2001 and the anthrax incidents that followed, the DoD is developing an expanded role for the United States Army Medical Research Institute for Infectious Diseases (USAMRIID), the lead DoD laboratory for medical aspects of biological warfare defense. The conferees provide $1,000,000 to the Army, only for the purpose of conducting a feasibility study to finalize the mission of USAMRIID and determine the infrastructure requirements and associated costs needed to accommodate USAMRIID's expanded role. The conferees direct the Secretary of Army to submit a report on the results of this study and plans for including a facility expansion in the Future Years Defense Plan (FYDP) to the congressional defense committees no later than March 15, 2002.

FUTURE REQUESTS FOR SUPPLEMENTAL APPROPRIATIONS

The conferees agree with direction in the House report which directs that future supplemental appropriations requests for defense and intelligence activities in response to the attacks of September 11, 2001, as well as any other supplemental requests for the Department of Defense and the Intelligence Community, be submitted using the traditional appropriations account format and detailed supporting and justification materials.

DEFENSE EMERGENCY RESPONSE FUND REPORT

In light of the adjustments recommended by the conferees to the supplemental request, and other guidance regarding the use of previously allocated defense and intelligence funds from Public Law 107–38, the conferees direct that not later than 45 days following enactment of this Act the Secretary of Defense and the Director of Central Intelligence, in consultation with OMB, provide the House and Senate Committees on Appropriations with a revised, comprehensive and detailed report, using the guidelines in the House report, regarding the overall allocation of all appropriations for defense and intelligence activities (including obligations up to that point, and forecasted expenditures) made available from Public Law 107–38. Similar reports shall be submitted quarterly during fiscal year 2002 following submission of the first report.

GENERAL PROVISIONS—THIS CHAPTER

The conference agreement includes a general provision (Section 301) which retains a provision proposed in the supplemental request, and amended in the House bill, which establishes the terms and conditions under which funds appropriated under the heading ''Defense Emergency Response Fund'' may be used, provides transfer authority for these funds, and includes a number of reporting requirements.

The conference agreement includes a general provision (Section 302) which amends a similar provision proposed in the supplemental request, and in the House and Senate bills, which allows funds in the appropriations account ''Support for International Sporting Competitions, Defense'' to be used to reimburse members of the National Guard while performing State active duty or full-time National Guard duty, and temporarily waives the requirement to obtain certification from the Attorney General for the Department's assistance to the 2002 Winter Olympic Games in order to meet safety and security needs.

The conference agreement includes a general provision (Section 303) which provides that funds appropriated by this Act, or made available by the transfer of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414).

The conference agreement includes a general provision (Section 304) identified by Administration officials, which provides that not to exceed $100,000,000 of funds in the Defense Emergency Response Fund may be made available for payments to Pakistan and Jordan for support in connection with Operation Enduring Freedom. The conferees direct that funds subject to this provision do not include funds in this Act, and are limited only to those funds previously made available in Public Law 107–38 and formally allocated to the Department of Defense consistent with that Act's notifications by the President to the Congress.

The conference agreement includes a general provision (Section 305) regarding the reconstruction of the Pentagon, as discussed earlier in this statement.

The conference agreement includes a general provision (Section 306) providing additional transfer authority to the Operation and Maintenance accounts of the Department of Defense, if required to meet costs incurred in support of Operations Enduring Freedom and Noble Anvil.

CHAPTER 4

DISTRICT OF COLUMBIA

FEDERAL FUNDS

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR PROTECTIVE CLOTHING AND BREATHING APPARATUS

The conference agreement appropriates $7,144,000 to remain available until September 30, 2003 as proposed by the Senate instead of $12,144,209 to remain available until expended as proposed by the House.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR SPECIALIZED HAZARDOUS MATERIALS EQUIPMENT

The conference agreement appropriates $1,032,000 to remain available under September 30, 2003 as proposed by the Senate instead of $1,032,342 to remain available until expended as proposed by the House.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR CHEMICAL AND BIOLOGICAL WEAPONS PREPAREDNESS

The conference agreement appropriates $10,355,000 to remain available until September 30, 2003 as proposed by the Senate instead of $10,354,415 to remain available until expended as proposed by the House.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR PHARMACEUTICALS FOR RESPONDERS

The conference agreement appropriates $2,100,000 to remain available until September 30, 2003 as proposed by the Senate instead of $2,100,000 to remain available until expended as proposed by the House.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR RESPONSE AND COMMUNICATIONS CAPABILITY

The conference agreement appropriates $14,960,000 to remain available until September 30, 2003 as proposed by the Senate. The House bill contained no similar appropriation.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR SEARCH, RESCUE AND OTHER EMERGENCY EQUIPMENT AND SUPPORT

The conference agreement appropriates $8,850,000 to remain available until September 30, 2003 as proposed by the Senate. The House bill contained no similar appropriation.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR EQUIPMENT, SUPPLIES AND VEHICLES FOR THE OFFICE OF THE CHIEF MEDICAL EXAMINER

The conference agreement appropriates $1,780,000 to remain available until September 30, 2003 as proposed by the Senate. The House bill contained no similar appropriation.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR HOSPITAL CONTAINMENT FACILITIES FOR THE DEPARTMENT OF HEALTH

The conference agreement appropriates $8,000,000 to remain available until September 30, 2003 as proposed by the Senate. The House bill contained no similar appropriation.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR THE OFFICE OF THE CHIEF TECHNOLOGY OFFICER

The conference agreement appropriates $45,494,000 to remain available until September 30, 2003 instead of $43,994,000 to remain available until September 30, 2003 as proposed by the Senate. The conference agreement also includes language as proposed by the Senate requiring that a plan for integrating the communications systems of local, regional and Federal law enforcement agencies be submitted to the Committees on Appropriations of the Senate and the House of Representatives no later than June 15, 2002. The House bill contained no similar appropriation or language.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR EMERGENCY TRAFFIC MANAGEMENT

The conference agreement appropriates $20,700,000 to remain available until September 30, 2003 as proposed by the Senate. The House bill contained no similar appropriation.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR TRAINING AND PLANNING

The conference agreement appropriates $9,949,000 to remain available until September 30, 2003 instead of $11,449,000 to remain available until September 30, 2003 as proposed by the Senate. The House bill contained no similar appropriation. The reduction of $1,500,000 from the Emergency Management Agency reflects the fact that funding for the Agency for training and planning was provided in the District of Columbia Appropriations Act, 2002 (H.R. 2944).

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR INCREASED FACILITY SECURITY

The conference agreement appropriates $25,536,000 to remain available until September 30, 2003 as proposed by the Senate. The House bill contained no similar appropriation.

FEDERAL PAYMENT TO THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

The conference agreement appropriates $39,100,000 to remain available until September 30, 2003 and includes $2,200,000 for completion of the fiber optic network project and $15,000,000 for a chemical emergency sensor program instead of $39,100,000 to remain available until September 30, 2003 which included $17,200,000 for completion of the fiber optic network project and an automatic vehicle locator system as proposed by the Senate. The conference agreement shifts $15,000,000 included in the $17,200,000 for the automatic vehicle locator system to a chemical and biological detection initiative to protect transit facilities. The automatic vehicle locator system will be funded from other Federal funds received by the Authority for security improvements.

FEDERAL PAYMENTS TO THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

The conference agreement appropriates $5,000,000 to remain available until September 30, 2003 as proposed by the Senate to enhance regional emergency preparedness, coordination and response and to develop a comprehensive regional emergency preparedness, coordination and response plan. The House bill contained no similar appropriation. The conferees request an interim report on the status of the comprehensive regional plan by September 30, 2002, and a final report by September 30, 2003.

FAMILY COURT ACT OF 2001 (H.R. 2657)

The conferees agree that the Joint Committee on Judicial Administration of the District of Columbia Courts may use operating funds as necessary to implement the District of Columbia Family Court Act of 2001 (H.R. 2657). The conferees on the District of Columbia Appropriations Act, 2002 (H.R. 2944) intended that the District of Columbia Courts would use funds provided under the heading ''Federal Payment for Family Court Act'' for any expenses related to implementing family court reform. The conferees did not intend or expect the District of Columbia Courts to be penalized for expenditures or reimbursements of operating expenses when legitimate family court reform expenses were incurred.

The conferees request the Joint committee to maintain a separate accounting of those expenses that are attributable to family court reform and those general operating expenses that are unrelated to family court reform.

DISTRICT OF COLUMBIA FUNDS

DIVISION OF EXPENSES

Language is included under ''District of Columbia Funds'' to allow the District government to obligate and spend the Federal payments appropriated earlier in this chapter to the District government's general fund.

GENERAL PROVISIONS—THIS CHAPTER

The conference agreement includes language in section 401 that authorizes the Chief Financial Officer of the District of Columbia to transfer up to 5 percent of the funds appropriated to the District in this chapter after advance written notification to the Committees on Appropriations.

The conference agreement includes language in section 402 that requires the chief financial officers of the District of Columbia government and the Metropolitan Washington Area Transit Authority and the Executive Director of the Metropolitan Washington Council of Governments to provide quarterly reports beginning no later than March 15, 2002.

The conference agreement includes language in a new section 403 that requires all funds in this chapter to be apportioned quarterly by the Office of Management and Budget. The conference agreement also inserts a proviso that requires all funds in this chapter to be made available no later than September 30, 2002.

The conference agreement includes language in a new section 404 that makes a technical correction to the District of Columbia Appropriations Act, 2002 (H.R. 2944).

CHAPTER 5

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

OPERATION AND MAINTENANCE, GENERAL

The conference agreement includes $139,000,000 to support increased security at Corps of Engineers owned and operated infrastructure facilities as proposed by the House and the Senate.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

WATER AND RELATED RESOURCES

The conference agreement includes $30,259,000 to support increased security at Bureau of Reclamation owned and operated infrastructure facilities as proposed by the House and the Senate.

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

ENERGY SUPPLY

The conferees agree that the amount appropriated by Title III of the Energy and Water Development Appropriations Act, 2002 (Public Law 107–66) under the Energy Supply account for ''Renewable Energy Resources'', subaccount ''Electric energy systems and storage'', is increased by $10,000,000, with a corresponding general reduction of $10,000,000 applied to the total ''Renewable Energy Resources'' account. Such general reduction is to be applied on a pro rata basis to all programs, projects, and activities under the ''Renewable Energy Resources'' account and in accordance with guidance previously provided in the Energy and Water Development Appropriations Act, 2002.

ATOMIC ENERGY DEFENSE ACTIVITIES

NATIONAL NUCLEAR SECURITY ADMINISTRATION

WEAPONS ACTIVITIES

The conference agreement provides $131,000,000 for Weapons activities as proposed by the Senate instead of $88,000,000 as proposed by the House. Of these funds, $76,000,000 is to address safeguards and security configuration vulnerabilities throughout the nuclear weapons complex; $30,000,000 is to accelerate deployment of near-term cyber security measures at all nuclear weapons complex sites; and $25,000,000 is to provide additional resources for secure transportation asset safeguards system operations including $1,000,000 for program direction activities.

The conferees strongly urge the National Nuclear Security Administration to use a portion of the resources provided to develop its extensive capabilities in security and counter-terrorism technologies and make them available to other government agencies as appropriate.

DEFENSE NUCLEAR NONPROLIFERATION

The conference agreement includes $226,000,000 for Defense Nuclear Nonproliferation as proposed by the Senate instead of $18,000,000 as proposed by the House. Funding of $78,000,000 is provided for nonproliferation and verification research and development, including $18,000,000 for development activities to automate more of the processes and increase the number of agents that can be detected with the Biological Aerosol Sentry and Information System (BASIS), a prototype biological detection system to provide civilian public health systems with early warning of airborne biological agents. From within available funds for research and development, research is to be conducted with respect to radiological dispersion devices known as ''dirty bombs''.

Funding of $120,000,000 is provided for the International Materials Protection, Control and Accounting program to secure nuclear materials at sites in Russia and the Newly Independent States.

An additional $15,000,000 has been provided to the Russian Transition Initiatives program for the Nuclear Cities Initiative and the Initiatives for Proliferation Prevention program.

Additional funding of $10,000,000 is provided for the International Nuclear Safety Program to improve the safety of Soviet-designed nuclear reactors, and an additional $3,000,000 is provided for the program direction account.

Within available fiscal year 2002 funds, the Department is directed, in conjunction with other Federal agencies and departments, to accelerate the development and deployment of the PROTECT program, a chemical agent defensive system to cover multiple stations and tunnels in a high-threat section of the Washington Metropolitan Area Transit Authority subway system and to expand the program to include one Boston transit station.

ENVIRONMENTAL AND OTHER DEFENSE ACTIVITIES

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

The conference agreement provides $8,200,000 for Defense Environmental Restoration and Waste Management as proposed by the House and the Senate. Of this funding, $3,300,000 is for the Hanford site in Washington and $4,900,000 is for the Savannah River Site in South Carolina to provide additional safeguards and security measures.

OTHER DEFENSE ACTIVITIES

The conference agreement provides $3,500,000 for Other Defense Activities as proposed by the House and the Senate. Of these funds, $2,500,000 is to expand the protective forces, replace outdated alarm and radio systems, and install public address systems at the Department of Energy's Washington, D.C., facilities. Funding of $1,000,000 will be

used to purchase and accelerate deployment of distributed air sampling units for the detection of biological agents using the prototype Biological Aerosol Sentry and Information System.

INDEPENDENT AGENCY

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

The conference agreement includes $36,000,000 for salaries and expenses at the Nuclear Regulatory Commission as proposed by the Senate. These additional resources are to be used: re-analyze the vulnerabilities and physical protection requirements for NRC-licensed facilities and for radioactive materials in transit; re-analyze the design basis threats which are used to design safeguards systems to protect against acts of radiological sabotage and to prevent the theft of nuclear materials; strengthen the processes used to authorize access to NRC-licensed facilities; upgrade NRC's emergency preparedness and incident response programs; and strengthen NRC's infrastructure and communications capabilities. The conferees direct the Commission to utilize the resources of the National Infrastructure Simulation and Analysis Center in these efforts. The conferees intend that these funds shall be excluded from license fee revenues.

GENERAL PROVISIONS—THIS CHAPTER

Sec. 501. The conference agreement includes a provision proposed by the Senate which provides that up to $500,000 may be available to the Secretary of Energy for safety improvements to roads along the shipping route to the Waste Isolation Pilot Plant site. These funds are to be made available from funds provided to the Carlsbad Office.

Sec. 502. The conference agreement includes a technical correction proposed by the Senate to provide $400,000 to initiate construction on Nutwood Levee, Illinois, project. This project was improperly described in the Energy and Water Development Appropriations Act, 2002.

Sec. 503. The conference agreement includes a provision proposed by the Senate amending the Reclamation Safety of Dams Act of 1978.

Sec. 504. The conference agreement includes a technical correction proposed by the Senate relating to the Jicarilla, New Mexico, municipal water system. This project was included under the wrong account in the Energy and Water Development Appropriations Act, 2002.

Sec. 505. The conference agreement includes a provision proposed by the House relating to the Occoquan Creek, Virginia, project.

CHAPTER 6

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

INTERNATIONAL DISASTER ASSISTANCE

The conference agreement provides an additional $50,000,000 for ''International Disaster Assistance'', to be obligated from amounts made available in Public Law 107–38, for reconstruction and humanitarian activities in Afghanistan. The managers direct the United States Agency for International Development to consult with the committees prior to the obligation of funds for humanitarian and reconstruction activities in Afghanistan.

CHAPTER 7

DEPARTMENT OF THE INTERIOR

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

The conference agreement provides $10,098,000 for Operation of the National Park System as proposed by both the House and the Senate.

UNITED STATES PARK POLICE

The conference agreement provides $25,295,000 for the United States Park Police as proposed by both the House and the Senate.

CONSTRUCTION

The conference agreement provides $21,624,000 for Construction as proposed by both the House and the Senate. The agreement also includes language permitting the National Park Service to issue single procurements for the full scope of each construction project for security improvements at the Washington Monument, the Lincoln Memorial, and the Jefferson Memorial.

DEPARTMENTAL OFFICES

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

The conference agreement provides $2,205,000 for Salaries and Expenses as proposed by both the House and the Senate.

RELATED AGENCIES

SMITHSONIAN INSTITUTION

SALARIES AND EXPENSES

The conference agreement provides $21,707,000 for Salaries and Expenses as proposed by both the House and the Senate.

NATIONAL GALLERY OF ART

SALARIES AND EXPENSES

The conference agreement provides $2,148,000 for Salaries and Expenses as proposed by both the House and the Senate.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

OPERATIONS AND MAINTENANCE

The conference agreement provides $4,310,000 for Operations and Maintenance as proposed by both the House and the Senate.

NATIONAL CAPITAL PLANNING COMMISSION

SALARIES AND EXPENSES

The conference agreement provides $758,000 for Salaries and Expenses as proposed by both the House and the Senate. The agreement makes these funds available for fiscal year 2002 only as proposed by the House. The Senate had proposed to make the funds available until expended.

GENERAL PROVISIONS, THIS CHAPTER

Section 701 retains the text of section 601 authorizing the Smithsonian Institution to collect and preserve in the National Museum of American History artifacts relating to the September 11, 2001 attacks on the World Trade Center and the Pentagon as proposed by the Senate. The House had no similar provision.

Section 702 retains the text of section 602 clarifying the treatment of Federal procurement programs for tribes and Alaska Native Corporations with respect to minority and disadvantaged business contracting as proposed by the Senate. The House had no similar provision.

The conference agreement does not include section 603, as proposed by the Senate, expanding the number of Trustees of the John F. Kennedy Center for the Performing Arts. The text of a similar provision, originally proposed by the Senate in Division E, Title II, section 201, is included in Division D of the conference agreement. The House had no similar provision.

CHAPTER 8

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

The conference agreement provides $32,500,000 as proposed by both the House and the Senate for the Consortium for Worker Education, established by the New York City Central Labor Council and the New York City Partnership, for an emergency employment clearinghouse.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

The conference agreement provides $4,100,000 as proposed by both the House and the Senate for State unemployment insurance and employment service operations.

WORKERS COMPENSATION PROGRAMS

The conference agreement provides $175,000,000 as proposed by both the House and the Senate for workers compensation programs. Included in this amount is $125,000,000 for payment to the New York State Workers Compensation Review Board, $25,000,000 for payment to the New York State Uninsured Employers Fund for reimbursement of claims related to the terrorist attacks and $25,000,000 for payment to the New York State Uninsured Employers Fund for reimbursement of claims related to first response emergency services personnel who were injured, were disabled, or died due to the terrorist attacks.

PENSION AND WELFARE BENEFITS ADMINISTRATION

SALARIES AND EXPENSES

The conference agreement provides $1,600,000 as proposed by both the House and the Senate for pension and welfare benefits administration, salaries and expenses.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

The conference agreement provides $1,000,000 as proposed by both the House and the Senate for occupational safety and health administration, salaries and expenses.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

The conference agreement provides $5,880,000 as proposed by both the House and the Senate for departmental management, salaries and expenses.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH, AND TRAINING

The conference agreement provides $12,000,000 as proposed by both the House and the Senate for baseline safety screening for emergency services personnel and rescue and recovery personnel.

OFFICE OF THE SECRETARY

PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND

The conference agreement provides $140,000,000 for Grants for Immediate Response as proposed by the Senate. The House bill contained no similar provision. These funds shall be distributed as grants to help pay for healthcare-related costs incurred by organizations as a result of the September 11, 2001 terrorist attacks. These funds are to be allocated based upon the most current data available, with priority and without caps, to applicants that, by virtue of their proximity to an attack zone, the number of patients served, or the provision of specialized services such as trauma care, participated most directly in disaster response efforts. These funds are not available for costs that have otherwise been reimbursed or are eligible for reimbursement from other sources.

The conference agreement also provides $2,504,314,000 for emergency expenses to respond to the September 11, 2001 terrorist attacks and for other expenses necessary to support activities related to countering potential biological, disease, and chemical threats to civilian populations. This is $1,013,714,000 above the request.

The agreement includes $865,000,000 for upgrading State and local capacity instead of $423,000,000 as proposed by the House and $1,000,000,000 as proposed by the Senate. The conferees concur with language in the House report recommending that a portion of this funding be provided under the authority of sections 319B, 319C, and 319F of the Public Health Service Act, as amended.

The conferees believe that a portion of this funding should be available immediately to meet the needs of State and local health departments as a result of the September 11, 2001 attacks and other subsequent events related to terrorism. The conferees also believe that a portion of this funding should be granted under the authority of the Public Health Threats and Emergencies Act, which calls for assessments of public health needs, provides grants to State and local public health agencies to address core public health capacity needs, and provides assistance to State and local health agencies to enable them to respond effectively to bioterrorist attacks. The Secretary is requested to provide the House and Senate Committees on Appropriations with a plan to distribute this funding within 15 days of enactment of this Act. The conferees concur with language contained in the House report directing the Secretary to provide a report on the State of the Nation's public health and medical preparedness for bioterrorism.

The conferees further believe that the peer review of competitive grants required under 319C, while desirable under normal circumstances, should be waived, at the discretion of the Secretary, to expedite funding to address gaps in public health preparedness.

In administering assistance for enhancing laboratory capacity, the conferees request CDC to ensure that funds are made available, to the greatest extent possible, to all laboratories participating in the Laboratory Response Network and in need of capacity upgrades, as well as to labs in need of upgrades in order to be brought into the network.

The agreement includes $135,000,000 for grants to hospitals and other entities to assist hospitals and emergency departments in preparing for, and responding to, incidents requiring mass immunization and treatment. This funding would allow State and regional planning with local hospitals, including community health centers. It would also allow some communities to move beyond the planning phase and begin implementation of their plans. The conferees urge the Secretary to ensure that plans and activities supported with these funds are integrated and coordinated with State and local plans.

The agreement includes $100,000,000 for upgrading capacity at CDC. The agreement provides that up to $10,000,000 of these funds shall be for the tracking and control of biological pathogens. Funds are also included to update and enhance existing laboratory protocols for use by State and local health laboratories, to increase CDC's capacity to handle additional laboratory samples from States, to enhance epidemic intelligence service/disaster response teams, to develop rapid toxic screening and other activities. The agreement also includes $7,500,000 for environmental hazard control activities conducted by CDC.

The conferees understand that CDC is presently utilizing microbial characterization technology that provides an automated genetic fingerprint of any bacterium, has the capacity to process a large volume of samples in a short time frame, and can electronically communicate identified bacterial ribotypes from multiple laboratory locations for centralized identification. This diagnostic technology could assist in redressing laboratory processing backlogs and improving disease surveillance, including rapid detection of a multiple-location bioagent release. The conferee surge CDC to accelerate evaluation of this technology.

The agreement includes $85,000,000 for bioterriorism-related research, including next-generation vaccine research at the National Institute of Allergy and Infectious Diseases (NIAID). The conferees encourage NIAID to conduct research on safer alternatives to the existing smallpox vaccine, such as a vaccine using an inactivated smallpox virus.

The agreement also provides $70,000,000 for the construction of a level-4 biosafety laboratory and related infrastructure costs at NIAID. In addition, $71,000,000 is included for improving laboratory security at CDC and the National Institutes of Health. This is in addition to the $250,000,000 provided in the CDC's appropriation for buildings and facilities in the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act for fiscal year 2002. The conferees understand that the Department has under review recommendations to expand the number of facilities in the country to work with infectious agents and pathogens that pose significant risk to the population. The conferees concur that additional facilities are needed. The conferees are aware of a proposal to improve and modernize existing facilities and to complete construction of a new level-3 biosafety laboratory at Colorado State University in Fort Collins, Colorado. The conferees strongly urge the Secretary to support this proposal.

The agreement includes $593,000,000 for the National Pharmaceutical Stockpile and $512,000,000 for the purchase of the smallpox vaccine. The conferees note that if we suffer a major biological terror attack, such as introduction of smallpox into multiple regions of the country, we will need to vaccinate large numbers of Americans very quickly. the conferees are aware that technology exists and has been employed by the military to more rapidly inoculate large groups. The conferees urge CDC to consider employing this technology so that it is available in large cities and other areas where the need is greatest.

The agreement includes $55,814,000 for the Office of the Secretary. These funds are for improving disaster medical assistance teams, national disaster medical system readiness, and other activities related to the coordination of the Department's activities concerning bioterrorism preparedness and response.

The agreement includes $10,000,000 for the Substance Abuse and Mental Health Services Administration for grants pursuant to section 582 of the Public Health Service Act to develop programs focusing on the behavioral and biological aspects of psychological trauma response and for developing knowledge with regard to evidence-based practices for treating psychiatric disorders of children and youth resulting from witnessing or experiencing a traumatic event.

The agreement includes language to allow the Secretary to transfer these amounts between categories subject to normal reprogramming procedures as proposed by the Senate. The House bill contained no similar provision.

DEPARTMENT OF EDUCATION

SCHOOL IMPROVEMENT PROGRAMS

The conference agreement provides $10,000,000 as proposed by both the House and the Senate for the Project School Emergency Response to Violence program.

RELATED AGENCIES

NATIONAL LABOR RELATIONS BOARD

SALARIES AND EXPENSES

The conference agreement provides $180,000 as proposed by both the House and the Senate for the National Labor Relations Board, Salaries and Expenses.

SOCIAL SECURITY ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

The conference agreement provides $7,500,000 as proposed by both the House and the Senate for the Social Security Administration, Limitation on Administrative Expenses.

CHAPTER 9

LEGISLATIVE BRANCH

JOINT ITEMS

(INCLUDING TRANSFER OF FUNDS)

The conferees approve $256,081,000 for the Legislative Branch to ensure the continuance of government; to enhance the safety and security of legislative branch offices, systems and employees; and to meet the needs arising from the recent anthrax-related events. Of this amount, $34,500,000 is to be transferred to the Senate, $41,712,000 to the House, $350,000 to the Capitol Guide Service and Special Services Office, $31,000,000 to the Capitol Police Board, $106,304,000 to the Architect of the Capitol, $29,615,000 to the Library of Congress, $4,000,000 to the Government Printing Office, $7,600,000 to the General Accounting Office, and $1,000,000 as a grant to the United States Capitol Historical Society. The conferees direct that none of the funds provided to the Legislative Branch agencies (excluding the House of Representatives and the Senate) are to be obligated without prior approval of an obligation plan submitted to the Committees on Appropriations of the House and Senate.

The conferees direct the General Accounting Office to review and report on the actual and planned obligation of funds transferred to the entities of the Legislative Branch (excluding the House of Representatives and the Senate) pursuant to the Emergency Response Fund established by Public law 107–38 and to submit quarterly status reports on all expenditures to the Committees on Appropriations of the House of Representatives and the Senate.

Significant costs have been incurred by the Legislative Branch to respond to the anthrax-related events at the Capitol Complex; approximately $23,000,000 has been included in this chapter for the United States Capitol Police, the Architect of the Capitol, the House of Representatives, the Senate, the Library of Congress, and the General Accounting Office. The conferees note that funds to reimburse the Environmental Protection Agency and the Department of Defense are included in other chapters of Division B. The conferees recognize that these costs are continually being assembled and will ensure adequate funding is provided to properly respond to this unfortunate incident.

The conferees recognize that several activities of the United States Capitol Historical Society have been crippled due to loss of

tourism to the Capitol since September 11, 2001. The conferees are concerned over the financial situation facing the Society and have included a $1,000,000 grant in order for the organization to maintain its operations during the coming year. The conferees direct that the United States Capitol Historical Society submit a detailed spending plan and a plan for future self sufficiency to the Committees on Appropriations of the House of Representatives and the Senate prior to February 15, 2002.

The view of the critical need to increase the U.S. Capitol Police Force the conferees authorize an additional 195 FTEs, for a total of 1454 officers for fiscal year 2002. In addition, 74 civilian FTEs are authorized, for a total of 296 civilian FTEs for fiscal year 2002. These additional civilian positions are to establish an Office of Emergency Management and a Chem-Bio Strike Team.

ADMINISTRATIVE PROVISIONS—THIS CHAPTER

The conferees have included administrative positions that: authorizes the Senate Sergeant at Arms to acquire buildings and facilities to respond to an emergency situation and enter into a memorandum of understanding with an Executive Agency during emergencies; authorizes the House Chief Administrative Officer to acquire buildings and facilities to respond to an emergency situation and enter into a memorandum of understanding with an Executive Agency during emergencies; relates to the operations of the House of Representatives; authorizes any anthrax-contaminated mail delivered by the U.S. Postal Service to the House of Representatives to be destroyed or otherwise disposed of; to increases the salaries of the Chief and Assistant Chief of the Capitol Police; provides for recruitment and retention incentives for the United States Capitol Police; authorizes the Capitol Police to accept contributions of incidental items and services in response to emergencies; provides assistance to the Capitol Police by Executive Branch Departments and Agencies; authorizes the Chief of Police, to deputize members of the D.C. National Guard and duly sworn law enforcement personnel; authorizes the U.S. Capitol Preservation Commission to transfer funds from the Capitol Preservation Fund to the Architect of the Capitol for the Capitol Visitors Center; authorizes salary adjustments for four positions within the Architect of the Capitol; and various technical adjustments related to Public Law 107–68.

CHAPTER 10

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, ARMY

The conference agreement provides $20,700,000 for Military Construction, Army, instead of $55,700,000 as proposed by the House. This funding will provide $4,600,000 for a classified overseas project as requested by the President. The additional funding will provide $7,000,000 for a classified project in Utah, and $9,100,000 for three anti-terrorism/force projection projects at Fort Detrick in Maryland. The Senate did not include a similar provision.

California: Fort Ord.—The conferees are aware that the Army will convey two parcels of land the former Fort Ord, California, to the Fort Ord Reuse Authority (FORA) in the future. The City of Seaside, which is a member of FORA, will receive these parcels and could use the land to provide recreational opportunities to disadvantaged youth. Unfortunately, a feasibility study that will determine the environmental remediation needed on the site is not scheduled for completion until 2005. The conferees would support FORA requesting an early transfer of this property, which would hasten the clean up of the property and therefore the conveyance of the property for these purposes.

United States Army South Headquarters.—The conferees understand that the Army has completed a study regarding a potential move of the United States Army South Headquarters from Fort Buchanan, Puerto Rico to Army bases in the continental United States. The conferees direct that any proposed relocation must be consistent with the mission and geographic orientation of the U.S. Army South and in accordance with and Army decision brief reviewing the various site alternatives and recommending the preferred site. The conferees further direct that the Army provide the House and Senate Appropriations Committees the results of that study and any further updates.

The conferees further direct the Army to report to the committee no later than February 28, 2002, the following concerning this relocation: the number of military and civilian personnel to be moved; the estimated cost; selection criteria and analysis of alternatives; and, any changes to the current plan.

MILITARY CONSTRUCTION, NAVY

The conference agreement provides $2,000,000 for a perimeter road at Thurmont Naval Support Facility in Maryland as proposed by the House. The Senate did not include a similar provision.

MILITARY CONSTRUCTION, AIR FORCE

The conference agreement provides $46,700,000 for Military Construction, Air Force, instead of $47,700,000 as proposed by the House. This amount will provide $20,000,000 for planning and design of a classified project. The additional $26,700,000 is for construction of two classified overseas projects. The Senate did not include a similar provision.

MILITARY CONSTRUCTION, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides $35,000,000 for Military Construction, Defense-wide, to provide additional security enhancements at four sites where stockpiles of weapons of mass destruction are located. The House proposed funding this project in the ''Military Construction, Army'' account. The Senate did not include a similar provision.

GENERAL PROVISIONS—THIS CHAPTER

The conference agreement includes three general provisions.

Section 1001 provides the Department of Defense (DOD) with authority to use funds from the Defense Emergency Response Fund (DERF) for military construction projects. The Department is required to provide Congress with information describing the project and its costs 15 days before obligating the amounts.

Despite Congressional intent that the $40,000,000,000 provided in P.L. 107–38 be used for purposes necessitated by the events of September 11, 2001, the Office of Management and Budget (OMB) and DOD unintentionally created a legal barrier for the funds to be used for military construction projects by depositing funds into the DERF account. As a result, projects vital to the war effort and to homeland security have been stalled while the Department worked through the complexities of section 2808 of title 10. Exercising the authority provided in this general provision overcomes these obstacles.

However, the conferees remain concerned that the recent process has not been the most effective method for providing funds for military construction projects when responding to an emergency. Consequently, the conferees direct the Department and OMB to analyze military construction requirements in future defense emergencies so they are properly included as part of any overall DOD/OMB submission to Congress rather than separate form any other defense emergency requirements.

Under the existing authority of section 2808 of title 10, a process exists for transferring prior year appropriations to supplement the DERF account for military construction required due to the terrorist acts of September 11, 2001. The conferees direct DOD to use unobligated balances from fiscal years prior to fiscal year 2002 for these purposes. Then, if insufficient unobligated funds are available, fiscal year 2002 appropriations may be transferred. Additionally, DOD is directed to notify Congress 15 days prior to any such transfer, to submit an accompanying Form 1391, and to consult, as is the current practice, about the source of funds from which the transfer is derived.

To date, DOD has used section 2808 authority on several occasions, transferring $68,900,000 from authorized and appropriated military construction projects to unauthorized projects needed to effectively fight the war on terrorism and to provide security in the United States. The conferees agree that these projects are extremely important to adequately respond to the terrorist acts of September 11, 2001, and note that prior to invoking section 2808, the President must declare war or a state of emergency. However, the conferees direct DOD to reimburse accounts that were used as a source of funds for any project executed under section 2808 authority.

Yet, using unobligated balances from previously appropriated projects effectively increases the $40,000,000,000 in supplemental appropriations provided for this purpose without a new appropriation. This action is being taken despite the fact that OMB continues to publicly assert that the $40,000,000,000 provided under the Supplemental is more than sufficient to effectively prosecute the war effort. Clearly, using section 2808 authority belies this contention.

Section 1002 amends section 138 of Public Law 106–246 by inserting a new amount for completion of the Cadet Physical Development Center at the Military Academy, West Point, New York. The Army intends to pay for additional costs with savings from prior appropriations. The conferees remain concerned about cost overruns associated with this project and direct the Army to complete the project as expeditiously as possible within the current authorization.

Section 1003 amends section 2202(a) of the National Defense Authorization Act for Fiscal Year 2002 by making a technical correction.

CHAPTER 11

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

TRANSPORTATION SECURITY ADMINISTRATION

The conference agreement includes $94,800,000 for the new Transportation Security Administration instead of $15,000,000 as proposed by the House. The Senate provided no similar appropriation. Within this total, $1,500,000 shall be for intelligence and security activities and $93,300,000 shall be for port security grants.

Port security.—There are 361 public ports in the United States and they conduct over 95 percent of United States overseas trade. The

Interagency Commission on Crime and Security in U.S. seaports reported in the fall of 2000 that the state of security in U.S. seaports generally ranges from poor to fair and that control of access to the seaport or sensitive areas within the seaport is often lacking. The Commission found that criminal organizations are exploiting weak security in ports to commit a wide range of cargo crimes and that the vulnerability of American ports to potential terrorist attacks is high. The Commission recommended minimum security guidelines for U.S. seaports and implementation of a five-year crime and security technology plan.

The conference agreement includes $93,300,000 for grants to U.S. seaports for security assessments and enhancements. The funds provided in the conference agreement can be used for security assessments and for implementation of measures once assessments have been performed. The conferees do not intend this grant funding to be used to displace current security funding and activities either provided by the ports or by federal agencies. The funding provided in the conference agreement is to be used for additional security activities not now being performed at the ports. In developing and administering this grant program, the Under Secretary of Transportation for Security is expected to work in cooperation with local port authorities and other affected federal agencies, including the Coast Guard and Maritime Administration.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

The conference agreement includes $50,000,000 for the payments to air carriers (essential air service program) instead of $57,000,000 as proposed by the Senate. The House provided no similar appropriation. These additional funds will bring the total program level to $113,000,000 in fiscal year 2002. This amount should be sufficient to maintain commercial air service to all eligible communities. For new points with significant enplanement levels that may become eligible under the essential air service program in fiscal year 2002 that currently have three flights per day, the conferees direct that this level of service continue.

COAST GUARD

OPERATING EXPENSES

The conference agreement includes $209,150,000 instead of $144,913,000 as proposed by the House and $285,350,000 as proposed by the Senate. Funds are available until September 30, 2003 as proposed by the Senate instead of available until expended as proposed by the House. The conference agreement distributes funds as follows:

Item	*Amount*
Reserve activation	$110,000,000
Restoration of fiscal year 2002 reductions	33,507,000
Anti-terrorism activities, including Marine safety and security teams	41,293,000
Chemical/biological strike teams	2,500,000
National Defense Authorization Act entitlements	21,850,000
Total	209,150,000

Marine safety and security teams.—The conferees agree that funding for marine safety and security teams is for establishment of 348 full-time permanent positions for four new teams, including two teams with area-wide operating responsibility (one each for the Atlantic and Pacific operating areas) and two teams to exclusively serve those port areas presenting the greatest port security challenges, especially those ports with a substantial concentration of critical Department of Defense facilities and a shortage of alternative floating assets. The Senate bill included funds for two area-wide teams and four teams for specific ports. The conferees have no objection to the Commandant co-locating the area-wide teams with the port specific teams if he believes that economies of scale and programmatic benefits will result.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

(AIRPORT AND AIRWAY TRUST FUND)

The conference agreement includes $200,000,000 instead of $291,500,000 as proposed by the House and $251,000,000 as proposed by the Senate. Funds are available until September 30, 2003 as proposed by the Senate instead of available until expended as proposed by the House. Funds are derived from the airport and airway trust fund as proposed by the Senate instead of from the general fund as proposed by the House. The conference agreement distributes funds as follows:

Item	*Amount*
Cockpit door modifications	$100,000,000
Sky marshals	65,000,000
Security experts	20,000,000
Training facilities	15,000,000
Total	200,000,000

Cockpit door modifications.—The conference agreement provides $100,000,000 for new or modified cockpit doors on commercial aircraft to improve security of the flight deck. The conferees understand that, under current plans, this is the maximum amount likely to be obligated during fiscal year 2002.

Sky marshals.—The conferees agree to provide $65,000,000 in this bill for additional sky marshals, and direct that, of the funds provided to the Transportation Security Administration in the Department of Transportation and Related Agencies Appropriations Act, 2002 from security user fees, $55,000,000 shall be reserved and used in fiscal year 2002 for the hire of additional sky marshals. The House bill included $233,000,000 in this bill for the sky marshal program; the Senate bill provided no funds.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

The conference agreement includes $108,500,000 instead of $175,000,000 as proposed by the House and no funds as proposed by the Senate. Funds are to be derived from the airport and airway trust fund as proposed by the House, and available until September 30, 2004 instead of available until expended as proposed by the House. As requested by the administration, these funds are to be used for the procurement and installation of explosive detection systems.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

The conference agreement includes $50,000,000, to be derived from the airport and airway trust fund, as proposed by the Senate. Funds are to remain available until September 30, 2003 instead of September 30, 2002, as proposed by the Senate. The House bill contained no similar appropriation. Of the funds provided, not less than $25,000,000 is for proof of concept demonstrations as described in the Senate report accompanying the bill, incorporating a global satellite-based communications, navigation and surveillance architecture; a highly integrated, secure common information network; and a broadband two-way secure communications capability. The conferees direct that these demonstrations shall leverage significant industry cost-sharing efforts. The remaining funds are for short-duration demonstrations and pilot projects for airports and airlines involving potential new security technologies and concepts, including $2,000,000 for a demonstration of 100 percent positive passenger bag match technology at Reagan Washington National Airport in Virginia, as proposed by the House.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

The conference agreement includes $175,000,000 instead of $200,000,000 as proposed by the Senate, to be derived from the airport and airway trust fund and to remain available until expended, for reimbursement to airports of direct costs associated with additional or revised security requirements since the September 11th terrorist attacks. The House bill contained no similar appropriation. The conferees note that the funding provided is available for security improvements and other assistance at Ronald Reagan Washington National Airport in Virginia and the Johnstown Airport Authority in Pennsylvania in response to the terrorist attacks of September 11, 2001.

FEDERAL HIGHWAY ADMINISTRATION

MISCELLANEOUS APPROPRIATIONS

(HIGHWAY TRUST FUND)

The conference agreement provides $100,000,000 for miscellaneous highway-related appropriations instead of $110,000,000 as proposed by the Senate. Funds shall be derived from the highway trust fund, and shall be for the critical expansion of interstate ferry service necessitated by the attacks of September 11th. Prior to those attacks, 67,000 daily commuters utilized the PATH transit service between New Jersey and the World Trade Center. The conference agreement directs that these funds be made available to expand critical ferry services to serve PATH commuters traveling from New Jersey to Manhattan. A total of $10,000,000 for traffic controls and detours in New York City and for the repair and reconstruction of non-Federal-aid highways destroyed or damaged by the collapse of the World Trade Center buildings is provided under the Federal Emergency Management Agency as proposed by the House, instead of under this head as proposed by the Senate.

FEDERAL-AID HIGHWAYS

EMERGENCY RELIEF PROGRAM

(HIGHWAY TRUST FUND)

The conference agreement provides $75,000,000, to be derived from the highway trust fund and to remain available until expended, for emergency relief as proposed by both the House and Senate.

FEDERAL RAILROAD ADMINISTRATION

SAFETY AND OPERATIONS

The conference agreement provides $6,000,000 for safety and operations of the Federal Railroad Administration, as proposed by both the House and the Senate. Funding shall be used for additional expenses related to overtime and the hiring of police and security officers; increased inspections of rail infrastructure; additional security personnel; additional inspector travel; and other security measures.

CAPITAL GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

The conference agreement provides $100,000,000 for capital improvements of the

National Railroad Passenger Corporation (Amtrak) as proposed by the Senate. The House provided no similar appropriation. These funds shall be used solely to enhance the safety and security of the aged Amtrak-owned rail tunnels under the East and Hudson Rivers. Funding shall remain available until expended.

FEDERAL TRANSIT ADMINISTRATION

FORMULA GRANTS

The conference agreement includes $23,500,000 for formula grants as proposed by both the House and the Senate. These supplemental funds will finance the replacement of buses and transit kiosks destroyed by the collapse of the World Trade Center; provide technical assistance for transit agencies to refine and develop security and emergency response plans; accelerate and expand the PROTECT program aimed at detecting chemical and biological agents in transit stations; conduct emergency response drills with transit agencies and local first response agencies; and provide security training for transit operators. Funding shall remain available until expended.

Dulles corridor transit project.—To facilitate the extension of rail service to Washington Dulles International Airport, the Administrator of the Federal Transit Administration shall work with the Commonwealth of Virginia, Northern Virginia municipalities, the Metropolitan Washington Airports Authority, and the Washington Metropolitan Area Transit Authority to develop and implement a financing plan for the Dulles Corridor rapid transit project.

CAPITAL INVESTMENT GRANTS

The conference agreement provides $100,000,000 for capital investment grants as proposed by the Senate. The House bill contained no similar appropriation. These funds shall be used to accelerate transit improvements already underway by the Port Authority of New York and New Jersey and New Jersey Transit, to improve access to the PATH and New Jersey Transit systems, and to initiate transit improvements that are necessary to better accommodate new commuting patterns in the region as a result of the terrorist attack on September 11th. None of these funds should be made available to the Washington Metropolitan Area Transit Authority (WMATA), as their security needs are addressed elsewhere in the bill.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

RESEARCH AND SPECIAL PROGRAMS

The conference agreement appropriates a total of $2,500,000 for research and special programs as proposed by the House instead of $6,000,000 as proposed by the Senate. Funding is provided specifically to address security-related problems the agency encountered during the September 11th crisis. This includes $1,000,000 for equipment and contractor support related to information dissemination in the crisis management center; $800,000 to purchase and install dedicated communication cables for the continuity of operations site; and $700,000 for equipment and contractor support to allow the crisis management center to send and receive classified information.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

The conference agreement includes $1,300,000 for salaries and expenses of the Office of Inspector General instead of $2,000,000 as proposed by the Senate. The House bill contained no similar appropriation. Following the attacks of September 11th, the OIG has been given several new responsibilities associated with the Transportation Security Act as well as border security initiatives, which may be addressed with these funds. The Secretary of Transportation and the Director of the Office of Management and Budget should carefully monitor the needs of this office an all the new requirements placed upon it to assure the adequacy of funding for this office. Funding shall be available until September 30, 2003.

RELATED AGENCY

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

The conference agreement includes $650,000 instead of $465,000 as proposed by the House and $836,000 as proposed by the Senate. Funding is available until September 30, 2003.

GENERAL PROVISIONS—THIS CHAPTER

The conference agreement includes the Senate provision that amends section 5117(b)(3) of the Transportation Equity Act for the 21st Century relating to the contract for follow-on deployment of an intelligent transportation system project. The House proposed no similar provision. The conferees note that, while this provision allows the Secretary to allocated these funds through a sole source procurement, the provision does not mandate such an action. The decision to distribute this funding on a non-competitive basis is left entirely to the Secretary.

The conference agreement includes the Senate provision that prohibits the use of appropriated funds, or revenues generated by the National Railroad Passenger Corporation (Amtrak), to implement section 204(c)(2) of Public Law 105–134, relating to development of an action plan, until enactment of an Amtrak reauthorization act. The House proposed no similar provision.

The conference agreement modifies the Senate provision making technical corrections to the Department of Transportation and Related Agencies Appropriations Act, 2002. The provision specifies that of the funds authorized under section 110 of title 23, United States Code, and provided for in the Department of Transportation and Related Agencies Appropriations Act, 2002, that no funds shall be available for the program authorized under section 1101(a)(11) of Public Law 105–178; $29,542,304 shall be set aside for the Woodrow Wilson bridge project; $5,896,000 of the $23,896,000 provided for the national motor carrier safety program is for state commercial driver's license program improvements; and up to $2,300,000 of the $56,300,000 available for border infrastructure improvements may be transferred by the Secretary of Transportation to the General Services Administration for construction of transportation infrastructure for law enforcement purposes in the border states. The conference agreement includes a provision that allows funds for environmental streamlining to be used for non-administrative costs, including grants, cooperative agreements, and other transactions. The House proposed no similar provisions. The conferees are very concerned at the lack of progress the Department had made in issuing the rural consultation provision of the statewide planning regulations. After three years and a clear Congressional mandate under the Transportation Equity Act for the 21st Century, rural local elected officials continue to be left out of statewide planning discussions. The conferees fully expect this rule to be promulgated no later than February 1, 2002.

The conference agreement includes the Senate provision making technical corrections to the Department of Transportation and Related Agencies Appropriations Act, 2002. This provision specifies that funds appropriated to the Research and Special Programs Administration, including funds derived from the pipeline safety fund, in the Department of Transportation and Related Agencies Appropriations Act, 2002 shall remain available until September 30, 2004. The House bill proposed no similar provision.

The conference agreement includes the Senate provision that makes a technical correction to the department of Transportation and Related Agencies Appropriations Act, 2002. This provision amends item 1497 of the table contained in section 1602 of Public Law 105–178 pertaining to capital improvements to intermodal marine freight and passenger facilities in Anchorage, Alaska. The House proposed no similar provision.

The conference agreement makes technical corrections to the Department of Transportation and Related Agencies Appropriations Act, 2002. This provision increases the surface transportation projects appropriation under section 330 by $4,300,000, and reduces section 349 by an equivalent amount. Of the funds provided, $300,000 is for the US–61 Woodville widening project in Mississippi and $4,000,000 is for the City of Renton/Port Quendall interstate maintenance project in Washington. The Senate proposed making these technical corrections by funding these projects within the Federal Highway Administration's obligation limitation. The House proposed no similar provision.

The conference agreement amends bill language contained in the Department of Transportation and Related Agencies Appropriations Act, 2002 for the salaries and expenses of political and Presidential appointees and prohibits funding for certain positions.

The conference agreement includes a provision that relates to the participation of the state of Texas in the state infrastructure bank pilot program.

The conference agreement deletes the provision in title II of division E of the Senate bill which would have required certain procedures regarding labor integration issues relating to the combination of commercial air carriers.

CHAPTER 12

DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

SALARIES AND EXPENSES

The conferees agree to provide $2,032,000 as proposed by both the House and the Senate.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

The conferees agree to provide $1,700,000 as proposed by both the House and the Senate.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

The conferees agree to provide $23,000,000 instead of $23,231,000 as proposed by the House and $22,846,000 as proposed by the Senate. Of this amount, $9,154,000 is provided for training costs associated with new hiring by law enforcement agencies.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS AND RELATED EXPENSES

The conferees agree to provide $8,500,000 as proposed by the House instead of no funding as proposed by the Senate.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

The conferees agree to provide no funding as proposed by the House instead of $600,000 as proposed by the Senate.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

The conferees agree to provide $31,431,000 as proposed by both the House and the Senate.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

The conferees agree to provide $392,603,000 instead of $301,759,000 as proposed by the House and $292,603,000 as proposed by the Senate. This fully funds the President's request, and includes additional funding as follows: $245,503,000 for staffing and inspection and investigate technology for borders and critical seaports of entry, to include not less than $10,000,000 for the Southwest Border; $18,300,000 for a commercial backup data facility; and $21,300,000 to support overseas initiatives to counter money laundering such as that used to finance terrorist or criminal activity.

This funding addresses shortages in critical law enforcement staffing and technology investments. To ensure the optimum impact on current vulnerabilities, the conferees direct that the $245,503,000 for border and seaport security shall not be available until 15 days after the Customs Service submits to the Committees on Appropriations and the Secretary of the Treasury a financial plan based upon a comprehensive assessment of the most effective uses of the Service's resources, including the funds provided in this Act, for protection along the Northern Border, Southwest Border, and at critical seaports. The Secretary is directed to review the plan and, within 15 days of its receipt, notify the Committees of his findings.

The conferees direct that this detailed plan address the use of Customs Service resources for the Northern Border, Southwest Border, critical seaports, and other ports of entry that present a potential security risk. The financial plan shall include a revised breakout of fiscal year 2002 funding by object class, and by programmatic category, to reflect the application of funding provided through this Act, and should be consistent with the materials submitted with the President's fiscal year 2003 budget request. Any changes in funding levels that exceed the thresholds for reprogramming set forth in the fiscal year 2002 Appropriations Act for the Department of the Treasury will require advance approval by the Committees, as set forth in the reprogramming guidelines.

OPERATION, MAINTENANCE AND PROCUREMENT, AIR AND MARINE INTERDICTION PROGRAMS

The conferees agree to provide $6,700,000 as proposed by both the House and the Senate.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE, AND MANAGEMENT

The conferees agree to provide $12,990,000 instead of no funding as proposed by the House and $16,658,000 as proposed by the Senate. These funds are to address the highest priority security and response needs of the program.

TAX LAW ENFORCEMENT

The conferees agree to provide $4,544,000 as proposed by both the House and the Senate.

INFORMATION SYSTEMS

The conferees agree to provide $15,991,000 as proposed by the Senate instead of no funding as proposed by the House. The conferees acknowledge the need to adequately provide backup for the recovery of IRS computer systems and include a provision to ensure that the design and construction of the backup system to closely coordinated with the major IRS business systems modernization effort that is underway. The conferees expect the backup system to be completely compatible with all new computer systems.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

The conferees agree to provide $104,769,000 as proposed by both the House and the Senate.

POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

The conferees agree to provide $500,000,000 for emergency expenses of the Postal Service instead of $600,000,000 as proposed by the Senate and no funding as proposed by the House. The conferees agree that these funds shall be obligated for the purpose of protecting postal employees and postal customers from exposure to biohazards material, to sanitize and screen mail, and to replace or repair Postal Service facilities and destroyed or damaged in New Your City as a result of the September 11, 2001, terrorist attacks, The conferees note that the Postal Service has not received a direct appropriation for operations for nearly two decades. Nonetheless, the conferees acknowledge the extraordinary circumstances surrounding biohazardous material in the mail and have provided this emergency supplemental appropriation to address these specific security concerns. In providing these emergency funds, the conferees do not intend to set a precedent for operational subsidies of the Postal Service. The conferees continue to support current law requirements that the Postal Service operate on a self-sustaining basis.

The conferees are aware that the recent incidents of anthrax in the mail pose both technology-based and process-based challenges for the Postal Service, the conferees commend the Postal Service for its on-going efforts and are pleased with the progress made to date. The conferees further believe that additional actions taken by the Postal Service should be based on a comprehensive emergency preparedness plan and, of the funds provided, have withheld from obligation funds for sanitizing and screening the mail until the Postal Service submits such a plan to the Committees on Appropriations, the House Committee on Government Reform and the Senate Committee on Governmental Affairs.

As part of its emergency preparedness plan, the conferees expect the Postal Service to include an assessment of threats to the health and safety of employees and customers of the Postal Service and the integrity of the mail; testing and evaluating the options for detecting and/or addressing those threats, including both technology-based and process-based options; a comparison of the costs and benefits of options under consideration; an evaluation of the strengths and weaknesses of the technologies under consideration for mail sanitization, including an analysis of risks to human health and safety and to mail products associated with each of those technologies; and a timetable for implementing the options selected.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

The conferees agree to provide $50,040,000 for emergency expenses of the Office of Administration, as proposed by the Senate instead of no funding as proposed by the House. The conferees are concerned by the lack of detail and background submitted by the Office of Administration in support of emergency appropriations for the Executive Office of President and, more specifically, by limitations in cost estimates for various projects. Although the conferees are aware that many of the cost estimates were prepared in rapid response to the events of September 11, 2001, the conferees are concerned that estimates for some projects may have changed by as much as 250 percent. For instance, while original estimates for building modifications and communication installation activities for the Office of Homeland Security were $2,000,000, the conferees understand that the cost of this project may now be closer to $7,000,000. The conferees have fully funded the President's request for emergency expenses of the Office of Administration, for the specific projects, and in the specific amounts requested, as follows:

EOP estimated obligations

[Dollars in thousands]

Move Related (less IT):	
Sensitive Compartmentalized Information Facility	3,500
Telecommunciations Costs	3,000
Move and Facilities Cost	2,500
Systems Furniture	2,500
Office Rent	1,903
Additional 20 FTE	1,325
Space Renovation	1,000
Second Print Shop	1,000
Overtime	500
Additional Copiers and Fax Machines (including maintenance)	110
Additional Safes and Shredders	75
Subtotal—Move Related	17,413
Information Technology:	
Enhance Information Technology Reliability	15,000
Additional IT Intrusion Security	3,000
EOP-Wide Teleconferencing Capability	3,000
Information Security	700
Anti-Hacking Software	400
Dedicated Technician Support	350
Network Components	61
Subtotal—Information Technology	22,511
Emergency Response:	
Air Quality, Building Modifications and Communications Installs, Backup Power, and Voice Announcers	8,019
Subtotal—Emergency Response	8,019
Uncategorized Misc.:	
Enhance Telecommunications	1,000
Additional White House Operators (10)	600
Reorganization of RDS Warehouse	250
Temporary Data Entry Personnel in WHO Correspondence	164
Paper	44
Catridges and Copier Supplies	20
General Office Supplies	20
Subtotal—Uncategorized Misc	2,098

In the event that there are deviations from these line items, the conferees direct the Office of Administration to follow the appropriate reprogramming and transfer guidelines, as included in the joint explanatory statement accompanying the fiscal year 2002 conference report for the Treasury and General Government Appropriations Act, 2002. In particular, the conferees note the requirement that a reprogramming request must be submitted for any action where funds earmarked for a specific activity are proposed to be used for a different activity. Finally, the conferees expect the Office of Administration to fully coordinate the implementation of these, and any future, security changes with the General Services Administration, the Secret Service, the White House Military Office, and other Executive Office of the President offices and agencies.

INDEPENDENT AGENCIES

GENERAL SERVICES ADMINISTRATION

REAL PROPERTY ACTIVITIES

FEDERAL BUILDINGS FUND

The conferees agree to provide $126,512,000, instead of $126,500,000 as proposed by the Senate and $87,360,000 as proposed by the House. Within this amount, full funding is provided for the requested replacement space costs and security costs in New York and Washington, D.C. The conferees understand that sufficient funding has been provided elsewhere for relocation costs in Washington, D.C., and do not include any funding for that purpose in this account. The conferees strongly encourage the General Services Administration to allocate that portion of the funds provided to meet nationwide security needs in a way that addresses the greatest threats, risks, and vulnerabilities on a national basis regardless of regional boundaries.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

The conferees agree to provide $1,600,000 instead of no funding as proposed by the House and $4,818,000 as proposed by the Senate. Within this amount the conferees have provided full funding for the requested increases in security operating expenses at Archives I and Archives II and direct that the balance of the funds be used to address the greatest security concerns of the Presidential libraries.

REPAIRS AND RESTORATION

The conferees agree to provide $1,000,000 instead of no funding as proposed by the House and $2,180,000 as proposed by the Senate. Within this amount the conferees have provided full funding for the requested increases in security repairs and restoration expenses at Archives I and Archives II and direct that the balance of the funds be used to address the greatest security concerns of the Presidential libraries.

GENERAL PROVISION, THIS CHAPTER

The conferees agree not to include Section 1101 as proposed by the Senate regarding telecommunications access.

Sec. 1201. The conferees agree to include a technical amendment to the ''9/11 Heroes Stamp Act of 2001'', as proposed by the Senate in Division D.

CHAPTER 13

DEPARTMENT OF VETERANS AFFAIRS

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

The conferees recommend $2,000,000 in general operating expenses as proposed by the House for a comprehensive security evaluation of the VA which should include and consider security actions and recommendations implemented by other Federal, State and local government agencies. The Senate included funds for similar purposes under construction, major projects.

None of these funds may be used to create an new Office of Operations and Preparedness as the Department has not provided specific information on the creation of such office.

CONSTRUCTION, MAJOR PROJECTS

The conferees have not provided funds in this account for security evaluations as proposed by the Senate but instead included funding under general operating expenses as proposed by the House.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT FUND

The conference agreement includes $2,000,000 from funds appropriated in Public Law 107–38 for economic recovery assistance for affected areas in New York City as proposed by the Senate, instead of $1,875,000,000 as proposed by the House.

The conference agreement includes language designating $10,000,000 for a program to aid the travel and tourism industry in New York City as proposed by the House.

Modified language is included, similar to language proposed by the Senate, requiring the Lower Manhattan Redevelopment Corporation to develop criteria and process applications for the distribution of funds mad available under Community Development Fund from funds provided in Public Law 107–38. Modified language is also included, similar to language proposed by the Senate, requiring the corporation to process expeditiously applications for assistance. The conferees expect the corporation to make every effort to respond to applications from individuals, nonprofit and small businesses for economic losses within 45 days of submission of an application.

Modified language is also included, similar to language proposed by the Senate, designating not less than $500,000,000 of the $2,700,000,000 made available for the Community Development Fund from amounts provided in Public Law 107–38 for assistance to individuals, nonprofits and small businesses located on or south of 14th Street, with a limitation of $500,000 per small businesses.

The conferees adopt the language included in the Senate report related to semi-annual audits by the Inspector General of the Department of Housing and Urban Development. In lieu of the requirement in the Senate report related to reports related to disposition of claims, the conferees instead direct the Department of Housing and Urban Development to provide quarterly reports to the Committees on Appropriations on the obligation and expenditure of these funds.

The conferees recognize the unique benefits the New York board of trade (NYBOT) beings to the economy of the City of New York, as well as to the country. In this regard, the conferees strongly encourage the Corporation to consider the needs of the NYBOT as it allocates assistance provided from the Community Development Fund.

MANAGEMENT AND ADMINISTRATION

OFFICE OF INSPECTOR GENERAL

The conference agreement includes $1,000,000 from funds appropriated in Public Law 107–38 to replace office and investigative equipment damaged in the terrorist attacks, as proposed by both the House and Senate.

INDEPENDENT AGENCIES

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NATIONAL INSTITUTES OF HEALTH

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

Provides $10,500,000 for the National Institute of Environmental Health Sciences (NIEHS) as proposed by the House and the Senate. Bill language has been adopted by the conferees which clarifies that funds may be used for all NIEHS research and worker training programs as authorized by law. Bill language has also been included amending Public Law 107–73 to clarify the intent of Congress with respect to funds provided for NIEHS for fiscal year 2002.

ENVIRONMENTAL PROTECTION AGENCY

SCIENCE TECHNOLOGY

Provides $90,308,000 for science and technology instead of $10,000,000 as proposed by the House and $41,514,000 as proposed by the Senate. Funds are intended to be used to assess and improve building security at EPA laboratory sites as well as perform drinking water vulnerability assessments, and anthrax decontamination activities.

ENVIRONEMENTAL PROGRAMS AND MANAGEMENT

Provides $39,000,000 for environmental program and management instead of $140,360,000 as proposed by the House and $38,194,000 as proposed by the Senate. The conferees have provided funds necessary to assess and improve building security at EPA sites, pay for the temporary relocation and other costs for EPA's Region 2 office, provide technical materials and contingency planning manuals for wastewater treatment plants, pay for anthrax decontamination activities, and assume additional personnel costs associated with EPA's increased responsibilities in criminal investations and enforcement actions related to bioterrorism and other counterterriorism activities. The conferees recognize and acknowledge that the hiring of additional employees will increase the Agency-wide FTE level. The conferees also recognize that additional Agency-wide requirements to respond to the terrorist attacks of September 11, 2001 as well as subsequent counterterrorism activities will result in increased travel costs of the Agency. In this regard, the conferees agree that the travel ceiling assumed as part of the fiscal year 2002 appropriation is no longer valid, and requests the Agency to provide a quarterly letter detailing the variance in travel relative to the 2002 budget submission.

HAZARDOUS SUBSTANCE SUPERFUND

Provides $41,292,000 for hazardous substance superfund as proposed by the Senate instead of $5,800,000 as proposed by the House. The conferees agree that funds will provide fro a new West Coast ''Immediate Response Team'', pay for the temporary relocation and other costs for EPA's Region 2 office, pay for anthrax decontamination activities, and provides for personnel, training, equipment, and planning related to increased responsibilities in responding to terrorism and counterterrorism activities. The conferees note that in addition to funds provided for future such activities by EPA, funds provided herein are also intended to reimburse expenses of the Agency incurred while assisting anthrax investigations and cleanup actions at the United States Capitol and Congressional office building complex, the Brentwood and other United States Post Office locations, and other such work performed prior to enactment of this Act.

STATE AND TRIBAL ASSISTANCE GRANTS

Provides $5,000,000 for state and tribal assistance grants as proposed by the House and the Senate. Funds are provided for State grants for counterterrorism coordinators to work with EPA and drinking water utilities in assessing drinking water safety.

Bill language has been included making technical corrections for two targeted water and wastewater grants provided in previous appropriations Acts.

The conferees note that the cost-share requirement for a National Community Decentralized Demonstration project in Missouri, provided under this heading in Public Law 107–73 (item number 173), should be the same as that required for the previous six such demonstration projects approved in fiscal years 1999 and 2000.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

The conferees agree to provide $4,356,871,000 for disaster relief to fund additional efforts in response to the September 11, 2001 terrorist attacks. The amount provided includes $10,000,000 for expenses related to traffic control and detours in New York City and for the repair and reconstruction of non-Federal-aid-eligible highways destroyed or damaged by the collapse of the World Trade Center buildings.

The conferees are concerned that there may be some gaps in assistance to those affected by the terrorist attacks on September 11, 2001. The conferees have been informed by FEMA that all firefighters, law enforcement personnel, emergency medical personnel, and victims of this incident will be compensated through FEMA or other federal programs. FEMA has indicated in writing that they are unaware of any gaps in assistance with respect to the terrorism attacks. FEMA is expected to provide funding for all eligible recipients in an expeditious manner.

SALARIES AND EXPENSES

Provides $25,000,000 for salaries and expenses instead of $30,000,000 as proposed by the House and $20,000,000 as proposed by the Senate. The amount provided includes $10,000,000 for the national security division. The conferees are concerned about the continuing lack of information regarding a new Office of National Preparedness within FEMA and agree, that while a portion of the funding provided by this appropriation may be used to establish the Office, FEMA must inform the Congress of the structure, responsibilities, and roles of this new Office, with particular emphasis on its relationships to the Office of Homeland Security and the Department of Justice. Therefore, the conferees direct FEMA to report to the Committees on Appropriations by February 15, 2002 on the structure of the Office of National Preparedness, including a staffing plan, and its duties and functions in relation to other agencies involved in Homeland security.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

Provides $220,000,000 for emergency planning and assistance, instead of $290,000,000 as proposed by the Senate and $35,000,000 as proposed by the House. Of the amount provided, $21,000,000 shall be used to carry out the fire grants program as authorized by the Federal Fire Prevention and Control Act of 1974, as amended by Public Law 106–398. The conferees have included bill language which provides that up to 5 percent of the funds may be transferred to salaries and expenses for administrative costs associated with this program. In addition $10,000,000 is to be used for enhancement of FEMA's ability to support the 2002 Winter Olympics.

Within 90 days of enactment of this Act, the Director of the Federal Emergency Management Agency (FEMA) shall submit to the Director of the Office of Homeland Security and to the Congress a report which shall include:

(1) a complete accounting of all emergency and terrorism preparedness training courses offered by FEMA and all departments and agencies of the federal government;

(2) a discussion of the effectiveness of those courses, the possible consolidation of all federal emergency and terrorism preparedness training courses, the adequacy of federal training courses in the area of chemical and biological weapons, and training models used in the private sector that the Director considers as being representative of the best safety and security practices, particularly relating to the aftermath of a chemical or biological attack.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

The conferees have agreed to provide $76,000,000 for human space flight instead of $81,000,000 as proposed by the House and $64,500,000 as proposed by the Senate. The amount provided includes $8,000,000 for information security, $60,000,000 for security and counterintelligence, and $5,000,000 for communications capabilities. An additional $3,000,000 is provided for enhanced radar capability (TPS–75 mobile radar system) to provide low-altitude coverage for security needs at the Kennedy Space Center.

SCIENCE, AERONAUTICS AND TECHNOLOGY

The conferees agree to provide $32,500,000 for science, aeronautics and technology, instead of $36,500,000 as proposed by the House and $28,600,000 as proposed by the Senate. The amount provided includes $12,000,000 for information security, $15,000,000 for security and counterintelligence and $5,500,000 for communications capability.

OFFICE OF SECURITY

In August 2001, NASA established the Office of Security Management and Safeguards under the direction of an Associate Administrator reporting directly to the NASA Administrator. The Associate Administrator for Security Management and Safeguards is the senior security and counterintelligence advisor to the NASA Administrator, with ultimate authority for NASA-wide security and counterintelligence operations, processes, functions, and activities, as well as administrative authority over NASA security funds. The conferees support the establishment of the Office of Security Management and Safeguards, and the full authority of this Office over Agency-wide security and counterintelligence activities and funding. Furthermore, the conferees agree with direction included in the Senate Report that NASA shall identify funding from within available Agency resources to provide for approximately 35 additional FTE to staff the Office of Security Management and Safeguards at NASA Headquarters and at NASA's field Centers. The conferees also agree that responsibilities of the NASA Office of Security Management and Safeguards shall in no way prevent the Office of Inspector General from conducting its lawful investigative activities, including investigations into cyber crime. Further, the conferees expect that the Office of Security Management and Safeguards and the Office of the Inspector General will continue to share counter-intelligence and intelligence threat information concerning NASA information technology networks as it pertains to cyber-based threats to NASA.

OFFICE OF INSPECTOR GENERAL

The conferees have not included any additional funding for the Office of Inspector General. The House had proposed an increase of $3,000,000 and the Senate had proposed no additional funding.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

Provides $300,000 for research and related activities as proposed by the House and the Senate. Funds are provided for additional security measures at NSF research facilities.

GENERAL PROVISIONS, THIS CHAPTER

Retains language proposed by the Senate authorizing the Points of Light Foundation to name community service projects after individual victims of the September 11, 2001 attacks and create a website and database to catalogue such projects. No federal funds are to be used for these activities. The House did not include a similar provision.

Retains language proposed by the Senate authorizing the Cook Inlet Housing Authority to use the previously appropriated funds for a tribal student housing project. The House did not include a similar provision.

The conference agreement includes modified language, similar to language proposed by the Senate, making available up to $11,300,000 for obligations under section 514 of the Multifamily Assisted Housing Reform and Affordability Act (MAHRAA). Of this amount, up to $1,300,000 in fiscal year 2002 funds is authorized to be used to reimburse vouchers submitted by section 514 grantees through October 15, 2001 for prior year commitments which were probable violations of the Anti-Deficiency Act (ADA). The conferees note that the Department of Housing and Urban Development has yet to provide sufficient information to the Committees on Appropriations related to violations of the ADA related to section 514 grants. The conferees expect the Department to investigate fully this matter and provide the necessary notifications to the President and the Congress in accordance with the requirements set forth in the Anti-Deficiency Act and Office of Management and Budget Circular A–34. Pending conclusion of the investigation and notification requirements, the Department is authorized to use a portion of the $10,000,000 provided in fiscal year 2002 for new grant awards to reimburse grantees for activities completed pursuant to prior year grant agreements. Should the Department use funds for this purpose, the amount made available for new grant awards shall be reduced accordingly. The conferees direct the Secretary of the Department of Housing and Urban Development to provide bimonthly reports to the Committees on Appropriations on the status of technical assistance funds spent under section 514 of MAHRAA, including the status of the investigation of probable ADA violations, a spending plan for the $11,300,000 made available under this section, and the status and findings of audits conducted by the Inspector General, with the first report due no later than January 15, 2002.

Modified language is also included earmarking $1,500,000 from funds provided to the Office of General Counsel and the Office of Multifamily Housing Assistance Restructuring to be used for section 514 technical assistance grants, similar to language proposed by the Senate.

New language is included clarifying that the authorization to use funds to rectify a

violation of the Anti-Deficiency Act in no way releases an officer or employees from the requirements set forth pursuant to the Act.

Inserts language making several technical corrections to economic development initiatives under the heading ''Community Development Fund'' in Public Law 107–73.

CHAPTER 14

GENERAL PROVISIONS

The conference agreement includes section 1401, as proposed by the Senate, which states that amounts obligated pursuant to this division are subject to the terms and conditions provided in Public Law 107–38. The House had no similar provision.

The conference agreement includes section 1402, as proposed by the House and the Senate, concerning availability of funds appropriated within this division.

The conference agreement includes section 1403 concerning transfer authority for national guard expenses for services related to homeland security. Each request for transfer shall include a declaration that, as of the date of the request, none of the funds proposed for transfer have been obligated, and none will be obligated, until the Committees on Appropriations have approved the request.

DIVISION C—SPENDING LIMITS AND BUDGETARY ALLOCATIONS FOR FISCAL YEAR 2002

The conference agreement includes, as division C, budgetary provisions that are necessary to conform existing budget law with final appropriations agreements. Sections 101 adjusts the fiscal year 2002 discretionary caps in the Balanced Budget and Emergency Deficit Control Act of 1985 to levels consistent with final appropriations action. This section also provides for conforming adjustments to the fiscal year 2002 budget resolution, and includes a small budget authority allowance for technical scoring differences that may exist between the Office of Management and Budget and the Congressional Budget Office. Section 102 resets the Pay-As-You-Go scorecard to zero.

DIVISION D—MISCELLANEOUS PROVISIONS

The conference agreement modifies a provision, proposed by the Senate in Division E, related to certain real property in South Dakota. The House bill contained no similar provision.

The conference agreement includes the text of a provision, proposed by the Senate in Division E, Title II, section 201, which expands the number of Trustees of the John F. Kennedy Center for the Performing Arts. The House had no similar provision.

DIVISION A

The total new budget (obligational) authority for the fiscal year 2002 recommended by the Committee of Conference, with comparisons to the fiscal year 2001 amount, the 2002 budget estimates, and the House and Senate bills for 2002 follow:

[In thousands of dollars]

New budget (obligational) authority, fiscal year 2001	298,515,154
Budget estimates of new (obligational) authority, fiscal year 2002	319,547,116
House bill, fiscal year 2002	317,624,089
Senate bill, fiscal year 2002	317,623,483
Conference agreement, fiscal year 2002	317,623,747
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 2001	+19,108,593
Budget estimates of new (obligational) authority, fiscal year 2002	−1,923,369
House bill, fiscal year 2002	−342
Senate bill, fiscal year 2002	+264

DIVISION B

The total new budget (obligational) authority for the fiscal year 2002 recommended by the committee of conference, with comparisons to the fiscal year 2002 budget estimates, and the House and Senate bills for 2002 follow:

[In thousands of dollars]

Budget estimates of new (obligational) authority, fiscal year 2002	20,000,000
House bill, fiscal year 2002	20,000,000
Senate bill, fiscal year 2002	20,000,000
Conference agreement, fiscal year 2002	20,000,000
Conference agreement compared with:	
Budget estimates of new (obligational) authority, fiscal year 2002	
House bill, fiscal year 2002	
Senate bill, fiscal year 2002	

For consideration of Division A of the House bill and Division A of the Senate amendment, and modifications committed to conference:

JERRY LEWIS,
BILL YOUNG,
JOE SKEEN,
DAVE HOBSON,
HENRY BONILLA,
GEORGE R. NETHERCUTT, Jr.,
RANDY ''DUKE'' CUNNINGHAM,
RODNEY P. FRELINGHUYSEN,
TODD TIAHRT,
JOHN P. MURTHA,
NORMAN D. DICKS,
MARTIN OLAV SABO,
PETER J. VISCLOSKY,
JAMES P. MORAN,
DAVID R. OBEY
(except for aircraft leasing),

For consideration of all other matters of the House bill and other matters of the Senate amendment, and modifications committed to conference:

BILL YOUNG,
JERRY LEWIS,
DAVID OBEY,
Managers on the Part of the House.

DANIEL K. INOUYE,
ERNEST F. HOLLINGS,
ROBERT C. BYRD,
PATRICK J. LEAHY,
TOM HARKIN,
BYRON L. DORGAN,
RICHARD J. DURBIN,
HARRY REID,
DIANNE FEINSTEIN,
HERB KOHL,
TED STEVENS,
THAD COCHRAN,
ARLEN SPECTER,
PETE DOMENICI,
CHRISTOPHER BOND,
MITCH MCCONNELL,
RICHARD C. SHELBY,
JUDD GREGG,
KAY BAILEY HUTCHISON,
Managers on the Part of the Senate.

PROVIDING FOR CONSIDERATION OF H.R. 3525, ECONOMIC SECURITY AND WORKER ASSISTANCE ACT OF 2001

Mr. REYNOLDS. Mr. Speaker, by the direction of the Committee on Rules, I call up House Resolution 320 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 320

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 3529) to provide tax incentives for economic recovery and assistance to displaced workers. The bill shall be considered as read for amendment. The previous question shall be considered as ordered on the bill to final passage without intervening motion except: (1) two hours of debate on the bill equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; and (2) one motion to recommit. The yeas and nays shall be considered as ordered on the question of passage. Clause 5(b) of rule XXI shall not apply to the bill or amendments thereto.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from New York (Mr. REYNOLDS) is recognized for 1 hour.

Mr. REYNOLDS. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST), the ranking member of the Committee on Rules, 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, House Resolution 320 is a closed rule providing for consideration of H.R. 3529, the Economic Security and Worker Assistance Act of 2001, with 2 hours of debate in the House, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule waives all points of order against consideration of the bill, and it provides for one motion to recommit, with or without instructions.

Mr. Speaker, while the images of September 11's terrorist attacks will last forever in the minds of the American people, the fact is that the full impact of that day goes beyond that which we could conceive in the piles of rubble and twisted metal. While economic indicators show this Nation's economic downturn began in September of 2000, a full year before the attacks of September 11, that vicious assault on our Nation and its people only exacerbated an already fragile situation.

Months before the latest crisis, this Congress showed the leadership, the bipartisanship, and sense of purpose

needed to bring our economy back through tax reduction for working Americans. We knew then that tax cuts put more money in the pockets of working families, increased consumer savings and spending, and spurred our economy back to recovery.

We came together, too, immediately after September 11, in another strong showing of leadership, bipartisanship, and sense of purpose when we gave this President the tools he needed to fight terrorism and punish those responsible for the attacks on our country, and began our financial commitment to rebuild those areas devastated by terrorism.

Today, we need to come together yet again, this time for America's workers; and the leadership, bipartisanship and sense of purpose we have shown the people of this great country must be evident again.

Cutbacks, layoffs, plummeting consumer confidence. These are some of the key factors contributing to our current economic situation. Just as we fortified our Nation's military in response to the attacks on our shores, we have the opportunity to fortify this Nation's economy against the attack on it by keeping jobs, by creating jobs, and by giving needed help to displaced workers.

Mr. Speaker, as my colleagues might be aware, we have an hour on this rule and a 2-hour debate on the economic stimulus bill yet before us tonight.

Make no mistake. This economic stimulus is critical to the workers and working families of America.

President Bush warned us this past weekend that without an economic stimulus package, we stand to lose as many as 300,000 American jobs; and no one knows of the current job struggle like my constituents and fellow New Yorkers across my great State. In New York City alone, some 79,000 workers lost their jobs in the month of October. The ripple effect, where an estimated 15 percent of all State revenues are generated in Lower Manhattan, is, indeed, being felt across our State and our Nation. In fact, between September and October, 62,000 workers across New York became unemployed.

According to the New York State Labor Department, the Buffalo-Niagara region where I hail from lost 2,900 jobs over the last year. This is the longest decline in the local job market in 8 years.

The fact is that jobs just do not create themselves, and we in this Congress have both the ability and the responsibility to help create those jobs. This bill recognizes that we cannot create employees if we do not work with employers to create jobs.

As Franklin Delano Roosevelt once said, ''I believe, I have always believed, and I will always believe in private enterprise as the backbone of economic well-being in America.''

□ 2315

Through new incentives to compete, grow, and expand, the bipartisan, bicameral Economic Security and Worker Protection Act of 2001 will help business rebuild and create jobs for the American people. Workers want and they deserve a paycheck, not an unemployment check.

Of course, this stimulus package recognizes that job creation is a long-term project, and that assisting those out of work requires immediate short-term solutions. For those who have lost their jobs, an additional 13 weeks of unemployment benefits will be provided, retroactive to March, 2001.

Part-time workers will be aided by $9 billion in surplus Federal unemployment funds transferred to States in order to help with health care or employment services.

Equally important to our work force is the availability and affordability of adequate health care. With the refundable health care tax credit provided in this legislation, no worker eligible for unemployment insurance will be left without the means to obtain quality health care protection.

So when my colleagues on the other side of the aisle and in the other Chamber wanted only COBRA-eligible workers to get a tax credit, leaving 45 percent of laid-off workers in small- and medium-sized businesses and those who never had job-based health care, let us not forget, not for a minute, who some of those workers are.

What about those who owned or worked in the delis or dry cleaners, those who delivered goods and cleaned offices in lower Manhattan? Should they have been excluded from being able to have affordable health care, as many would under the plan advanced by the Democratic leadership in the other body?

The bipartisan compromise plan, on the other hand, provides a refundable 60 percent tax credit for health insurance premiums paid by displaced workers. Those workers who had prior health insurance coverage will have the right to guaranteed coverage. Additionally, the bill provides for an extension of the Archer Medical Savings Accounts, allowing families and individuals to be in charge of their own health care dollars.

Mr. Speaker, as we prepare to wind down the first session of this 107th Congress, we can look back on a record of great accomplishment for the American people. We cut taxes for working families, we enacted sweeping education reforms that provide the blueprint and resources to ensure that no child is left behind, and we came together to lead a global war on terrorism, a war that we and freedom-loving people everywhere are winning.

Our action tonight sends a strong message that this House is working to retain jobs, to create jobs, and to protect displaced workers in their time of need.

Mr. Speaker, let us finish this year as it began, in a strong bipartisan effort that will protect American workers and create American jobs. I strongly urge my colleagues to support this rule and the underlying legislation.

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

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

Mr. Speaker, I would like to make several basic points to my colleagues in the discussion on this rule.

First is the question of bipartisanship. The Democrats in good faith entered into negotiations with Republicans to try and work out a stimulus package. Republicans broke off those negotiations and commenced an attack on the majority leader in the Senate. That was their response to bipartisanship.

Instead of permitting Democrats to bring a substitute up tonight, which perhaps might attract some bipartisan votes and be a real bipartisan solution, they crafted a closed rule. That was their response to bipartisanship.

Mr. Speaker, one of the previous speakers earlier this evening mentioned the visit by the President of the United States to the Democratic Caucus today. The President came to the Caucus and thanked us for our support in the war on terrorism. The President did not mention the economic stimulus package, and we were advised in advance of his visit that he would not take any questions about the economic stimulus package.

Now, we all have a great deal of respect for the office of the Presidency, but this was not an act of bipartisanship this morning.

Mr. Speaker, this bill will cost a whopping $250 billion over the next 5 years. This bill has no offsets for these costs, so the entire amount will be added to the deficits the director of OMB has predicted for fiscal years 2002, 2003, and 2004. That means, plain and simple, we are in the Social Security trust fund, we will not be paying down the debt, and our fiscal picture grows bleak once again.

The substitute that we sought to offer and that we were denied by this rule would have paid for the cost of the Democratic package and would not have contributed to further deficits in this country.

Mr. Speaker, one of the key differences between the Democratic alternative, which we will not be permitted to vote on, and the package before us deals with health care.

Let me be very clear, Mr. Speaker: The core of the Republican health care provision in this bill is a hollow promise and a cruel hoax. On page 100 of the bill, page 100 of the bill, there is a short section, section 757(a), that instructs the administration to establish some

sort of program sometime in the future, which is supposed to provide the unemployed with vouchers for health care.

Republicans set no deadline for developing this new program, and they provide no specifications for how it might work. It is little more than a vague promise. Democrats would take an existing program, the COBRA program, and use that to immediately provide health care for unemployed workers.

I know Members sometimes do not have the opportunity to read legislation that is produced hastily and presented to the floor hastily, as the Republicans are presenting this bill, so I would like to read the section that I just mentioned, this Republican alternative to the existing program of COBRA:

''Advanced payments of displaced worker health insurance credit. General rule. The Secretary shall establish a program for making payments on behalf of eligible individuals to providers of health insurance for such individuals. 'Eligible individual.' For purpose of this section, the term 'eligible individual' means any individual for whom a qualified health insurance credit eligibility certificate is in effect. Qualified health insurance credit eligibility certificate. For purposes of this section, a qualified health insurance credit eligibility certificate is a statement certified by a State agency or by any other entity designated by the Secretary which certifies that the individual was unemployed within the meaning of section 6429 as of the first day of the month, and provides such other information as the Secretary may require for purposes of this section.''

When asked when this section would be implemented by the Secretary of the Treasury, the chairman of the Committee, the gentleman from California (Mr. THOMAS) told the Committee on Rules ''sometime this spring,'' he hopes.

Mr. Speaker, until this promise is somehow fulfilled, laid-off workers are practically on their own if they want health insurance. That is because, Mr. Speaker, Republicans offer nothing more than a refundable tax credit for every American who is unemployed today, and for every American who loses his job when this Rube Goldberg scheme that I just read has been designed, developed, and put in place.

In other words, if you lose your job, the Republican bill requires you to scrape together several thousand dollars to pay for health insurance bills right now, at the same time you are scrambling to pay for rent and buy groceries, and according to the gentleman from California (Mr. THOMAS), to file for a government voucher to offset part of the cost, which may be granted sometime in the future when the program is designed.

Mr. Speaker, we offer a very simple program: We take the existing COBRA program that was passed many years ago by this Congress, and it provides health insurance for unemployed workers, and extend that to workers who have been laid off recently, and provide 75 percent of that to be paid for by the government now, not at some future date when this program may be set up by the Secretary.

Mr. Speaker, Americans who lose their jobs do not need refundable tax credits, vouchers in the future; they need direct assistance right now to pay their health insurance premiums, and they need guaranteed access to affordable health insurance policies.

Mr. Speaker, this bill ignores the fact Democrats in the House and Senate, including the Senate majority leader, have made good-faith efforts and major concessions in an attempt to reach accommodation on an economic stimulus package that is good for the country and good for American workers.

Mr. Speaker, this bill, this rule, denies the minority the opportunity to offer its own substitute, and I can tell the Members why the majority denies the minority that opportunity: They are afraid we might pass it, and they are afraid then the Senate might actually take something up which is truly bipartisan and could be passed before we go home.

What they have done is to design a scheme to present a bill that they know the Senate will not consider. This is a cynical approach on the part of the majority. First they break off bipartisan talks, and then they try and blame us for the fact that they present a partisan bill without an alternative that they know will not be considered by the other body.

The American public deserves better, Mr. Speaker. Defeat this rule, go back to the Committee on Rules, which we could very easily do, we are going to be here all night anyway, and report out a rule that gives the Democrats the option of offering an alternative on the floor which could attract, I believe, Republican votes which could be passed tonight and which the Senate could take up tomorrow, rather than passing a bill that is going nowhere.

The majority knows this, and the majority is treating the American public with the back of their hand.

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

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

Mr. Speaker, the first thing when we listen to my colleague is, let us make no mistake about it, the Committee on Rules has allowed as the tradition of the Republican majority long before I got here, beginning in its majority in 1995, they made a vow then, a commitment then, that it carries out each and every time: A motion to recommit by the minority, something that in the 40 years that the Republicans were in the minority, they did not have that opportunity to see.

When we talk about the debate, which I hope, in the 2-hour debate that the Committee on Rules afforded the Committee on Ways and Means chairman and the ranking minority member to air out these important details, that we will not lose sight, as the ranking member has talked about some of the deficiencies he saw, that first and foremost, the Democratic plan involves a tax increase. That is how they want to pay for it, a tax increase.

□ 2330

Second, when my colleague talks about the plan that is before us, when my State has 15 percent of its revenues that were generated in the area, in the 15 blocks around the World Trade Center, how can anyone say repairing our economy in the wake of September 11 is not part of the war on terrorism?

Finally, when the ranking member talked about some of the health care, the view of the Democratic plan is if you are COBRA eligible, we are going to take care of you. Except they have lost sight of the 45 percent of the other American workers across this country, across my State, across the City of New York that do not have COBRA eligibility and do not have COBRA option.

The Thomas bill addresses the opportunities of those 45 percent of the displaced workers that need the type of help that this legislation has.

Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. GANSKE).

Mr. GANSKE. Mr. Speaker, the economy is sick. Unemployment is going up. The economy does need a shot in the arm. This bill contains provisions to help the unemployed with health care coverage, provisions to encourage business investment and deductions for capital losses. I rise in support of the rule and in support of the underlying bill.

This bill will cut the current 27 percent rate to 25 percent. It will provide tax incentives to businesses for investments and give low income workers a one-time $300 per person tax rebate. It provides $33 billion in assistance to unemployed workers next year up from $13 billion in the original House bill. It does not include the full repeal of the corporate AMT.

The toughest issue to reach compromise on, as you can already see from the debate, is how to provide health insurance coverage to people who lost their jobs. This bill gives laid-off workers a tax credit they can use to buy health care coverage from insurers. This is a more comprehensive approach than simply providing subsidies through existing health plans. I think this bill will help a larger universe of unemployed workers, particularly workers for small businesses.

This stimulus bill will also help with rebuilding New York. It will help the September 11 victims' families. Furthermore, it provides up to 13 weeks of extended benefits for those who became unemployed after March 2001.

I call on my colleagues to support this bill and I hope that the Senate takes this up before they go home for Christmas.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. DEFAZIO).

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

Coming from the State with the highest unemployment rate in the United States, I speak with a sense of urgency and all too much familiarity with the need to stimulate the economy and employment. But the corporations that have laid off thousands of Oregonians and millions of others across the United States, they do not lack cash in their coffers. Some have record amounts of cash on hand, according to the Wall Street Journal. There is no demand for their product.

Now, the Republicans would shovel more cash into their treasuries that are already overflowing. Every problem should be solved by a tax cut on their side of the aisle. Surplus? Tax cuts. Terrorist attacks? Tax cuts. Deficits? Tax cuts. Recession with a lack of demand? Tax cuts.

It will not solve this problem. The Democratic proposal, which will not be allowed a fair vote tonight as a true alternative, would put people back to work, would stimulate demand and would, in the interim, help people with unemployment and health care benefits.

The Republicans say it is about jobs. But if you read the bill, you have got to wonder whose jobs where. Because billions of dollars, billions, would flow overseas for overseas tax shelters for interest income overseas. Whose jobs will that support here? No worker that I know in the United States will benefit from those loopholes. But they will pay for it out of their Social Security because that is what finances these tax cuts.

$250 billion, that is what this bill costs. And it is not going to be paid for by Santa Claus. It will be paid for by that huge sucking sound, one massive withdrawal of the working people's retirement, Social Security trust fund shifted all at once to the wealthiest and largest corporations in this country.

Silk stockings stuffed with cash for the patrons of the party on that side of the aisle. And for the working people of America, not even a lump of coal in their worn stocking because they will cut the LIHEAP program too. There will not even be energy assistance.

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

Mr. Speaker, I just need to put on the record, I have heard some of my Democratic colleagues run around with a figure of $250 billion. I just want to make clear that as we see this cost now, it is far less than under $150 billion.

Also, as I listened to my colleagues who preceded me, the export jobs depend on this type of legislation. Many U.S. manufacturers have financing arms to fund overseas sales of its products as do other companies. Caterpillar, for example, has 16,500 export-related jobs to suppliers that employ another 33,000.

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

Mr. FROST. Mr. Speaker, I yield 2 minutes and 30 seconds to the gentleman from Wisconsin (Mr. KLECZKA).

Mr. KLECZKA. Mr. Speaker, if I were a Republican, I would not want to get up and talk on this rule either. It seems only the Committee on Rules representatives, the gentleman from New York (Mr. REYNOLDS) has the guts to do that.

But do we know what is void in this debate today? And I cannot recall in a previous hour and I cannot recall the gentleman from New York (Mr. REYNOLDS) saying it in this rule debate, that the House has already passed a stimulus bill. We passed one 2 weeks ago. But it seems no one wants to talk about that because that is the bill that gave $1.4 billion to IBM, $1 billion to Ford, $850 million to GM. That is what was in that give-away.

So why do not we have a compromise here today? Because the Senate looked at that and said not over their lives. That was dead on arrival. All right.

So there has been talks going on over the last couple weeks. And I know why I am a Democrat and now I know what the Republicans are all about. Do you know why we do not have a compromise with us today? Even though the other body was going to swallow some of the tax cuts, the main reason is the Republicans did not want to do anything of any meaningful value to the unemployed in this country, and to those losing health care.

My colleagues smile. The bill says $9 billion for health care for unemployment. That goes to the States. There is no guarantee they are going to extend unemployment 13 weeks. They can use those dollars in this bill to cover their current costs, and as far as the health care provision, we use two existing programs to provide meaningful health care coverage to those losing that coverage, but the Republicans are on a different program, and this is what really killed any compromise.

Their long-term goal is to destroy the employer-based health care system in the country. When we get to the bill, I will bring out some charts that will prove that to be their agenda. That is why the Senate said no compromise.

What their bill does is start us on the path of insurance credits. We are going to give them an insurance credit, and we go through the private market and find a policy, a poor family with no insurance and small income cannot afford a credit, be it 60 percent or whatever, so they are still going to go without.

That is what this debate is all about. It is not stimulus. We passed a $1.35 trillion bill in June. There is more tax cuts in the pipeline than brains in this House. This is all about doing damage to the health care system of the country.

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

Just as we fortified our Nation's military in response to the attack of the response of our shores, we have the opportunity tonight to fortify this Nation's economy against the attack on it, keeping jobs by creating jobs and giving needed help to displaced workers.

Make no mistake about it, this economic stimulus is critical to workers and worker families in America. President Bush warned us this past weekend that without an economic stimulus package, we stand to lose as many as 300,000 American jobs. The Republicans mean to me and the agenda we put forth on this Thomas bill as it is debated over the next couple of hours is creating jobs and protecting workers.

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

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I rise in strong opposition to the rule. I rise in even stronger opposition to the basic bill.

I want to commend my colleagues on the other side of the aisle who voted against the previous Martial law, making it true bipartisan opposition. There is an old Blue Dog adage that says, ''Select carefully your words today for tomorrow you may eat them.''

Mr. Speaker, when the House debated the Economic Growth and Tax Relief Reconciliation Act, the bill enacting the $1.35 trillion tax cut, I came to this well to warn that this budget bets the ranch that the surpluses that everybody talks about are going to be there. If they are not, we are going to have a difficult time governing in this body in a bipartisan way.

In response to those who dismissed my warnings, I said, I hope I am wrong, as I hope I am wrong tonight, and if I am wrong, I hope I will be able to eat the crow you dish out to me a year from now if I am wrong, but if I am right, get your knives and forks out.

Well, Mr. Speaker, I am going to be eating turkey on Christmas day, and for the sake of my colleagues who argued that we could afford to enact the tax cut and still do everything else they promised, I hope they find some crow that tastes like turkey.

We were told the President's tax cut would provide stimulus to prevent this

country from going into recession. Today, we are being told the $1.35 trillion was not enough; we need another $150 billion in tax cuts plus another $120 billion in spending.

To those who stand up tonight and say if we do not pass this bill we will fail to do anything to stimulate the economy, I have to ask was not that what the tax cut was supposed to do we passed this spring?

When Congress first began discussing options for providing economic stimulus, the bipartisan leader of the Committee on the Budget in this body, the gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) agreed on a couple of basic principles for a responsible, effective stimulus package; that the package be temporary in nature, focused on economic stimulus and paid for over the long term so we did not worsen the long-term fiscal situation.

The legislation before us tonight completely ignores these common sense principles and they know it. The Blue Dogs made a simple proposition to the leaders of this House, take what our leaders of the Committee on the Budget recommended that we do, make it temporary, pay for it. The leadership said thanks but no thanks, we do not want any part of that.

Okay. We understand. I understand, I am in the minority, you win. You have won on issue after issue after issue. You are going to win again tonight, but I remind my colleagues again, next February and March when you must come to this floor and ask that the debt ceiling be increased to $6.7 trillion, I hope the enthusiasm will be there to borrow that money, borrow it on the future of our grandchildren because that is what you are doing.

Why they refuse to pay for this particular package tonight defies my understanding. It would be so simple, so simple, Mr. Speaker, I see Mr. Speaker in the House audience tonight, so simple if we just agreed to pay for it, paygo. What happened to the fiscally responsible proposition of paygo?

Mr. Speaker, when the House debated the "Economic Growth and Tax Relief Reconciliation Act", the bill implementing the $1.35 trillion tax cut, I came to the House floor to warn "this budget bets the ranch that surpluses that everybody talks about are going to be there. If they are not, we are going to have a difficult time governing in this body in a bipartisan way."

In response to those who dismissed my warnings, I said "I hope I am wrong. I hope I will be able to eat the crow you will dish out to me in a year from now, if I am wrong. But if I am right, get your knives and forks out."

Well, Mr. Speaker, I will be eating turkey on Christmas day. For the sake of my colleagues who argued that we could afford to enact the tax cut and still do everything else you promised, I hope you can find some crow that tastes like turkey.

And we were told that the President's tax cut would provide stimulus to prevent this country from going into a recession. Today we are being told that the $1.35 trillion tax cut the President signed into law wasn't enough to stimulate the economy.

Now the same folks who told us that everything would be wonderful if we enacted the President's tax cut proposal are telling us that we can solve all of our problems if we just enact another $150 billion in tax cuts.

To those who stand up and say that if we don't pass this bill, we will have failed to do anything to stimulate the economy, I have to ask: Wasn't that what the tax cut we passed this spring was supposed to do.

When Congress first began discussing options for providing economic stimulus, the bipartisan leaders of the Budget Committees agreed on a couple of basic principles for a responsible, effective stimulus package—that the package be temporary in nature, focused on economic stimulus, and paid for over the long term so that we did not worsen the long-term fiscal situation.The legislation before us today completely ignores these common sense principles.

The Blue Dogs made the simple suggestion that the costs of providing economic stimulus in the short term be offset by postponing some of the tax cuts for upper income individuals that are scheduled to take effect several years into the future. That would allow us to provide stimulus in the short term without digging us deeper into debt and undermining the fiscal discipline that is essential to the long-term health of our economy. But the majority told us that they would not even consider this common-sense proposal.

The proposal before us is purported to be a centrist deal because it combines the tax cuts advocated by Republicans with much of the spending proposed by Democrats. While that may be described by some as bipartisanship and centrist policies, it does not represent responsible legislating.

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

What I do know is that if this legislation is passed tonight, it is not going to be that TOM REYNOLDS wins. The American people and those displaced workers are going to win because we are going to get them some help immediately if we can get the other body to take some action before we break now.

I want to tell my colleagues this, whether you are a Blue Dog or you are a liberal or a Republican or a Democrat, you vote on the motion to recommit, which is a Democratic plan, you voted for tax increases, make no mistake about it.

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

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentleman from South Carolina (Mr. SPRATT), the ranking member on the Committee on the Budget.

Mr. SPRATT. Mr. Speaker, I thank the gentleman from Texas (Mr. FROST) for yielding me the time.

Mr. Speaker, the country is in revision, businesses are failing, people are hurting, losing their jobs by the thousands, and what do we have as a solution? Here in the middle of the night, hours before we adjourn, we are presented with a bill that half of us have never seen, and what we have seen of it we do not like.

This is called an economic stimulus bill, but it could easily be called round two of tax reduction because it is full of tax cuts that will have a doubtful impact on the economy as a whole, but will have a clear impact on the budget. It will bring the surplus down by $272 billion. That is the latest estimate just given to us by the Joint Committee on Taxation.

It did not have to be this way, Mr. Speaker. Two months ago, the principals on the Committee on the Budget, the Committee on Financial Services, the Committee on Ways and Means met to settle on policies to stimulate this economy. We settled instead for a statement of principles. We agreed that stimulus was needed but we thought that it should be temporary, short-lived to last through the recession but no longer. Why? We wanted to keep a cyclical downswing from becoming a structural deficit. We wanted the budget to recover as the economy recovered.

The stimulus bill that was first reported by the Committee on Ways and Means forsook all of these principles. It proposed more permanent tax cuts, lasting a long time after the recession ends.

□ 2345

Here are the stimulus principles that we proposed. Bipartisan, bicameral principles. We said, look, if there is any lesson to be learned from the last 10 years, it is that long-term fiscal discipline is essential to sustain economic growth. We saw it for 8 straight years. The bottom line of the budget got better, and we had 120 consecutive months of economic growth. We said we wanted to continue that policy.

Secondly, we said, have a stimulus policy, surely, but make them last no longer than 1 year.

Thirdly, we said make them broad based, not industry specific. Reading this bill we see plenty of industry specific stuff in it.

Fourthly, we said 1 percent of GDP should do the job, about $100 billion, and take into consideration, we said, that we have spent $40 billion since August.

Finally, we said to uphold the policy of repaying the greatest amount of national debt feasible between 2002 and 2011, out-year offsets should make up over time for the cost of near-term economic stimulus. Obviously, we do not want to offset the cost of this bill in this bill today, but we can build into this bill a provision that will regenerate the revenues we will lose from it in the future, and we can absolve the bottom line.

Now, why does all this matter? Why does all this matter? Because a lot of

us who have been here for a long time have this sinking feeling we are about to slip back into the old practice of borrow and spend. Why does it matter? Because of the lesson we have learned for the past 10 years.

This year we started with the best fiscal condition the country has ever enjoyed, a surplus projected to be $5.6 trillion just last January. Today, that surplus stands at $2.6 trillion and is falling fast. The economy is taking its toll, but 55 percent of the decline in the surplus was due to the tax cuts we passed last June.

Now, this $2.6 trillion, $2.3 trillion range in which the surplus now lies is all together Social Security and Medicare surplus. There is no general fund surplus at all. And this is before farm bill, before defense supplemental, before homeland security, and before assessing the $272 billion cost of this bill. Why are we worried about this bill? Because it is going to wipe out the surplus. It will dash our hopes which we held together of taking the Social Security surplus, saving the surplus, and buying off the national debt so that we prepare ourselves for the retirement of the baby boomers.

This bill, Mr. Speaker, has doubtful effects on the economy, but it has a clear impact on the budget, and it is a deleterious impact. It is something we do not need to do. There is another way of doing it. There is a principled way of doing it. We should take that path and not take the path this bill proposes.

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

Mr. FROST. Mr. Speaker, I inquire of the time remaining on both sides.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from Texas (Mr. FROST) has 9½ minutes remaining, and the gentleman from New York (Mr. REYNOLDS) has 16 minutes remaining.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, I view this stimulus package through the eyes of a welfare mother. I can do that, because 30 years ago I was a welfare mom. And even though I was working, I needed aid for dependent children to get the health care and the child care and the food stamps I needed for my three young children.

When Congress passed the welfare reform bill, I warned that getting women off the welfare rolls and into work would not be good enough if and when we had a downturn in our economy. Well, the downturn is here; and these women are hit with a triple whammy: no job, no health care, no unemployment insurance.

Our top priority in stimulating this economy must be putting money in the hands of people who need it and will use it. Those are our American families. The only acceptable economic stimulus package is one that takes care of the Nation's families, not our billionaires. We must stimulate the economy by providing for our children, giving money to families, and providing workers unemployment insurance and health coverage.

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

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. Speaker, once again our Republican colleagues have decided to choose politics over policy. And tonight, as we head into the next morning, we are going to pass a bill that will never pass the other body. And, quite frankly, if it were to pass, I do not think it would have much effect on the general economy.

In fact, we were asked to pass a $1.3 trillion tax bill earlier this year that was supposed to stimulate the economy at that point in time, when it was apparent that we were heading into a recession, and all we saw that happened was that the recession got deeper and the deficit appeared and the surplus went away.

Our colleague from New York says this bill is only going to cost $150 billion, not $270 billion. But, of course, he is forgetting about the fact we are going to have to borrow another $115 billion of debt when we should have been paying down the national debt.

Now, if we really wanted to have a stimulus bill that would have some economic effect, and I am glad to see our Republican friends have all become Keynesians, I thought they were monitorists, but now they are Keynesians this week, what we would do is extend the unemployment benefits for 26 weeks, because we know we are going to have a longer recession than what was projected; and we would do the COBRA extension, like has been discussed. And if the Republicans are really serious about trying to transform health care and they care about the 45 percent who are not in COBRA, well maybe we could do that also. But they do not care about the 55 percent who are in COBRA.

And they want to come up with a plan that the Treasury Department, which is now apparently taking over health care in this country, has not even developed yet. Maybe sometime this spring we will have a program. Maybe if someone has been unemployed for 26 weeks, and as my colleague from Texas says, they are able to scrape together enough to pay the full premium, at the end of the year, in April of 2003, they will get a tax credit back. It is not going to work.

So if we want to do something to help the people that are unemployed, and I want to, and I think all of us do, let us pass a basic bill that extends unemployment, that extends COBRA, and helps the people who have been hurt by this recession.

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

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, this bill could have been a lifeline for working families suffering as a result of the economic decline. This bill could have increased weekly payments to unemployed individuals and extended benefits to 52 weeks. This bill could have subsidized COBRA health insurance for those left uninsured as a result of layoff. This bill could have boosted its spending on critical security and infrastructure programs in order to jump-start the economy. This bill could have been a stimulus package. Instead, it is an expensive giveaway to those who need it least: a payback to Fortune 500 companies, who will guarantee further jobs will be cut.

Our plan supplemented weekly benefits by no less than $65. Our plan guaranteed a full year of benefits to any individual eligible for unemployment benefits under State law. Our plan expanded eligibility to include part-time and other low-wage workers. This is critical, as currently less than 40 percent of unemployed Americans receive benefits.

Dickens' ''Christmas Carol'' had Scrooge lighten up, give Cratchet a raise, and bring his son Tiny Tim some cheer. This bill before us would have Scrooge firing Cratchet, canceling his pension, and beating Tiny Tim with his own crutch.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Utah (Mr. MATHESON).

Mr. MATHESON. Mr. Speaker, I rise today to express my opposition to this bill.

This bill fails to meet all the criteria we ought to be looking for to provide an appropriate economic stimulus. It should have a rapid and temporary impact, it should increase employment and investment, it should provide adequate assistance for those who are vulnerable to an economic downturn, and it should be paid for in the long term to prevent future deficits.

When I was elected to Congress, I made a promise to my constituents to be an independent voice and to make fiscally responsible decisions. Just as Utah families have to make responsible decisions to maintain their households and keep their finances in order, so must the Federal Government.

Early this year, I did support the tax cut. This bill had a number of important provisions for Utah families, and it was enacted at a time when we did have unprecedented government surpluses. But today we are facing deficits, increased debt, and we are fighting a war. Winning the war on terrorism and taking care of our homeland defense will require significant resources. Ensuring we have adequate resources to fund these priorities is a

smart investment, as it will have the long-term benefit of ensuring safety and protection of American lives, homes and businesses.

We should reject this bill and work to come up with a targeted, temporary stimulus proposal that is paid for in the long term so we do not increase our national debt.

Mr. REYNOLDS. Mr. Speaker, I continue to reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. SANCHEZ).

Ms. SANCHEZ. Mr. Speaker, when Congress gave billions of dollars to corporate titans after the events of September 11 and the slowdown in the economy, we promised that we would take care of the workers. Unfortunately, Congress has not kept its promise.

During the last 2 months, over 1 million Americans have been added to the unemployment rolls. But this bill provides only modest benefits, maybe, to them. Many of the people I represent are employed in jobs directly related to the tourism industry. These are the jobs that have been hit the hardest, and these are the workers that need the most help. I read yesterday in my local newspaper that analysts are predicting that Disneyland, the largest employer in my district, may not rebound for many years to come.

This bill is not what small businesses want or unemployed workers need. They need temporary business and individual cuts targeted at really stimulating this economy. This is about small businesses closing their doors and people being laid off. This is about people saying I cannot afford rent and health care and food.

We provided relief for the airlines; we provided relief for the insurance agencies. Let us do this. Let us do it the right way.

Mr. REYNOLDS. Mr. Speaker, I continue to reserve the balance of my time.

Mr. FROST. Mr. Speaker, I would ask how much time we have remaining.

The SPEAKER pro tempore. The gentleman from Texas has 3½ minutes remaining.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Speaker, time after time, the Members of this House have pledged by votes cast on this floor to protect Social Security. We know that until just a few months ago we were projecting surpluses as far the eye could see. And we pledged, when we passed the June tax cut, to protect Social Security. Then came the recession, then came the war, and the projected surpluses have turned into projected deficits for years into the future.

Times have changed, but our principles should not change. Is it right to pledge the lockbox for Social Security one day and to abandon it the next? What does the abandonment of that pledge say to our senior citizens and to our children who will be left with a bankrupt Social Security trust fund?

Both sides of this aisle agree we need to have a stimulus package to help the jobless workers with unemployment and health insurance. Both sides agree that we must stimulate business investments.

□ 2400

But it is only the Democratic proposal that protects Social Security, only the Democratic proposal refuses to increase the national debt. In contrast, the Republican proposal increases the national debt by $250 billion. The Democratic proposal is paid for, not by increasing taxes on any individual or business, but by adjusting the effective tax rates for future yet to be realized and implemented tax cuts.

Under the Democratic proposal, the total tax cuts passed by this Congress last June will remain exactly the same. If the gentleman from New York calls the Democratic bill a tax cut, the gentleman has a different calculator than I do. Fiscal responsibility demands that not only must we protect and preserve the current economic situation and protect against the slowdown, but we must protect the economy of the future. Recommit this bill, and let us pay for it.

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

Mr. Speaker, first of all, the Republican Party in this Congress extended the life of Social Security; and the same leadership will ensure that we preserve and strengthen it. I share with my colleague who is under some fallacy that there is not a tax increase on the Democratic plan. On page 2 at the bottom, a revenue offset freezing the top rate 38.6.

Mr. Speaker, we passed law of the land that changed that tax rate. If we are going to restore higher taxes, it is a vote to increase taxes. Make no mistake about it.

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

Mr. FROST. Mr. Speaker, I yield 45 seconds to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Speaker, in the spirit of the season, I must admit that under the Republican controlled House, it is indeed a wonderful life. Because when the Republicans control the House, whenever the voting bell rings, a corporate tax lobbyist gets his wings. Merry Christmas, Enron. Merry Christmas, General Electric. To my friends across the aisle and their corporate tax lobbyist friends, God bless everyone, because when the American people find out that Social Security was raided to take care of Republican friends, the American people will not.

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

Mr. Speaker, we are going to bring out that same old thing and beat that dog on Social Security. As I said earlier, the Republicans extended it, and they are going to take care of it. I also remind my colleagues on the lock box and both the speakers who spoke before me, there were three conditions set on the lock box that we said would cause us to have to look at the lock box. One was war; two was the economy; and three was natural disaster. We have seen natural disaster, we have seen our economy, and we have seen war as conditions, as we have faced those tough decisions together on a bipartisan basis starting the day of September 11 when this Congress came together in a bipartisan fashion.

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

Mr. FROST. Mr. Speaker, I would ask if the gentleman from New York has any other speakers.

Mr. REYNOLDS. Mr. Speaker, after the gentleman from Texas closes, I will close.

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

Mr. Speaker, it is very clear what the situation is. The Republicans made a conscious decision to break off bipartisan discussions and to bring back to the floor a bill tonight that they know cannot pass and will not even be taken up in the Senate. This was an extraordinary mistake on the part of the Republican majority. They were playing chicken with the United States Senate. This is a childish game. The American Republican will be the losers.

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

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

Mr. Speaker, there are new incentives to compete and grow and expand the bipartisan, bicameral Economic Security and Worker Protection Act. The Act will help businesses rebuild and create jobs for the American people.

So far all I have heard from the other side is a lot of rhetoric about what they would like to do, but we cannot get them to sit down and negotiate out a compromise. So what do we have? We have the chairman of the Committee on Ways and Means move from where his past position was over to adding more unemployment insurance money, adding more incentives to try to lure a bipartisan compromise that could be completed. The reality is he has moved as far as he can until the other body determines that they will negotiate.

Mr. Speaker, the bottom line is that the workers deserve a paycheck, not an unemployment check. Of course this stimulus package recognizes that job creation is a long-term project, and assisting those out of work requires immediate short-term solutions. For those who have lost their jobs, an additional 13 weeks of unemployment benefits will be provided retroactive to

March 2001. Part-time workers will be aided with $9 billion in surplus Federal unemployment funds transferred to States in order to help with health care or employment services.

Equally important to our workforce is the availability and affordability of adequate health care. With the refundable health care tax credits provided by this legislation, no worker eligible for unemployment insurance will be left without the means to obtain quality health care protection.

Some of my colleagues on the other side of the aisle and in the other Chamber wanted only COBRA-eligible workers to get a tax credit, leaving out 45 percent of laid off workers in small and medium-sized businesses, and those who never had job-based health care at all.

And let us not forget, not for one minute, who some of these workers are. What about those who owned or worked in the delis and the dry cleaners or delivered goods and cleaned offices in lower Manhattan, should they have been excluded from being able to afford health care, as many would under the plan advanced by the Democratic leadership in the other body?

The bipartisan compromise plan, on the other hand, provides a refundable 60 percent tax credit for health insurance premium paid by displaced workers. Those workers who had prior health care insurance coverage will have the right to guaranteed coverage. Additionally, the bill provides for an extension of the Archer Medical Savings Accounts allowing families and individuals to be in charge of their own health care dollars.

Mr. Speaker, our action tonight sends a strong message that this House is working to retain jobs, create jobs, and to protect displaced workers in their time of need. Colleagues, let us finish this year as it began, in a strong bipartisan effort that will protect American workers and create American jobs. I strongly urge my colleagues to support this rule and the underlying legislation.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURETTE). The Chair would remind Members it is not appropriate under the rules to characterize either the action or inaction of the other body.

Without objection, the previous question is ordered on the resolution.

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

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

Mr. FROST. 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 219, nays 198, not voting 18, as follows:

[Roll No. 507]

YEAS—219

Aderholt
Akin
Armey
Bachus
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (FL)

NAYS—198

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gonzalez
Green (TX)
Gutierrez
Harman
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Shows
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Woolsey
Wu
Wynn

NOT VOTING—18

Baker
Clement
Cubin
Gephardt
Gordon
Hall (OH)
Hastings (FL)
Hefley
Jones (NC)
Kennedy (RI)
Luther
Meek (FL)
Owens
Oxley
Stark
Stearns
Wexler
Young (AK)

□ 0034

Mrs. CAPPS, Mr. RUSH and Ms. JACKSON-LEE of Texas changed their vote from ''yea'' to ''nay.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CANCELLATION OF PRAYER BREAKFAST ON THURSDAY, DECEMBER 20, 2001

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

Mr. STUPAK. Mr. Speaker, if I may, as President of the Prayer Group, we will not have the prayer breakfast tomorrow at 8 o'clock because of the

lateness of the hour. For Members who have inquired, we will not have prayer breakfast tomorrow morning. There will be not a House prayer breakfast.

ECONOMIC SECURITY AND WORKER ASSISTANCE ACT OF 2001

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 320, I call up the bill (H.R. 3529) to provide tax incentives for economic recovery and assistance to displaced workers, and ask for its immediate consideration.

The Clerk read the title of the bill.

The text of H.R. 3529 is as follows:

H.R. 3529

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

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Economic Security and Worker Assistance Act of 2001''.

(b) REFERENCES TO INTERNAL REVENUE CODE OF 1986.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; etc.

TITLE I—INDIVIDUAL PROVISIONS

Sec. 101. Supplemental stimulus payments.
Sec. 102. Acceleration of 25 percent individual income tax rate.

TITLE II—BUSINESS PROVISIONS

Sec. 201. Special depreciation allowance for certain property acquired after September 10, 2001, and before September 11, 2004.
Sec. 202. Temporary increase in expensing under section 179.
Sec. 203. Alternative minimum tax reform.
Sec. 204. Carryback of certain net operating losses allowed for 5 years.
Sec. 205. Recovery period for depreciation of certain leasehold improvements.

TITLE III—EXTENSIONS OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Extensions

Sec. 301. Allowance of nonrefundable personal credits against regular and minimum tax liability.
Sec. 302. Credit for qualified electric vehicles.
Sec. 303. Credit for electricity produced from renewable resources.
Sec. 304. Work opportunity credit.
Sec. 305. Welfare-to-work credit.
Sec. 306. Deduction for clean-fuel vehicles and certain refueling property.
Sec. 307. Taxable income limit on percentage depletion for oil and natural gas produced from marginal properties.
Sec. 308. Qualified zone academy bonds.
Sec. 309. Cover over of tax on distilled spirits.
Sec. 310. Parity in the application of certain limits to mental health benefits.
Sec. 311. Temporary special rules for taxation of life insurance companies.
Sec. 312. Availability of medical savings accounts.
Sec. 313. Incentives for Indian employment and property on Indian reservations.
Sec. 314. Subpart F exemption for active financing.
Sec. 315. Repeal of requirement for approved diesel or kerosene terminals.

Subtitle B—Temporary Assistance for Needy Families

Sec. 321. Reauthorization of TANF supplemental grants for population increases for fiscal year 2002.
Sec. 322. 1-year extension of contingency fund under the TANF program.

TITLE IV—TAX BENEFITS FOR AREA OF NEW YORK CITY DAMAGED IN TERRORIST ATTACKS ON SEPTEMBER 11, 2001

Sec. 401. Tax benefits for area of New York City damaged in terrorist attacks on September 11, 2001.

TITLE V—RELIEF PROVISIONS FOR VICTIMS OF TERRORIST ATTACKS, PRESIDENTIALLY DECLARED DISASTERS, AND CERTAIN OTHER DISASTERS

Subtitle A—Relief Provisions for Victims of Terrorist Attacks

Sec. 501. Income taxes of victims of terrorist attacks.
Sec. 502. Exclusion of certain death benefits.
Sec. 503. Estate tax reduction.
Sec. 504. Payments by charitable organizations treated as exempt payments.
Sec. 505. Exclusion of certain cancellations of indebtedness.

Subtitle B—Other Relief Provisions

Sec. 511. Exclusion for disaster relief payments.
Sec. 512. Authority to postpone certain deadlines and required actions.
Sec. 513. Application of certain provisions to terroristic or military actions.
Sec. 514. Clarification of due date for airline excise tax deposits.
Sec. 515. Treatment of certain structured settlement payments.
Sec. 516. Personal exemption deduction for certain disability trusts.
Sec. 517. Disclosure of tax information in terrorism and national security investigations.

TITLE VI—MISCELLANEOUS AND TECHNICAL PROVISIONS

Subtitle A—General Miscellaneous Provisions

Sec. 601. Allowance of electronic 1099's.
Sec. 602. Excluded cancellation of indebtedness income of S corporation not to result in adjustment to basis of stock of shareholders.
Sec. 603. Limitation on use of nonaccrual experience method of accounting.
Sec. 604. Exclusion for foster care payments to apply to payments by qualified placement agencies.
Sec. 605. Interest rate range for additional funding requirements.
Sec. 606. Adjusted gross income determined by taking into account certain expenses of elementary and secondary school teachers.

Subtitle B—Technical Corrections

Sec. 611. Amendments related to Economic Growth and Tax Relief Reconciliation Act of 2001.
Sec. 612. Amendments related to Community Renewal Tax Relief Act of 2000.
Sec. 613. Amendments related to the Tax Relief Extension Act of 1999.
Sec. 614. Amendments related to the Taxpayer Relief Act of 1997.
Sec. 615. Amendment related to the Balanced Budget Act of 1997.
Sec. 616. Other technical corrections.
Sec. 617. Clerical amendments.
Sec. 618. Additional corrections.

TITLE VII—UNEMPLOYMENT ASSISTANCE

Sec. 701. Short title.
Sec. 702. Federal-State agreements.
Sec. 703. Temporary extended unemployment compensation account.
Sec. 704. Payments to States having agreements for the payment of temporary extended unemployment compensation.
Sec. 705. Financing provisions.
Sec. 706. Fraud and overpayments.
Sec. 707. Definitions.
Sec. 708. Applicability.
Sec. 709. Special Reed Act transfer in fiscal year 2002.

TITLE VIII—DISPLACED WORKER HEALTH INSURANCE CREDIT

Sec. 801. Displaced worker health insurance credit.
Sec. 802. Advance payment of displaced worker health insurance credit.

TITLE IX—EMPLOYMENT AND TRAINING ASSISTANCE AND TEMPORARY HEALTH CARE COVERAGE ASSISTANCE

Sec. 901. Employment and training assistance and temporary health care coverage assistance.

TITLE X—TEMPORARY STATE HEALTH CARE ASSISTANCE

Sec. 1001. Temporary State health care assistance.

TITLE XI—SOCIAL SECURITY HELD HARMLESS; BUDGETARY TREATMENT OF ACT

Sec. 1101. No impact on social security trust funds.
Sec. 1102. Emergency designation.

TITLE I—INDIVIDUAL PROVISIONS

SEC. 101. SUPPLEMENTAL STIMULUS PAYMENTS.

(a) IN GENERAL.—Section 6428 (relating to acceleration of 10 percent income tax rate bracket benefit for 2001) is amended by adding at the end the following new subsection:

''(f) SUPPLEMENTAL STIMULUS PAYMENTS.—

''(1) IN GENERAL.—Each individual who was an eligible individual for such individual's first taxable year beginning in 2000 and who, before October 16, 2001, filed a return of tax imposed by subtitle A for such taxable year shall be treated as having made a payment against the tax imposed by chapter 1 for such first taxable year in an amount equal to the supplemental refund amount for such taxable year.

''(2) SUPPLEMENTAL REFUND AMOUNT.—For purposes of this subsection, the supplemental refund amount is an amount equal to the excess (if any) of—

''(A)(i) $600 in the case of taxpayers to whom section 1(a) applies,

''(ii) $500 in the case of taxpayers to whom section 1(b) applies, and

''(iii) $300 in the case of taxpayers to whom subsections (c) or (d) of section 1 applies, over

''(B) the taxpayer's advance refund amount under subsection (e).

''(3) TIMING OF PAYMENTS.—In the case of any overpayment attributable to this subsection, the Secretary shall, subject to the provisions of this title, refund or credit such overpayment as rapidly as possible.

''(4) NO INTEREST.—No interest shall be allowed on any overpayment attributable to this subsection.''

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 6428(d)(1) is amended by striking ''subsection (e)'' and inserting ''subsections (e) and (f)''.

(2) Subparagraph (B) of section 6428(d)(1) is amended by striking ''subsection (e)'' and inserting ''subsection (e) or (f)''.

(3) Paragraph (3) of section 6428(e) is amended by inserting before the period ''(or, if earlier, the date of the enactment of the Economic Security and Worker Assistance Act of 2001)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 102. ACCELERATION OF 25 PERCENT INDIVIDUAL INCOME TAX RATE.

(a) IN GENERAL.—The table contained in paragraph (2) of section 1(i) (relating to reductions in rates after June 30, 2001) is amended—

(1) by striking ''27.0%'' and inserting ''25.0%'', and

(2) by striking ''26.0%'' and inserting ''25.0%''.

(b) REDUCTION NOT TO INCREASE MINIMUM TAX.—

(1) Subparagraph (A) of section 55(d)(1) is amended by striking ''($49,000 in the case of taxable years beginning in 2001, 2002, 2003, and 2004)'' and inserting ''($49,000 in the case of taxable years beginning in 2001, $52,200 in the case of taxable years beginning in 2002 or 2003, and $50,700 in the case of taxable years beginning in 2004)''.

(2) Subparagraph (B) of section 55(d)(1) is amended by striking ''($35,750 in the case of taxable years beginning in 2001, 2002, 2003, and 2004)'' and inserting ''($35,750 in the case of taxable years beginning in 2001, $37,350 in the case of taxable years beginning in 2002 or 2003, and $36,600 in the case of taxable years beginning in 2004)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(d) SECTION 15 NOT TO APPLY.—No amendment made by this section shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

TITLE II—BUSINESS PROVISIONS

SEC. 201. SPECIAL DEPRECIATION ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE SEPTEMBER 11, 2004.

(a) IN GENERAL.—Section 168 (relating to accelerated cost recovery system) is amended by adding at the end the following new subsection:

''(k) SPECIAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE SEPTEMBER 11, 2004.—

''(1) ADDITIONAL ALLOWANCE.—In the case of any qualified property—

''(A) the depreciation deduction provided by section 167(a) for the taxable year in which such property is placed in service shall include an allowance equal to 30 percent of the adjusted basis of the qualified property, and

''(B) the adjusted basis of the qualified property shall be reduced by the amount of such deduction before computing the amount otherwise allowable as a depreciation deduction under this chapter for such taxable year and any subsequent taxable year.

''(2) QUALIFIED PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified property' means property—

''(i)(I) to which this section applies which has a recovery period of 20 years or less or which is water utility property, or

''(II) which is computer software (as defined in section 167(f)(1)(B)) for which a deduction is allowable under section 167(a) without regard to this subsection,

''(ii) the original use of which commences with the taxpayer after September 10, 2001,

''(iii) which is—

''(I) acquired by the taxpayer after September 10, 2001, and before September 11, 2004, but only if no written binding contract for the acquisition was in effect before September 11, 2001, or

''(II) acquired by the taxpayer pursuant to a written binding contract which was entered into after September 10, 2001, and before September 11, 2004, and

''(iv) which is placed in service by the taxpayer before January 1, 2005, or, in the case of property described in subparagraph (B), before January 1, 2006.

''(B) CERTAIN PROPERTY HAVING LONGER PRODUCTION PERIODS TREATED AS QUALIFIED PROPERTY.—

''(i) IN GENERAL.—The term 'qualified property' includes property—

''(I) which meets the requirements of clauses (i), (ii), and (iii) of subparagraph (A),

''(II) which has a recovery period of at least 10 years or is transportation property, and

''(III) which is subject to section 263A by reason of clause (ii) or (iii) of subsection (f)(1)(B) thereof.

''(ii) ONLY PRE-SEPTEMBER 11, 2004, BASIS ELIGIBLE FOR ADDITIONAL ALLOWANCE.—In the case of property which is qualified property solely by reason of clause (i), paragraph (1) shall apply only to the extent of the adjusted basis thereof attributable to manufacture, construction, or production before September 11, 2004.

''(iii) TRANSPORTATION PROPERTY.—For purposes of this subparagraph, the term 'transportation property' means tangible personal property used in the trade or business of transporting persons or property.

''(C) EXCEPTIONS.—

''(i) ALTERNATIVE DEPRECIATION PROPERTY.—The term 'qualified property' shall not include any property to which the alternative depreciation system under subsection (g) applies, determined—

''(I) without regard to paragraph (7) of subsection (g) (relating to election to have system apply), and

''(II) after application of section 280F(b) (relating to listed property with limited business use).

''(ii) ELECTION OUT.—If a taxpayer makes an election under this clause with respect to any class of property for any taxable year, this subsection shall not apply to all property in such class placed in service during such taxable year.

''(iii) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—The term 'qualified property' shall not include any qualified leasehold improvement property (as defined in section 168(e)(6)).

''(D) SPECIAL RULES.—

''(i) SELF-CONSTRUCTED PROPERTY.—In the case of a taxpayer manufacturing, constructing, or producing property for the taxpayer's own use, the requirements of clause (iii) of subparagraph (A) shall be treated as met if the taxpayer begins manufacturing, constructing, or producing the property after September 10, 2001, and before September 11, 2004.

''(ii) SALE-LEASEBACKS.—For purposes of subparagraph (A)(ii), if property—

''(I) is originally placed in service after September 10, 2001, by a person, and

''(II) sold and leased back by such person within 3 months after the date such property was originally placed in service,

such property shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback referred to in subclause (II).

''(E) COORDINATION WITH SECTION 280F.—For purposes of section 280F—

''(i) AUTOMOBILES.—In the case of a passenger automobile (as defined in section 280F(d)(5)) which is qualified property, the Secretary shall increase the limitation under section 280F(a)(1)(A)(i) by $4,600.

''(ii) LISTED PROPERTY.—The deduction allowable under paragraph (1) shall be taken into account in computing any recapture amount under section 280F(b)(2).''

(b) ALLOWANCE AGAINST ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—Section 56(a)(1)(A) (relating to depreciation adjustment for alternative minimum tax) is amended by adding at the end the following new clause:

''(iii) ADDITIONAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE SEPTEMBER 11, 2004.—The deduction under section 168(k) shall be allowed.''

(2) CONFORMING AMENDMENT.—Clause (i) of section 56(a)(1)(A) is amended by striking ''clause (ii)'' both places it appears and inserting ''clauses (ii) and (iii)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after September 10, 2001, in taxable years ending after such date.

SEC. 202. TEMPORARY INCREASE IN EXPENSING UNDER SECTION 179.

(a) IN GENERAL.—The table contained in section 179(b)(1) (relating to dollar limitation) is amended to read as follows:

"If the taxable year begins in:	The applicable amount is:
2001	$24,000
2002 or 2003	$35,000
2004 or thereafter	$25,000.''

(b) TEMPORARY INCREASE IN AMOUNT OF PROPERTY TRIGGERING PHASEOUT OF MAXIMUM BENEFIT.—Paragraph (2) of section 179(b) is amended by inserting before the period ''($325,000 in the case of taxable years beginning during 2002 or 2003)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 203. ALTERNATIVE MINIMUM TAX REFORM.

(a) REPEAL OF PREFERENCE FOR DEPRECIATION.—

(1) Paragraph (1) of section 56(a) is amended by adding at the end the following new subparagraph:

''(E) TERMINATION.—This paragraph shall not apply to property placed in service in taxable years beginning after December 31, 2001.''

(2) Paragraph (5) of section 56(a) is amended by adding at the end: ''This paragraph shall not apply to property placed in service in taxable years beginning after December 31, 2001.''

(b) REPEAL OF 90 PERCENT LIMITATION ON FOREIGN TAX CREDITS.—

(1) Subsection (a) of section 59 is amended by striking paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(2) Subclause (II) of section 53(d)(1)(B)(i) is amended by striking ''and if section 59(a)(2) did not apply''.

(c) REPEAL OF 90 PERCENT LIMITATION ON NET OPERATING LOSS DEDUCTION.—Subparagraph (A) of section 56(d)(1), as amended by section 204, is amended to read as follows:

''(A) the amount of such deduction shall not exceed alternative minimum taxable income determined without regard to such deduction, and''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 204. CARRYBACK OF CERTAIN NET OPERATING LOSSES ALLOWED FOR 5 YEARS.

(a) IN GENERAL.—Paragraph (1) of section 172(b) (relating to years to which loss may be carried) is amended by adding at the end the following new subparagraph:

''(H) In the case of a taxpayer which has a net operating loss for any taxable year ending during 2001 or 2002, subparagraph (A)(i) shall be applied by substituting '5' for '2' and subparagraph (F) shall not apply.''

(b) ELECTION TO DISREGARD 5-YEAR CARRYBACK.—Section 172 (relating to net operating loss deduction) is amended by redesignating subsection (j) as subsection (k) and by inserting after subjection (i) the following new subsection:

''(j) ELECTION TO DISREGARD 5-YEAR CARRYBACK FOR CERTAIN NET OPERATING LOSSES.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(H) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(H). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year.''

(c) TEMPORARY SUSPENSION OF 90 PERCENT LIMIT ON CERTAIN NOL CARRYBACKS.—

(1) IN GENERAL.—Subparagraph (A) of section 56(d)(1) (relating to general rule defining alternative tax net operating loss deduction) is amended to read as follows:

''(A) the amount of such deduction shall not exceed the sum of—

''(i) the lesser of—

''(I) the amount of such deduction attributable to net operating losses (other than the deduction attributable to carrybacks described in clause (ii)(I)), or

''(II) 90 percent of alternative minimum taxable income determined without regard to such deduction, plus

''(ii) the lesser of—

''(I) the amount of such deduction attributable to carrybacks of net operating losses for taxable years ending during 2001 or 2002, or

''(II) alternative minimum taxable income determined without regard to such deduction reduced by the amount determined under clause (i), and''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning before January 1, 2002.

(d) EFFECTIVE DATE.—Except as provided in subsection (c), the amendments made by this section shall apply to net operating losses for taxable years ending after December 31, 2000.

SEC. 205. RECOVERY PERIOD FOR DEPRECIATION OF CERTAIN LEASEHOLD IMPROVEMENTS.

(a) 15-YEAR RECOVERY PERIOD.—Subparagraph (E) of section 168(e)(3) (relating to 15-year property) is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', and'', and by adding at the end the following new clause:

''(iv) any qualified leasehold improvement property.''

(b) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—Subsection (e) of section 168 is amended by adding at the end the following new paragraph:

''(6) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—

''(A) IN GENERAL.—The term 'qualified leasehold improvement property' means any improvement to an interior portion of a building which is nonresidential real property if—

''(i) such improvement is made under or pursuant to a lease (as defined in subsection (h)(7))—

''(I) by the lessee (or any sublessee) of such portion, or

''(II) by the lessor of such portion,

''(ii) such portion is to be occupied exclusively by the lessee (or any sublessee) of such portion, and

''(iii) such improvement is placed in service more than 3 years after the date the building was first placed in service.

''(B) CERTAIN IMPROVEMENTS NOT INCLUDED.—Such term shall not include any improvement for which the expenditure is attributable to—

''(i) the enlargement of the building,

''(ii) any elevator or escalator,

''(iii) any structural component benefiting a common area, and

''(iv) the internal structural framework of the building.

''(C) DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

''(i) COMMITMENT TO LEASE TREATED AS LEASE.—A commitment to enter into a lease shall be treated as a lease, and the parties to such commitment shall be treated as lessor and lessee, respectively.

''(ii) RELATED PERSONS.—A lease between related persons shall not be considered a lease. For purposes of the preceding sentence, the term 'related persons' means—

''(I) members of an affiliated group (as defined in section 1504), and

''(II) persons having a relationship described in subsection (b) of section 267; except that, for purposes of this clause, the phrase '80 percent or more' shall be substituted for the phrase 'more than 50 percent' each place it appears in such subsection.

''(D) IMPROVEMENTS MADE BY LESSOR.—

''(i) IN GENERAL.—In the case of an improvement made by the person who was the lessor of such improvement when such improvement was placed in service, such improvement shall be qualified leasehold improvement property (if at all) only so long as such improvement is held by such person.

''(ii) EXCEPTION FOR CHANGES IN FORM OF BUSINESS.—Property shall not cease to be qualified leasehold improvement property under clause (i) by reason of—

''(I) death,

''(II) a transaction to which section 381(a) applies, or

''(III) a mere change in the form of conducting the trade or business so long as the property is retained in such trade or business as qualified leasehold improvement property and the taxpayer retains a substantial interest in such trade or business.

''(iii) TREATMENT OF FAILURES TO MAINTAIN SUBSTANTIAL INTEREST IN TRADE OR BUSINESS.—In the case of property to which clause (ii)(III) would apply but for the failure of the taxpayer to retain a substantial interest in a trade or business, the remaining adjusted basis of such property shall be depreciated under this section over 39 years.''

(c) REQUIREMENT TO USE STRAIGHT LINE METHOD.—Paragraph (3) of section 168(b) is amended by adding at the end the following new subparagraph:

''(G) Qualified leasehold improvement property described in subsection (e)(6).''

(d) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) is amended by adding at the end the following new item:

''(E)(iv) ..... 15''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to qualified leasehold improvement property placed in service after September 10, 2001.

TITLE III—EXTENSIONS OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Extensions

SEC. 301. ALLOWANCE OF NONREFUNDABLE PERSONAL CREDITS AGAINST REGULAR AND MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Paragraph (2) of section 26(a) is amended—

(1) by striking ''RULE FOR 2000 AND 2001.—'' and inserting ''RULE FOR 2000, 2001, 2002, AND 2003.—'', and

(2) by striking ''during 2000 or 2001,'' and inserting ''during 2000, 2001, 2002, or 2003,''.

(b) CONFORMING AMENDMENTS.—

(1) Section 904(h) is amended by striking ''during 2000 or 2001'' and inserting ''during 2000, 2001, 2002, or 2003''.

(2) The amendments made by sections 201(b), 202(f), and 618(b) of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to taxable years beginning during 2002 and 2003.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 302. CREDIT FOR QUALIFIED ELECTRIC VEHICLES.

(a) IN GENERAL.—Section 30 is amended—

(1) in subsection (b)(2)—

(A) by striking ''December 31, 2001,'' and inserting ''December 31, 2003,'', and

(B) in subparagraphs (A), (B), and (C), by striking ''2002'', ''2003'', and ''2004'', respectively, and inserting ''2004'', ''2005'', and ''2006'', respectively, and

(2) in subsection (e), by striking ''December 31, 2004'' and inserting ''December 31, 2006''.

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (C) of section 280F(a)(1) is amended by adding at the end the following new clause

''(iii) APPLICATION OF SUBPARAGRAPH.—This subparagraph shall apply to property placed in service after August 5, 1997, and before January 1, 2007.''

(2) Subsection (b) of section 971 of the Taxpayer Relief Act of 1997 is amended by striking ''and before January 1, 2005''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 303. CREDIT FOR ELECTRICITY PRODUCED FROM RENEWABLE RESOURCES.

(a) IN GENERAL.—Subparagraphs (A), (B), and (C) of section 45(c)(3) are each amended by striking ''2002'' and inserting ''2004''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 304. WORK OPPORTUNITY CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 51(c)(4) is amended by striking ''2001'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2001.

SEC. 305. WELFARE-TO-WORK CREDIT.

(a) IN GENERAL.—Subsection (f) of section 51A is amended by striking ''2001'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2001.

SEC. 306. DEDUCTION FOR CLEAN-FUEL VEHICLES AND CERTAIN REFUELING PROPERTY.

(a) IN GENERAL.—Section 179A is amended—

(1) in subsection (b)(1)(B)—

(A) by striking ''December 31, 2001,'' and inserting ''December 31, 2003,'', and

(B) in clauses (i), (ii), and (iii), by striking ''2002'', ''2003'', and ''2004'', respectively, and inserting ''2004'', ''2005'', and ''2006'', respectively, and

(2) in subsection (f), by striking ''December 31, 2004'' and inserting ''December 31, 2006''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 307. TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR OIL AND NATURAL GAS PRODUCED FROM MARGINAL PROPERTIES.

(a) IN GENERAL.—Subparagraph (H) of section 613A(c)(6) is amended by striking ''2002'' and inserting ''2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 308. QUALIFIED ZONE ACADEMY BONDS.

(a) IN GENERAL.—Paragraph (1) of section 1397E(e) is amended by striking ''2000, and 2001'' and inserting ''2000, 2001, 2002, and 2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 309. COVER OVER OF TAX ON DISTILLED SPIRITS.

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended by striking ''January 1, 2002'' and inserting ''January 1, 2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 310. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) IN GENERAL.—Subsection (f) of section 9812, as amended by the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2002, is amended to read as follows:

''(f) APPLICATION OF SECTION.—This section shall not apply to benefits for services furnished—

''(1) on or after September 30, 2001, and before January 1, 2002, and

''(2) after December 31, 2003.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to plan years beginning after December 31, 2000.

SEC. 311. TEMPORARY SPECIAL RULES FOR TAXATION OF LIFE INSURANCE COMPANIES.

(a) REDUCTION IN MUTUAL LIFE INSURANCE COMPANY DEDUCTIONS NOT TO APPLY IN CERTAIN YEARS.—Section 809 (relating to reduction in certain deductions of material life insurance companies) is amended by adding at the end the following:

''(j) DIFFERENTIAL EARNINGS RATE TREATED AS ZERO FOR CERTAIN YEARS.—Notwithstanding subsection (c) or (f), the differential earnings rate shall be treated as zero for purposes of computing both the differential earnings amount and the recomputed differential earnings amount for a mutual life insurance company's taxable years beginning in 2001, 2002, or 2003.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 312. AVAILABILITY OF MEDICAL SAVINGS ACCOUNTS.

(a) IN GENERAL.—Paragraphs (2) and (3)(B) of section 220(i) (defining cut-off year) are each amended by striking ''2002'' each place it appears and inserting ''2003''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 220(j) is amended by striking ''1998, 1999, or 2001'' each place it appears and inserting ''1998, 1999, 2001, or 2002''.

(2) Subparagraph (A) of section 220(j)(4) is amended by striking ''and 2001'' and inserting ''2001, and 2002''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 313. INCENTIVES FOR INDIAN EMPLOYMENT AND PROPERTY ON INDIAN RESERVATIONS.

(a) EMPLOYMENT.—Subsection (f) of section 45A is amended by striking ''December 31, 2003'' and inserting ''December 31, 2004''.

(b) PROPERTY.—Paragraph (8) of section 168(j) is amended by striking ''December 31, 2003'' and inserting ''December 31, 2004''.

SEC. 314. SUBPART F EXEMPTION FOR ACTIVE FINANCING.

(a) IN GENERAL.—

(1) Section 953(e)(10) is amended—

(A) by striking ''January 1, 2002'' and inserting ''January 1, 2007'', and

(B) by striking ''December 31, 2001'' and inserting ''December 31, 2006''.

(2) Section 954(h)(9) is amended by striking ''January 1, 2002'' and inserting ''January 1, 2007''.

(b) LIFE INSURANCE AND ANNUITY CONTRACTS.—

(1) IN GENERAL.—Subparagraph (B) of section 954(i)(4) is amended to read as follows:

''(B) LIFE INSURANCE AND ANNUITY CONTRACTS.—

''(i) IN GENERAL.—Except as provided in clause (ii), the amount of the reserve of a qualifying insurance company or qualifying insurance company branch for any life insurance or annuity contract shall be equal to the greater of—

''(I) the net surrender value of such contract (as defined in section 807(e)(1)(A)), or

''(II) the reserve determined under paragraph (5).

''(ii) RULING REQUEST, ETC.—The amount of the reserve under clause (i) shall be the foreign statement reserve for the contract (less any catastrophe, deficiency, equalization, or similar reserves), if, pursuant to a ruling request submitted by the taxpayer or as provided in published guidance, the Secretary determines that the factors taken into account in determining the foreign statement reserve provide an appropriate means of measuring income.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 315. REPEAL OF REQUIREMENT FOR APPROVED DIESEL OR KEROSENE TERMINALS.

(a) IN GENERAL.—Subsection (e) of section 4101 is hereby repealed.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2002.

Subtitle B—Temporary Assistance for Needy Families

SEC. 321. REAUTHORIZATION OF TANF SUPPLEMENTAL GRANTS FOR POPULATION INCREASES FOR FISCAL YEAR 2002.

Section 403(a)(3) of the Social Security Act (42 U.S.C. 603(a)(3)) is amended by adding at the end the following:

''(H) REAUTHORIZATION OF GRANTS FOR FISCAL YEAR 2002.—Notwithstanding any other provision of this paragraph—

''(i) any State that was a qualifying State under this paragraph for fiscal year 2001 or any prior fiscal year shall be entitled to receive from the Secretary for fiscal year 2002 a grant in an amount equal to the amount required to be paid to the State under this paragraph for the most recent fiscal year in which the State was a qualifying State;

''(ii) subparagraph (G) shall be applied as if '2002' were substituted for '2001'; and

''(iii) out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal year 2002 such sums as are necessary for grants under this subparagraph.''.

SEC. 322. 1-YEAR EXTENSION OF CONTINGENCY FUND UNDER THE TANF PROGRAM.

Section 403(b) of the Social Security Act (42 U.S.C. 603(b)) is amended—

(1) in paragraph (2), by striking ''and 2001'' and inserting ''2001, and 2002''; and

(2) in paragraph (3)(C)(ii), by striking ''2001'' and inserting ''2002''.

TITLE IV—TAX BENEFITS FOR AREA OF NEW YORK CITY DAMAGED IN TERRORIST ATTACKS ON SEPTEMBER 11, 2001

SEC. 401. TAX BENEFITS FOR AREA OF NEW YORK CITY DAMAGED IN TERRORIST ATTACKS ON SEPTEMBER 11, 2001.

(a) IN GENERAL.—Chapter 1 is amended by adding at the end the following new subchapter:

"Subchapter Y—New York Liberty Zone Benefits

''Sec. 1400L. Tax benefits for New York Liberty Zone.

"SEC. 1400L. TAX BENEFITS FOR NEW YORK LIBERTY ZONE.

''(a) SPECIAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001.—

''(1) ADDITIONAL ALLOWANCE.—In the case of any qualified New York Liberty Zone property—

''(A) the depreciation deduction provided by section 167(a) for the taxable year in which such property is placed in service shall include an allowance equal to 30 percent of the adjusted basis of such property, and

''(B) the adjusted basis of the qualified New York Liberty Zone property shall be reduced by the amount of such deduction before computing the amount otherwise allowable as a depreciation deduction under this chapter for such taxable year and any subsequent taxable year.

''(2) QUALIFIED NEW YORK LIBERTY ZONE PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified New York Liberty Zone property' means property—

''(i)(I) to which section 168 applies (other than railroad grading and tunnel bores), or

''(II) which is computer software (as defined in section 167(f)(1)(B)) for which a deduction is allowable under section 167(a) without regard to this subsection,

''(ii) substantially all of the use of which is in the New York Liberty Zone and is in the active conduct of a trade or business by the taxpayer in such Zone,

''(iii) the original use of which in the New York Liberty Zone commences with the taxpayer after September 10, 2001,

''(iv) which is acquired by the taxpayer by purchase (as defined in section 179(d)) after September 10, 2001, but only if no written binding contract for the acquisition was in effect before September 11, 2001, and

''(v) which is placed in service by the taxpayer on or before the termination date.

The term 'termination date' means December 31, 2006 (December 31, 2009, in the case of

nonresidential real property and residential rental property).

''(B) EXCEPTIONS.—

''(i) ALTERNATIVE DEPRECIATION PROPERTY.—The term 'qualified New York Liberty Zone property' shall not include any property to which the alternative depreciation system under section 168(g) applies, determined—

''(I) without regard to paragraph (7) of section 168(g) (relating to election to have system apply), and

''(II) after application of section 280F(b) (relating to listed property with limited business use).

''(ii) 30 PERCENT ADDITIONAL ALLOWANCE PROPERTY.—Such term shall not include property to which section 168(k) applies.

''(iii) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—Such term shall not include any qualified leasehold improvement property (as defined in section 168(e)(6)).

''(iv) ELECTION OUT.—If a taxpayer makes an election under this clause with respect to any class of property for any taxable year, this subsection shall not apply to all property in such class placed in service during such taxable year.

''(C) SPECIAL RULES.—

''(i) SELF-CONSTRUCTED PROPERTY.—In the case of a taxpayer manufacturing, constructing, or producing property for the taxpayer's own use, the requirements of clause (iv) of subparagraph (A) shall be treated as met if the taxpayer begins manufacturing, constructing, or producing the property after September 10, 2001, and before the termination date.

''(ii) SALE-LEASEBACKS.—For purposes of subparagraph (A)(iii), if property—

''(I) is originally placed in service after September 10, 2001, by a person, and

''(II) sold and leased back by such person within 3 months after the date such property was originally placed in service,

such property shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback referred to in subclause (II).

''(D) ALLOWANCE AGAINST ALTERNATIVE MINIMUM TAX.—The deduction allowed by this subsection shall be allowed in determining alternative minimum taxable income under section 55.

''(b) 5-YEAR RECOVERY PERIOD FOR DEPRECIATION OF CERTAIN LEASEHOLD IMPROVEMENTS.—

''(1) IN GENERAL.—For purposes of section 168, the term '5-year property' includes any qualified New York Liberty Zone leasehold improvement property.

''(2) QUALIFIED NEW YORK LIBERTY ZONE LEASEHOLD IMPROVEMENT PROPERTY.—For purposes of this section, the term 'qualified New York Liberty Zone leasehold improvement property' means qualified leasehold improvement property (as defined in section 168(e)(6)) if—

''(A) such building is located in the New York Liberty Zone,

''(B) such improvement is placed in service after September 10, 2001, and before January 1, 2007, and

''(C) no written binding contract for such improvement was in effect before September 11, 2001.

''(3) REQUIREMENT TO USE STRAIGHT LINE METHOD.—The applicable depreciation method under section 168 shall be the straight line method in the case of qualified New York Liberty Zone leasehold improvement property.

''(4) 9-YEAR RECOVERY PERIOD UNDER ALTERNATIVE SYSTEM.—For purposes of section 168(g), the class life of qualified New York Liberty Zone leasehold improvement property shall be 9 years.

''(c) INCREASE IN EXPENSING UNDER SECTION 179.—

''(1) IN GENERAL.—For purposes of section 179—

''(A) the limitation under section 179(b)(1) shall be increased by the lesser of—

''(i) $35,000, or

''(ii) the cost of section 179 property which is qualified New York Liberty Zone property placed in service during the taxable year, and

''(B) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is qualified New York Liberty Zone property shall be 50 percent of the cost thereof.

''(2) RECAPTURE.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified New York Liberty Zone property which ceases to be used in the New York Liberty Zone.

''(d) TAX-EXEMPT BOND FINANCING.—

''(1) IN GENERAL.—For purposes of this title, any qualified New York Liberty Bond shall be treated as an exempt facility bond.

''(2) QUALIFIED NEW YORK LIBERTY BOND.—For purposes of this subsection, the term 'qualified New York Liberty Bond' means any bond issued as part of an issue if—

''(A) 95 percent or more of the net proceeds (as defined in section 150(a)(3)) of such issue are to be used for qualified project costs,

''(B) such bond is issued by the State of New York or any political subdivision thereof,

''(C) the Governor of New York designates such bond for purposes of this section, and

''(D) such bond is issued during calendar year 2002, 2003, or 2004.

''(3) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

''(A) AGGREGATE AMOUNT DESIGNATED.—The maximum aggregate face amount of bonds which may be designated under this subsection shall not exceed $15,000,000,000.

''(B) SPECIFIC LIMITS.—For purposes of subparagraph (A), the aggregate face amount of bonds issued which are to be used for—

''(i) costs for property located outside the New York Liberty Zone, shall not exceed $7,000,000,000,

''(ii) costs for residential rental property, shall not exceed $3,000,000,000, and

''(iii) costs for property used for retail sales of tangible property, shall not exceed $1,500,000,000.

''(C) MOVABLE FIXTURES AND EQUIPMENT.—No bonds shall be issued which are to be used for movable fixtures and equipment.

''(4) QUALIFIED PROJECT COSTS.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified project costs' means the cost of acquisition, construction, reconstruction, and renovation of—

''(i) nonresidential real property and residential rental property (including fixed tenant improvements associated with such property) located in the New York Liberty Zone, and

''(ii) public utility property located in the New York Liberty Zone.

''(B) COSTS FOR CERTAIN PROPERTY OUTSIDE ZONE INCLUDED.—Such term includes the cost of acquisition, construction, reconstruction, and renovation of nonresidential real property (including fixed tenant improvements associated with such property) located outside the New York Liberty Zone but within the City of New York, New York, if such property is part of a project which consists of at least 100,000 square feet of usable office or other commercial space located in a single building or multiple adjacent buildings.

''(5) SPECIAL RULES.—In applying this title to any qualified New York Liberty Bond, the following modifications shall apply:

''(A) Section 146 (relating to volume cap) shall not apply.

''(B) Section 147(c) (relating to limitation on use for land acquisition) shall be determined by reference to the aggregate authorized face amount of all qualified New York Liberty Bonds rather than the net proceeds of each issue.

''(C) Section 147(d) (relating to acquisition of existing property not permitted) shall be applied by substituting '50 percent' for '15 percent' each place it appears.

''(D) Section 148(f)(4)(C) (relating to exception from rebate for certain proceeds to be used to finance construction expenditures) shall apply to available construction proceeds of bonds issued under this section.

''(E) Financing provided by such a bond shall not be taken into account under section 168(g)(5)(A) with respect to property substantially all of the use of which is in the New York Liberty Zone and is in the active conduct of a trade or business by the taxpayer in such Zone.

''(F) Repayments of principal on financing provided by the issue—

''(i) may not be used to provide financing, and

''(ii) must be used not later than the close of the 1st semiannual period beginning after the date of the repayment to redeem bonds which are part of such issue.

The requirement of clause (ii) shall be treated as met with respect to amounts received within 10 years after the date of issuance of the issue (or, in the case of refunding bond, the date of issuance of the original bond) if such amounts are used by the close of such 10 years to redeem bonds which are part of such issue.

''(G) Section 57(a)(5) shall not apply.

''(6) SEPARATE ISSUE TREATMENT OF PORTIONS OF AN ISSUE.—This subsection shall not apply to the portion of an issue which (if issued as a separate issue) would be treated as a qualified bond or as a bond that is not a private activity bond, if the issuer elects to so treat such portion.

''(e) EXTENSION OF REPLACEMENT PERIOD FOR NONRECOGNITION OF GAIN.—Notwithstanding subsections (g) and (h) of section 1033, clause (i) of section 1033(a)(2)(B) shall be applied by substituting '5 years' for '2 years' with respect to property which is compulsorily or involuntarily converted as a result of the terrorist attacks on September 11, 2001, in the New York Liberty Zone but only if substantially all of the use of the replacement property is in the City of New York, New York.

''(f) NEW YORK LIBERTY ZONE.—For purposes of this section, the term 'New York Liberty Zone' means the area located on or south of Canal Street, East Broadway (east of its intersection with Canal Street), or Grand Street (east of its intersection with East Broadway) in the Borough of Manhattan in the City of New York, New York.''

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

''Subchapter Y. New York Liberty Zone Benefits.''

TITLE V—RELIEF PROVISIONS FOR VICTIMS OF TERRORIST ATTACKS, PRESIDENTIALLY DECLARED DISASTERS, AND CERTAIN OTHER DISASTERS

Subtitle A—Relief Provisions for Victims of Terrorist Attacks

SEC. 501. INCOME TAXES OF VICTIMS OF TERRORIST ATTACKS.

(a) IN GENERAL.—Section 692 (relating to income taxes of members of Armed Forces on death) is amended by adding at the end the following new subsection:

''(d) INDIVIDUALS DYING AS A RESULT OF CERTAIN ATTACKS.—

''(1) IN GENERAL.—In the case of a specified terrorist victim, any tax imposed by this chapter shall not apply—

''(A) with respect to the taxable year in which falls the date of death, and

''(B) with respect to any prior taxable year in the period beginning with the last taxable year ending before the taxable year in which the wounds, injury, or illness referred to in paragraph (3) were incurred.

''(2) $10,000 MINIMUM BENEFIT.—If, but for this paragraph, the amount of tax not imposed by paragraph (1) with respect to a specified terrorist victim is less than $10,000, then such victim shall be treated as having made a payment against the tax imposed by this chapter for such victim's last taxable year in an amount equal to the excess of $10,000 over the amount of tax not so imposed.

''(3) TAXATION OF CERTAIN BENEFITS.—Subject to such rules as the Secretary may prescribe, paragraph (1) shall not apply to the amount of any tax imposed by this chapter which would be computed by only taking into account the items of income, gain, or other amounts attributable to—

''(A) deferred compensation which would have been payable after death if the individual had died other than as a specified terrorist victim, or

''(B) amounts payable in the taxable year which would not have been payable in such taxable year but for an action taken after September 11, 2001.

''(4) SPECIFIED TERRORIST VICTIM.—For purposes of this subsection, the term 'specified terrorist victim' means any decedent—

''(A) who dies as a result of wounds or injury incurred as a result of the terrorist attacks against the United States on April 19, 1995, or September 11, 2001, or

''(B) who dies as a result of illness incurred as a result of an attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002.

Such term shall not include any individual identified by the Attorney General to have been a participant or conspirator in any such attack or a representative of such an individual.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 5(b)(1) is amended by inserting ''and victims of certain terrorist attacks'' before ''on death''.

(2) Section 6013(f)(2)(B) is amended by inserting ''and victims of certain terrorist attacks'' before ''on death''.

(c) CLERICAL AMENDMENTS.—

(1) The heading of section 692 is amended to read as follows:

''SEC. 692. INCOME TAXES OF MEMBERS OF ARMED FORCES AND VICTIMS OF CERTAIN TERRORIST ATTACKS ON DEATH.''.

(2) The item relating to section 692 in the table of sections for part II of subchapter J of chapter 1 is amended to read as follows:

''Sec. 692. Income taxes of members of Armed Forces and victims of certain terrorist attacks on death.''.

(d) EFFECTIVE DATE; WAIVER OF LIMITATIONS.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending before, on, or after September 11, 2001.

(2) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SEC. 502. EXCLUSION OF CERTAIN DEATH BENEFITS.

(a) IN GENERAL.—Section 101 (relating to certain death benefits) is amended by adding at the end the following new subsection:

''(i) CERTAIN EMPLOYEE DEATH BENEFITS PAYABLE BY REASON OF DEATH OF CERTAIN TERRORIST VICTIMS.—

''(1) IN GENERAL.—Gross income does not include amounts (whether in a single sum or otherwise) paid by an employer by reason of the death of an employee who is a specified terrorist victim (as defined in section 692(d)(4)).

''(2) LIMITATION.—

''(A) IN GENERAL.—Subject to such rules as the Secretary may prescribe, paragraph (1) shall not apply to amounts which would have been payable after death if the individual had died other than as a specified terrorist victim (as so defined).

''(B) EXCEPTION.—Subparagraph (A) shall not apply to incidental death benefits paid from a plan described in section 401(a) and exempt from tax under section 501(a).

''(3) TREATMENT OF SELF-EMPLOYED INDIVIDUALS.—For purposes of paragraph (1), the term 'employee' includes a self-employed individual (as defined in section 401(c)(1)).''.

(b) EFFECTIVE DATE; WAIVER OF LIMITATIONS.—

(1) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending before, on, or after September 11, 2001.

(2) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SEC. 503. ESTATE TAX REDUCTION.

(a) IN GENERAL.—Section 2201 is amended to read as follows:

''SEC. 2201. COMBAT ZONE-RELATED DEATHS OF MEMBERS OF THE ARMED FORCES AND DEATHS OF VICTIMS OF CERTAIN TERRORIST ATTACKS.

''(a) IN GENERAL.—Unless the executor elects not to have this section apply, in applying sections 2001 and 2101 to the estate of a qualified decedent, the rate schedule set forth in subsection (c) shall be deemed to be the rate schedule set forth in section 2001(c).

''(b) QUALIFIED DECEDENT.—For purposes of this section, the term 'qualified decedent' means—

''(1) any citizen or resident of the United States dying while in active service of the Armed Forces of the United States, if such decedent—

''(A) was killed in action while serving in a combat zone, as determined under section 112(c), or

''(B) died as a result of wounds, disease, or injury suffered while serving in a combat zone (as determined under section 112(c)), and while in the line of duty, by reason of a hazard to which such decedent was subjected as an incident of such service, and

''(2) any specified terrorist victim (as defined in section 692(d)(4)).

''(c) RATE SCHEDULE.—

''If the amount with respect to which the tentative tax to be computed is:	**The tentative tax is:**
Not over $150,000	1 percent of the amount by which such amount exceeds $100,000.
Over $150,000 but not over $200,000.	$500 plus 2 percent of the excess over $150,000.
Over $200,000 but not over $300,000.	$1,500 plus 3 percent of the excess over $200,000.
Over $300,000 but not over $500,000.	$4,500 plus 4 percent of the excess over $300,000.
Over $500,000 but not over $700,000.	$12,500 plus 5 percent of the excess over $500,000.
Over $700,000 but not over $900,000.	$22,500 plus 6 percent of the excess over $700,000.
Over $900,000 but not over $1,100,000.	$34,500 plus 7 percent of the excess over $900,000.
Over $1,100,000 but not over $1,600,000.	$48,500 plus 8 percent of the excess over $1,100,000.
Over $1,600,000 but not over $2,100,000.	$88,500 plus 9 percent of the excess over $1,600,000.
Over $2,100,000 but not over $2,600,000.	$133,500 plus 10 percent of the excess over $2,100,000.
Over $2,600,000 but not over $3,100,000.	$183,500 plus 11 percent of the excess over $2,600,000.
Over $3,100,000 but not over $3,600,000.	$238,500 plus 12 percent of the excess over $3,100,000.
Over $3,600,000 but not over $4,100,000.	$298,500 plus 13 percent of the excess over $3,600,000.
Over $4,100,000 but not over $5,100,000.	$363,500 plus 14 percent of the excess over $4,100,000.
Over $5,100,000 but not over $6,100,000.	$503,500 plus 15 percent of the excess over $5,100,000.
Over $6,100,000 but not over $7,100,000.	$653,500 plus 16 percent of the excess over $6,100,000.
Over $7,100,000 but not over $8,100,000.	$813,500 plus 17 percent of the excess over $7,100,000.
Over $8,100,000 but not over $9,100,000.	$983,500 plus 18 percent of the excess over $8,100,000.
Over $9,100,000 but not over $10,100,000.	$1,163,500 plus 19 percent of the excess over $9,100,000.
Over $10,100,000	$1,353,500 plus 20 percent of the excess over $10,100,000.

''(d) DETERMINATION OF UNIFIED CREDIT.—In the case of an estate to which this section applies, subsection (a) shall not apply in determining the credit under section 2010.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 2011 is amended by striking subsection (d) and by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(2) Section 2053(d)(3)(B) is amended by striking ''section 2011(e)'' and inserting ''section 2011(d)''.

(3) Paragraph (9) of section 532(c) of the Economic Growth and Tax Relief Reconciliation Act of 2001 is repealed.

(c) CLERICAL AMENDMENT.—The item relating to section 2201 in the table of sections for subchapter C of chapter 11 is amended to read as follows:

''Sec. 2201. Combat zone-related deaths of members of the Armed Forces and deaths of victims of certain terrorist attacks.''.

(d) EFFECTIVE DATE; WAIVER OF LIMITATIONS.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents—

(A) dying on or after September 11, 2001, and

(B) in the case of individuals dying as a result of the April 19, 1995, terrorist attack, dying on or after April 19, 1995.

(2) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SEC. 504. PAYMENTS BY CHARITABLE ORGANIZATIONS TREATED AS EXEMPT PAYMENTS.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986—

(1) payments made by an organization described in section 501(c)(3) of such Code by reason of the death, injury, wounding, or illness of an individual incurred as the result of the terrorist attacks against the United States on September 11, 2001, or an attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002, shall be treated as related to the purpose or function constituting the basis for such organization's exemption under section 501 of such Code if such payments are made in good faith using a reasonable and objective formula which is consistently applied, and

(2) in the case of a private foundation (as defined in section 509 of such Code), any payment described in paragraph (1) shall not be treated as made to a disqualified person for purposes of section 4941 of such Code.

(b) EFFECTIVE DATE.—This section shall apply to payments made on or after September 11, 2001.

SEC. 505. EXCLUSION OF CERTAIN CANCELLATIONS OF INDEBTEDNESS.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986—

(1) gross income shall not include any amount which (but for this section) would be includible in gross income by reason of the discharge (in whole or in part) of indebtedness of any taxpayer if the discharge is by reason of the death of an individual incurred as the result of the terrorist attacks against the United States on September 11, 2001, or as the result of illness incurred as a result of an attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002, and

(2) return requirements under section 6050P of such Code shall not apply to any discharge described in paragraph (1).

(b) EFFECTIVE DATE.—This section shall apply to discharges made on or after September 11, 2001, and before January 1, 2002.

Subtitle B—Other Relief Provisions

SEC. 511. EXCLUSION FOR DISASTER RELIEF PAYMENTS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 139 as section 140 and inserting after section 138 the following new section:

"SEC. 139. DISASTER RELIEF PAYMENTS.

''(a) GENERAL RULE.—Gross income shall not include any amount received by an individual as a qualified disaster relief payment.

''(b) QUALIFIED DISASTER RELIEF PAYMENT DEFINED.—For purposes of this section, the term 'qualified disaster relief payment' means any amount paid to or for the benefit of an individual—

''(1) to reimburse or pay reasonable and necessary personal, family, living, or funeral expenses incurred as a result of a qualified disaster,

''(2) to reimburse or pay reasonable and necessary expenses incurred for the repair or rehabilitation of a personal residence or repair or replacement of its contents to the extent that the need for such repair, rehabilitation, or replacement is attributable to a qualified disaster,

''(3) by a person engaged in the furnishing or sale of transportation as a common carrier by reason of the death or personal physical injuries incurred as a result of a qualified disaster, or

''(4) if such amount is paid by a Federal, State, or local government, or agency or instrumentality thereof, in connection with a qualified disaster in order to promote the general welfare,

but only to the extent any expense compensated by such payment is not otherwise compensated for by insurance or otherwise.

''(c) QUALIFIED DISASTER DEFINED.—For purposes of this section, the term 'qualified disaster' means—

''(1) a disaster which results from a terroristic or military action (as defined in section 692(c)(2)),

''(2) a Presidentially declared disaster (as defined in section 1033(h)(3)),

''(3) a disaster which results from an accident involving a common carrier, or from any other event, which is determined by the Secretary to be of a catastrophic nature, or

''(4) with respect to amounts described in subsection (b)(4), a disaster which is determined by an applicable Federal, State, or local authority (as determined by the Secretary) to warrant assistance from the Federal, State, or local government or agency or instrumentality thereof.

''(d) COORDINATION WITH EMPLOYMENT TAXES.—For purposes of chapter 2 and subtitle C, a qualified disaster relief payment shall not be treated as net earnings from self-employment, wages, or compensation subject to tax.

''(e) NO RELIEF FOR CERTAIN INDIVIDUALS.—Subsections (a) and (f) shall not apply with respect to any individual identified by the Attorney General to have been a participant or conspirator in a terroristic action (as so defined), or a representative of such individual.

''(f) EXCLUSION OF CERTAIN ADDITIONAL PAYMENTS.—Gross income shall not include any amount received as payment under section 406 of the Air Transportation Safety and System Stabilization Act.''

(b) CONFORMING AMENDMENTS.—The table of sections for part III of subchapter B of chapter 1 is amended by striking the item relating to section 139 and inserting the following new items:

''Sec. 139. Disaster relief payments.

''Sec. 140. Cross references to other Acts.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after September 11, 2001.

SEC. 512. AUTHORITY TO POSTPONE CERTAIN DEADLINES AND REQUIRED ACTIONS.

(a) EXPANSION OF AUTHORITY RELATING TO DISASTERS AND TERRORISTIC OR MILITARY ACTIONS.—Section 7508A is amended to read as follows:

"SEC. 7508A. AUTHORITY TO POSTPONE CERTAIN DEADLINES BY REASON OF PRESIDENTIALLY DECLARED DISASTER OR TERRORISTIC OR MILITARY ACTIONS.

''(a) IN GENERAL.—In the case of a taxpayer determined by the Secretary to be affected by a Presidentially declared disaster (as defined in section 1033(h)(3)) or a terroristic or military action (as defined in section 692(c)(2)), the Secretary may specify a period of up to one year that may be disregarded in determining, under the internal revenue laws, in respect of any tax liability of such taxpayer—

''(1) whether any of the acts described in paragraph (1) of section 7508(a) were performed within the time prescribed therefor (determined without regard to extension under any other provision of this subtitle for periods after the date (determined by the Secretary) of such disaster or action),

''(2) the amount of any interest, penalty, additional amount, or addition to the tax for periods after such date, and

''(3) the amount of any credit or refund.

''(b) SPECIAL RULES REGARDING PENSIONS, ETC.—In the case of a pension or other employee benefit plan, or any sponsor, administrator, participant, beneficiary, or other person with respect to such plan, affected by a disaster or action described in subsection (a), the Secretary may specify a period of up to one year which may be disregarded in determining the date by which any action is required or permitted to be completed under this title. No plan shall be treated as failing to be operated in accordance with the terms of the plan solely as the result of disregarding any period by reason of the preceding sentence.

''(c) SPECIAL RULES FOR OVERPAYMENTS.—The rules of section 7508(b) shall apply for purposes of this section.''.

(b) CLARIFICATION OF SCOPE OF ACTS SECRETARY MAY POSTPONE.—Section 7508(a)(1)(K) (relating to time to be disregarded) is amended by striking ''in regulations prescribed under this section''.

(c) CONFORMING AMENDMENTS TO ERISA.—

(1) Part 5 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1131 et seq.) is amended by adding at the end the following new section:

"SEC. 518. AUTHORITY TO POSTPONE CERTAIN DEADLINES BY REASON OF PRESIDENTIALLY DECLARED DISASTER OR TERRORISTIC OR MILITARY ACTIONS.

''In the case of a pension or other employee benefit plan, or any sponsor, administrator, participant, beneficiary, or other person with respect to such plan, affected by a Presidentially declared disaster (as defined in section 1033(h)(3) of the Internal Revenue Code of 1986) or a terroristic or military action (as defined in section 692(c)(2) of such Code), the Secretary may, notwithstanding any other provision of law, prescribe, by notice or otherwise, a period of up to one year which may be disregarded in determining the date by which any action is required or permitted to be completed under this Act. No plan shall be treated as failing to be operated in accordance with the terms of the plan solely as the result of disregarding any period by reason of the preceding sentence.''.

(2) Section 4002 of Employee Retirement Income Security Act of 1974 (29 U.S.C. 1302) is amended by adding at the end the following new subsection:

''(i) SPECIAL RULES REGARDING DISASTERS, ETC.—In the case of a pension or other employee benefit plan, or any sponsor, administrator, participant, beneficiary, or other person with respect to such plan, affected by a

Presidentially declared disaster (as defined in section 1033(h)(3) of the Internal Revenue Code of 1986) or a terroristic or military action (as defined in section 692(c)(2) of such Code), the corporation may, notwithstanding any other provision of law, prescribe, by notice or otherwise, a period of up to one year which may be disregarded in determining the date by which any action is required or permitted to be completed under this Act. No plan shall be treated as failing to be operated in accordance with the terms of the plan solely as the result of disregarding any period by reason of the preceding sentence.''.

(d) ADDITIONAL CONFORMING AMENDMENTS.—

(1) Section 6404 is amended—

(A) by striking subsection (h),

(B) by redesignating subsection (i) as subsection (h), and

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

''(i) CROSS REFERENCE.—

"For authority to suspend running of interest, etc. by reason of Presidentially declared disaster or terroristic or military action, see section 7508A.".

(2) Section 6081(c) is amended to read as follows:

''(c) CROSS REFERENCES.—

"For time for performing certain acts postponed by reason of war, see section 7508, and by reason of Presidentially declared disaster or terroristic or military action, see section 7508A.".

(3) Section 6161(d) is amended by adding at the end the following new paragraph:

''(3) POSTPONEMENT OF CERTAIN ACTS.—

"For time for performing certain acts postponed by reason of war, see section 7508, and by reason of Presidentially declared disaster or terroristic or military action, see section 7508A.".

(d) CLERICAL AMENDMENTS.—

(1) The item relating to section 7508A in the table of sections for chapter 77 is amended to read as follows:

''Sec. 7508A. Authority to postpone certain deadlines by reason of Presidentially declared disaster or terroristic or military actions.''.

(2) The table of contents for the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 517 the following new item:

''Sec. 518. Authority to postpone certain deadlines by reason of Presidentially declared disaster or terroristic or military actions.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to disasters and terroristic or military actions occurring on or after September 11, 2001, with respect to any action of the Secretary of the Treasury, the Secretary of Labor, or the Pension Benefit Guaranty Corporation occurring on or after the date of the enactment of this Act.

SEC. 513. APPLICATION OF CERTAIN PROVISIONS TO TERRORISTIC OR MILITARY ACTIONS.

(a) DISABILITY INCOME.—Section 104(a)(5) (relating to compensation for injuries or sickness) is amended by striking ''a violent attack'' and all that follows through the period and inserting ''a terroristic or military action (as defined in section 692(c)(2)).''.

(b) EXEMPTION FROM INCOME TAX FOR CERTAIN MILITARY OR CIVILIAN EMPLOYEES.—Section 692(c) is amended—

(1) by striking ''outside the United States'' in paragraph (1), and

(2) by striking ''SUSTAINED OVERSEAS'' in the heading.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after September 11, 2001.

SEC. 514. CLARIFICATION OF DUE DATE FOR AIRLINE EXCISE TAX DEPOSITS.

(a) IN GENERAL.—Paragraph (3) of section 301(a) of the Air Transportation Safety and System Stabilization Act (Public Law 107–42) is amended to read as follows:

''(3) AIRLINE-RELATED DEPOSIT.—For purposes of this subsection, the term 'airline-related deposit' means any deposit of taxes imposed by subchapter C of chapter 33 of such Code (relating to transportation by air).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in section 301 of the Air Transportation Safety and System Stabilization Act (Public Law 107–42).

SEC. 515. TREATMENT OF CERTAIN STRUCTURED SETTLEMENT PAYMENTS.

(a) IN GENERAL.—Subtitle E is amended by adding at the end the following new chapter:

"CHAPTER 55—STRUCTURED SETTLEMENT FACTORING TRANSACTIONS

''Sec. 5891. Structured settlement factoring transactions.

"SEC. 5891. STRUCTURED SETTLEMENT FACTORING TRANSACTIONS.

''(a) IMPOSITION OF TAX.—There is hereby imposed on any person who acquires directly or indirectly structured settlement payment rights in a structured settlement factoring transaction a tax equal to 40 percent of the factoring discount as determined under subsection (c)(4) with respect to such factoring transaction.

''(b) EXCEPTION FOR CERTAIN APPROVED TRANSACTIONS.—

''(1) IN GENERAL.—The tax under subsection (a) shall not apply in the case of a structured settlement factoring transaction in which the transfer of structured settlement payment rights is approved in advance in a qualified order.

''(2) QUALIFIED ORDER.—For purposes of this section, the term 'qualified order' means a final order, judgment, or decree which—

''(A) finds that the transfer described in paragraph (1)—

''(i) does not contravene any Federal or State statute or the order of any court or responsible administrative authority, and

''(ii) is in the best interest of the payee, taking into account the welfare and support of the payee's dependents, and

''(B) is issued—

''(i) under the authority of an applicable State statute by an applicable State court, or

''(ii) by the responsible administrative authority (if any) which has exclusive jurisdiction over the underlying action or proceeding which was resolved by means of the structured settlement.

''(3) APPLICABLE STATE STATUTE.—For purposes of this section, the term 'applicable State statute' means a statute providing for the entry of an order, judgment, or decree described in paragraph (2)(A) which is enacted by—

''(A) the State in which the payee of the structured settlement is domiciled, or

''(B) if there is no statute described in subparagraph (A), the State in which either the party to the structured settlement (including an assignee under a qualified assignment under section 130) or the person issuing the funding asset for the structured settlement is domiciled or has its principal place of business.

''(4) APPLICABLE STATE COURT.—For purposes of this section—

''(A) IN GENERAL.—The term 'applicable State court' means, with respect to any applicable State statute, a court of the State which enacted such statute.

''(B) SPECIAL RULE.—In the case of an applicable State statute described in paragraph (3)(B), such term also includes a court of the State in which the payee of the structured settlement is domiciled.

''(5) QUALIFIED ORDER DISPOSITIVE.—A qualified order shall be treated as dispositive for purposes of the exception under this subsection.

''(c) DEFINITIONS.—For purposes of this section—

''(1) STRUCTURED SETTLEMENT.—The term 'structured settlement' means an arrangement—

''(A) which is established by—

''(i) suit or agreement for the periodic payment of damages excludable from the gross income of the recipient under section 104(a)(2), or

''(ii) agreement for the periodic payment of compensation under any workers' compensation law excludable from the gross income of the recipient under section 104(a)(1), and

''(B) under which the periodic payments are—

''(i) of the character described in subparagraphs (A) and (B) of section 130(c)(2), and

''(ii) payable by a person who is a party to the suit or agreement or to the workers' compensation claim or by a person who has assumed the liability for such periodic payments under a qualified assignment in accordance with section 130.

''(2) STRUCTURED SETTLEMENT PAYMENT RIGHTS.—The term 'structured settlement payment rights' means rights to receive payments under a structured settlement.

''(3) STRUCTURED SETTLEMENT FACTORING TRANSACTION.—

''(A) IN GENERAL.—The term 'structured settlement factoring transaction' means a transfer of structured settlement payment rights (including portions of structured settlement payments) made for consideration by means of sale, assignment, pledge, or other form of encumbrance or alienation for consideration.

''(B) EXCEPTION.—Such term shall not include—

''(i) the creation or perfection of a security interest in structured settlement payment rights under a blanket security agreement entered into with an insured depository institution in the absence of any action to redirect the structured settlement payments to such institution (or agent or successor thereof) or otherwise to enforce such blanket security interest as against the structured settlement payment rights, or

''(ii) a subsequent transfer of structured settlement payment rights acquired in a structured settlement factoring transaction.

''(4) FACTORING DISCOUNT.—The term 'factoring discount' means an amount equal to the excess of—

''(A) the aggregate undiscounted amount of structured settlement payments being acquired in the structured settlement factoring transaction, over

''(B) the total amount actually paid by the acquirer to the person from whom such structured settlement payments are acquired.

''(5) RESPONSIBLE ADMINISTRATIVE AUTHORITY.—The term 'responsible administrative

authority' means the administrative authority which had jurisdiction over the underlying action or proceeding which was resolved by means of the structured settlement.

''(6) STATE.—The term 'State' includes the Commonwealth of Puerto Rico and any possession of the United States.

''(d) COORDINATION WITH OTHER PROVISIONS.—

''(1) IN GENERAL.—If the applicable requirements of sections 72, 104(a)(1), 104(a)(2), 130, and 461(h) were satisfied at the time the structured settlement involving structured settlement payment rights was entered into, the subsequent occurrence of a structured settlement factoring transaction shall not affect the application of the provisions of such sections to the parties to the structured settlement (including an assignee under a qualified assignment under section 130) in any taxable year.

''(2) NO WITHHOLDING OF TAX.—The provisions of section 3405 regarding withholding of tax shall not apply to the person making the payments in the event of a structured settlement factoring transaction.''.

(b) CLERICAL AMENDMENT.—The table of chapters for subtitle E is amended by adding at the end the following new item:

''Chapter 55. Structured settlement factoring transactions.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section (other than the provisions of section 5891(d) of the Internal Revenue Code of 1986, as added by this section) shall apply to structured settlement factoring transactions (as defined in section 5891(c) of such Code (as so added)) entered into on or after the 30th day following the date of the enactment of this Act.

(2) CLARIFICATION OF EXISTING LAW.—Section 5891(d) of such Code (as so added) shall apply to structured settlement factoring transactions (as defined in section 5891(c) of such Code (as so added)) entered into before, on, or after such 30th day.

(3) TRANSITION RULE.—In the case of a structured settlement factoring transaction entered into during the period beginning on the 30th day following the date of the enactment of this Act and ending on July 1, 2002, no tax shall be imposed under section 5891(a) of such Code if—

(A) the structured settlement payee is domiciled in a State (or possession of the United States) which has not enacted a statute providing that the structured settlement factoring transaction is ineffective unless the transaction has been approved by an order, judgment, or decree of a court (or where applicable, a responsible administrative authority) which finds that such transaction—

(i) does not contravene any Federal or State statute or the order of any court (or responsible administrative authority), and

(ii) is in the best interest of the structured settlement payee or is appropriate in light of a hardship faced by the payee, and

(B) the person acquiring the structured settlement payment rights discloses to the structured settlement payee in advance of the structured settlement factoring transaction the amounts and due dates of the payments to be transferred, the aggregate amount to be transferred, the consideration to be received by the structured settlement payee for the transferred payments, the discounted present value of the transferred payments (including the present value as determined in the manner described in section 7520 of such Code), and the expenses required under the terms of the structured settlement factoring transaction to be paid by the structured settlement payee or deducted from the proceeds of such transaction.

SEC. 516. PERSONAL EXEMPTION DEDUCTION FOR CERTAIN DISABILITY TRUSTS.

(a) IN GENERAL.—Subsection (b) of section 642 (relating to deduction for personal exemption) is amended to read as follows:

''(b) DEDUCTION FOR PERSONAL EXEMPTION.—

''(1) ESTATES.—An estate shall be allowed a deduction of $600.

''(2) TRUSTS.—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, a trust shall be allowed a deduction of $100.

''(B) TRUSTS DISTRIBUTING INCOME CURRENTLY.—A trust which, under its governing instrument, is required to distribute all of its income currently shall be allowed a deduction of $300.

''(C) DISABILITY TRUSTS.—

''(i) IN GENERAL.—A qualified disability trust shall be allowed a deduction equal to the exemption amount under section 151(d), determined—

''(I) by treating such trust as an individual described in section 151(d)(3)(C)(iii), and

''(II) by applying section 67(e) (without the reference to section 642(b)) for purposes of determining the adjusted gross income of the trust.

''(ii) QUALIFIED DISABILITY TRUST.—For purposes of clause (i), the term 'qualified disability trust' means any trust if—

''(I) such trust is a disability trust described in subsection (c)(2)(B)(iv) of section 1917 of the Social Security Act (42 U.S.C. 1396p), and

''(II) all of the beneficiaries of the trust as of the close of the taxable year are determined by the Commissioner of Social Security to have been disabled (within the meaning of section 1614(a)(3) of the Social Security Act, 42 U.S.C. 1382c(a)(3)) for some portion of such year.

A trust shall not fail to meet the requirements of subclause (II) merely because the corpus of the trust may revert to a person who is not so disabled after the trust ceases to have any beneficiary who is so disabled.''

''(3) DEDUCTIONS IN LIEU OF PERSONAL EXEMPTION.—The deductions allowed by this subsection shall be in lieu of the deductions allowed under section 151 (relating to deduction for personal exemption).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending on or after September 11, 2001.

SEC. 517. DISCLOSURE OF TAX INFORMATION IN TERRORISM AND NATIONAL SECURITY INVESTIGATIONS.

(a) DISCLOSURE WITHOUT A REQUEST OF INFORMATION RELATING TO TERRORIST ACTIVITIES, ETC.—Paragraph (3) of section 6103(i) (relating to disclosure of return information to apprise appropriate officials of criminal activities or emergency circumstances) is amended by adding at the end the following new subparagraph:

''(C) TERRORIST ACTIVITIES, ETC.—

''(i) IN GENERAL.—Except as provided in paragraph (6), the Secretary may disclose in writing return information (other than taxpayer return information) that may be related to a terrorist incident, threat, or activity to the extent necessary to apprise the head of the appropriate Federal law enforcement agency responsible for investigating or responding to such terrorist incident, threat, or activity. The head of the agency may disclose such return information to officers and employees of such agency to the extent necessary to investigate or respond to such terrorist incident, threat, or activity.

''(ii) DISCLOSURE TO THE DEPARTMENT OF JUSTICE.—Returns and taxpayer return information may also be disclosed to the Attorney General under clause (i) to the extent necessary for, and solely for use in preparing, an application under paragraph (7)(D).

''(iii) TAXPAYER IDENTITY.—For purposes of this subparagraph, a taxpayer's identity shall not be treated as taxpayer return information.

''(iv) TERMINATION.—No disclosure may be made under this subparagraph after December 31, 2003.''.

(b) DISCLOSURE UPON REQUEST OF INFORMATION RELATING TO TERRORIST ACTIVITIES, ETC.—Subsection (i) of section 6103 (relating to disclosure to Federal officers or employees for administration of Federal laws not relating to tax administration) is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

''(7) DISCLOSURE UPON REQUEST OF INFORMATION RELATING TO TERRORIST ACTIVITIES, ETC.—

''(A) DISCLOSURE TO LAW ENFORCEMENT AGENCIES.—

''(i) IN GENERAL.—Except as provided in paragraph (6), upon receipt by the Secretary of a written request which meets the requirements of clause (iii), the Secretary may disclose return information (other than taxpayer return information) to officers and employees of any Federal law enforcement agency who are personally and directly engaged in the response to or investigation of any terrorist incident, threat, or activity.

''(ii) DISCLOSURE TO STATE AND LOCAL LAW ENFORCEMENT AGENCIES.—The head of any Federal law enforcement agency may disclose return information obtained under clause (i) to officers and employees of any State or local law enforcement agency but only if such agency is part of a team with the Federal law enforcement agency in such response or investigation and such information is disclosed only to officers and employees who are personally and directly engaged in such response or investigation.

''(iii) REQUIREMENTS.—A request meets the requirements of this clause if—

''(I) the request is made by the head of any Federal law enforcement agency (or his delegate) involved in the response to or investigation of any terrorist incident, threat, or activity, and

''(II) the request sets forth the specific reason or reasons why such disclosure may be relevant to a terrorist incident, threat, or activity.

''(iv) LIMITATION ON USE OF INFORMATION.—Information disclosed under this subparagraph shall be solely for the use of the officers and employees to whom such information is disclosed in such response or investigation.

''(B) DISCLOSURE TO INTELLIGENCE AGENCIES.—

''(i) IN GENERAL.—Except as provided in paragraph (6), upon receipt by the Secretary of a written request which meets the requirements of clause (ii), the Secretary may disclose return information (other than taxpayer return information) to those officers and employees of the Department of Justice, the Department of the Treasury, and other Federal intelligence agencies who are personally and directly engaged in the collection or analysis of intelligence and counterintelligence information or investigation concerning any terrorist incident, threat, or

activity. For purposes of the preceding sentence, the information disclosed under the preceding sentence shall be solely for the use of such officers and employees in such investigation, collection, or analysis.

''(ii) REQUIREMENTS.—A request meets the requirements of this subparagraph if the request—

''(I) is made by an individual described in clause (iii), and

''(II) sets forth the specific reason or reasons why such disclosure may be relevant to a terrorist incident, threat, or activity.

''(iii) REQUESTING INDIVIDUALS.—An individual described in this subparagraph is an individual—

''(I) who is an officer or employee of the Department of Justice or the Department of the Treasury who is appointed by the President with the advice and consent of the Senate or who is the Director of the United States Secret Service, and

''(II) who is responsible for the collection and analysis of intelligence and counterintelligence information concerning any terrorist incident, threat, or activity.

''(iv) TAXPAYER IDENTITY.—For purposes of this subparagraph, a taxpayer's identity shall not be treated as taxpayer return information.

''(C) DISCLOSURE UNDER EX PARTE ORDERS.—

''(i) IN GENERAL.—Except as provided in paragraph (6), any return or return information with respect to any specified taxable period or periods shall, pursuant to and upon the grant of an ex parte order by a Federal district court judge or magistrate under clause (ii), be open (but only to the extent necessary as provided in such order) to inspection by, or disclosure to, officers and employees of any Federal law enforcement agency or Federal intelligence agency who are personally and directly engaged in any investigation, response to, or analysis of intelligence and counterintelligence information concerning any terrorist incident, threat, or activity. Return or return information opened to inspection or disclosure pursuant to the preceding sentence shall be solely for the use of such officers and employees in the investigation, response, or analysis, and in any judicial, administrative, or grand jury proceedings, pertaining to such terrorist incident, threat, or activity.

''(ii) APPLICATION FOR ORDER.—The Attorney General, the Deputy Attorney General, the Associate Attorney General, any Assistant Attorney General, or any United States attorney may authorize an application to a Federal district court judge or magistrate for the order referred to in clause (i). Upon such application, such judge or magistrate may grant such order if he determines on the basis of the facts submitted by the applicant that—

''(I) there is reasonable cause to believe, based upon information believed to be reliable, that the return or return information may be relevant to a matter relating to such terrorist incident, threat, or activity, and

''(II) the return or return information is sought exclusively for use in a Federal investigation, analysis, or proceeding concerning any terrorist incident, threat, or activity.

''(D) SPECIAL RULE FOR EX PARTE DISCLOSURE BY THE IRS.—

''(i) IN GENERAL.—Except as provided in paragraph (6), the Secretary may authorize an application to a Federal district court judge or magistrate for the order referred to in subparagraph (C)(i). Upon such application, such judge or magistrate may grant such order if he determines on the basis of the facts submitted by the applicant that the requirements of subparagraph (C)(ii)(I) are met.

''(ii) LIMITATION ON USE OF INFORMATION.—Information disclosed under clause (i)—

''(I) may be disclosed only to the extent necessary to apprise the head of the appropriate Federal law enforcement agency responsible for investigating or responding to a terrorist incident, threat, or activity, and

''(II) shall be solely for use in a Federal investigation, analysis, or proceeding concerning any terrorist incident, threat, or activity.

The head of such Federal agency may disclose such information to officers and employees of such agency to the extent necessary to investigate or respond to such terrorist incident, threat, or activity.

''(E) TERMINATION.—No disclosure may be made under this paragraph after December 31, 2003.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 6103(a)(2) is amended by inserting ''any local law enforcement agency receiving information under subsection (i)(7)(A),'' after ''State,''.

(2) Section 6103(b) is amended by adding at the end the following new paragraph:

''(11) TERRORIST INCIDENT, THREAT, OR ACTIVITY.—The term 'terrorist incident, threat, or activity' means an incident, threat, or activity involving an act of domestic terrorism (as defined in section 2331(5) of title 18, United States Code) or international terrorism (as defined in section 2331(1) of such title).''.

(3) The heading of section 6103(i)(3) is amended by inserting ''OR TERRORIST'' after ''CRIMINAL''.

(4) Paragraph (4) of section 6103(i) is amended—

(A) in subparagraph (A) by inserting ''or (7)(C)'' after ''paragraph (1)'', and

(B) in subparagraph (B) by striking ''or (3)(A)'' and inserting ''(3)(A) or (C), or (7)''.

(5) Paragraph (6) of section 6103(i) is amended—

(A) by striking ''(3)(A)'' and inserting ''(3)(A) or (C)'', and

(B) by striking ''or (7)'' and inserting ''(7), or (8)''.

(6) Section 6103(p)(3) is amended—

(A) in subparagraph (A) by striking ''(7)(A)(ii)'' and inserting ''(8)(A)(ii)'', and

(B) in subparagraph (C) by striking ''(i)(3)(B)(i)'' and inserting ''(i)(3)(B)(i) or (7)(A)(ii)''.

(7) Section 6103(p)(4) is amended—

(A) in the matter preceding subparagraph (A)—

(i) by striking ''or (5),'' the first place it appears and inserting ''(5), or (7),'', and

(ii) by striking ''(i)(3)(B)(i),'' and inserting ''(i)(3)(B)(i) or (7)(A)(ii),'', and

(B) in subparagraph (F)(ii) by striking ''or (5),'' the first place it appears and inserting ''(5) or (7),''.

(8) Section 6103(p)(6)(B)(i) is amended by striking ''(i)(7)(A)(ii)'' and inserting ''(i)(8)(A)(ii)''.

(9) Section 6105(b) is amended—

(A) by striking ''or'' at the end of paragraph (2),

(B) by striking ''paragraphs (1) or (2)'' in paragraph (3) and inserting ''paragraph (1), (2), or (3)'',

(C) by redesignating paragraph (3) as paragraph (4), and

(D) by inserting after paragraph (2) the following new paragraph:

''(3) to the disclosure of tax convention information on the same terms as return information may be disclosed under paragraph (3)(C) or (7) of section 6103(i), except that in the case of tax convention information provided by a foreign government, no disclosure may be made under this paragraph without the written consent of the foreign government, or''.

(10) Section 7213(a)(2) is amended by striking ''(i)(3)(B)(i),'' and inserting ''(i)(3)(B)(i) or (7)(A)(ii),''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures made on or after the date of the enactment of this Act.

TITLE VI—MISCELLANEOUS AND TECHNICAL PROVISIONS

Subtitle A—General Miscellaneous Provisions

SEC. 601. ALLOWANCE OF ELECTRONIC 1099'S.

Any person required to furnish a statement under any section of subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 for any taxable year ending after the date of the enactment of this Act, may electronically furnish such statement (without regard to any first class mailing requirement) to any recipient who has consented to the electronic provision of the statement in a manner similar to the one permitted under regulations issued under section 6051 of such Code or in such other manner as provided by the Secretary.

SEC. 602. EXCLUDED CANCELLATION OF INDEBTEDNESS INCOME OF S CORPORATION NOT TO RESULT IN ADJUSTMENT TO BASIS OF STOCK OF SHAREHOLDERS.

(a) IN GENERAL.—Subparagraph (A) of section 108(d)(7) (relating to certain provisions to be applied at corporate level) is amended by inserting before the period '', including by not taking into account under section 1366(a) any amount excluded under subsection (a) of this section''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section shall apply to discharges of indebtedness after October 11, 2001, in taxable years ending after such date.

(2) EXCEPTION.—The amendment made by this section shall not apply to any discharge of indebtedness before March 1, 2002, pursuant to a plan of reorganization filed with a bankruptcy court on or before October 11, 2001.

SEC. 603. LIMITATION ON USE OF NONACCRUAL EXPERIENCE METHOD OF ACCOUNTING.

(a) IN GENERAL.—Paragraph (5) of section 448(d) is amended to read as follows:

''(5) SPECIAL RULE FOR CERTAIN SERVICES.—

''(A) IN GENERAL.—In the case of any person using an accrual method of accounting with respect to amounts to be received for the performance of services by such person, such person shall not be required to accrue any portion of such amounts which (on the basis of such person's experience) will not be collected if—

''(i) such services are in fields referred to in paragraph (2)(A), or

''(ii) such person meets the gross receipts test of subsection (c) for all prior taxable years.

''(B) EXCEPTION.—This paragraph shall not apply to any amount if interest is required to be paid on such amount or there is any penalty for failure to timely pay such amount.

''(C) REGULATIONS.—The Secretary shall prescribe regulations to permit taxpayers to determine amounts referred to in subparagraph (A) using computations or formulas which, based on experience, accurately reflect the amount of income that will not be collected by such person. A taxpayer may

adopt, or request consent of the Secretary to change to, a computation or formula that clearly reflects the taxpayer's experience. A request under the preceding sentence shall be approved if such computation or formula clearly reflects the taxpayer's experience.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period of 4 years (or if less, the number of taxable years that the taxpayer used the method permitted under section 448(d)(5) of such Code as in effect before the date of the enactment of this Act) beginning with such first taxable year.

SEC. 604. EXCLUSION FOR FOSTER CARE PAYMENTS TO APPLY TO PAYMENTS BY QUALIFIED PLACEMENT AGENCIES.

(a) IN GENERAL.—The matter preceding subparagraph (B) of section 131(b)(1) (defining qualified foster care payment) is amended to read as follows:

''(1) IN GENERAL.—The term 'qualified foster care payment' means any payment made pursuant to a foster care program of a State or political subdivision thereof—

''(A) which is paid by—

''(i) a State or political subdivision thereof, or

''(ii) a qualified foster care placement agency, and''.

(b) QUALIFIED FOSTER INDIVIDUALS TO INCLUDE INDIVIDUALS PLACED BY QUALIFIED PLACEMENT AGENCIES.—Subparagraph (B) of section 131(b)(2) (defining qualified foster individual) is amended to read as follows:

''(B) a qualified foster care placement agency.''

(c) QUALIFIED FOSTER CARE PLACEMENT AGENCY DEFINED.—Subsection (b) of section 131 is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) QUALIFIED FOSTER CARE PLACEMENT AGENCY.—The term 'qualified foster care placement agency' means any placement agency which is licensed or certified by—

''(A) a State or political subdivision thereof, or

''(B) an entity designated by a State or political subdivision thereof,

for the foster care program of such State or political subdivision to make foster care payments to providers of foster care.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 605. INTEREST RATE RANGE FOR ADDITIONAL FUNDING REQUIREMENTS.

(a) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—

(1) SPECIAL RULE.—Clause (i) of section 412(l)(7)(C) (relating to interest rate) is amended by adding at the end the following new subclause:

''(III) SPECIAL RULE FOR 2002 AND 2003.—For a plan year beginning in 2002 or 2003, notwithstanding subclause (I), in the case that the rate of interest used under subsection (b)(5) exceeds the highest rate permitted under subclause (I), the rate of interest used to determine current liability under this subsection may exceed the rate of interest otherwise permitted under subclause (I); except that such rate of interest shall not exceed 120 percent of the weighted average referred to in subsection (b)(5)(B)(ii).''

(2) QUARTERLY CONTRIBUTIONS.—Subsection (m) of section 412 is amended by adding at the end the following new paragraph:

''(7) SPECIAL RULES FOR 2002 AND 2004.—In any case in which the interest rate used to determine current liability is determined under subsection (l)(7)(C)(i)(III)—

''(A) 2002.—For purposes of applying paragraphs (1) and (4)(B)(ii) for plan years beginning in 2002, the current liability for the preceding plan year shall be redetermined using 120 percent as the specified percentage determined under subsection (l)(7)(C)(i)(II).

''(B) 2004.—For purposes of applying paragraphs (1) and (4)(B)(ii) for plan years beginning in 2004, the current liability for the preceding plan year shall be redetermined using 105 percent as the specified percentage determined under subsection (l)(7)(C)(i)(II).''

(b) AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) SPECIAL RULE.—Clause (i) of section 302(d)(7)(C) of such Act (29 U.S.C. 1082(d)(7)(C)) is amended by adding at the end the following new subclause:

''(III) SPECIAL RULE FOR 2002 AND 2003.—For a plan year beginning in 2002 or 2003, notwithstanding subclause (I), in the case that the rate of interest used under subsection (b)(5) exceeds the highest rate permitted under subclause (I), the rate of interest used to determine current liability under this subsection may exceed the rate of interest otherwise permitted under subclause (I); except that such rate of interest shall not exceed 120 percent of the weighted average referred to in subsection (b)(5)(B)(ii).''

(2) QUARTERLY CONTRIBUTIONS.—Subsection (e) of section 302 of such Act (29 U.S.C. 1082) is amended by adding at the end the following new paragraph:

''(7) SPECIAL RULES FOR 2002 AND 2004.—In any case in which the interest rate used to determine current liability is determined under subsection (d)(7)(C)(i)(III)—

''(A) 2002.—For purposes of applying paragraphs (1) and (4)(B)(ii) for plan years beginning in 2002, the current liability for the preceding plan year shall be redetermined using 120 percent as the specified percentage determined under subsection (d)(7)(C)(i)(II).

''(B) 2004.—For purposes of applying paragraphs (1) and (4)(B)(ii) for plan years beginning in 2004, the current liability for the preceding plan year shall be redetermined using 105 percent as the specified percentage determined under subsection (d)(7)(C)(i)(II).''

(c) PBGC.—Clause (iii) of section 4006(a)(3)(E) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended by adding at the end the following new subclause:

''(IV) In the case of plan years beginning after December 31, 2001, and before January 1, 2004, subclause (II) shall be applied by substituting '100 percent' for '85 percent'. Subclause (III) shall be applied for such years without regard to the preceding sentence. Any reference to this clause by any other sections or subsections shall be treated as a reference to this clause without regard to this subclause.''

SEC. 606. ADJUSTED GROSS INCOME DETERMINED BY TAKING INTO ACCOUNT CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) IN GENERAL.—Section 62(a)(2) (relating to certain trade and business deductions of employees) is amended by adding at the end the following:

''(D) CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.—In the case of taxable years beginning during 2002 or 2003, the deductions allowed by section 162 which consist of expenses, not in excess of $250, paid or incurred by an eligible educator in connection with books, supplies (other than nonathletic supplies for courses of instruction in health or physical education), computer equipment (including related software and services) and other equipment, and supplementary materials used by the eligible educator in the classroom.''.

(b) ELIGIBLE EDUCATOR.—Section 62 is amended by adding at the end the following:

''(d) DEFINITION; SPECIAL RULES.—

''(1) ELIGIBLE EDUCATOR.—

''(A) IN GENERAL.—For purposes of subsection (a)(2)(D), the term 'eligible educator' means, with respect to any taxable year, an individual who is a kindergarten through grade 12 teacher, instructor, counselor, principal, or aide in a school for at least 900 hours during a school year.

''(B) SCHOOL.—The term 'school' means any school which provides elementary education or secondary education (kindergarten through grade 12), as determined under State law.

''(2) COORDINATION WITH EXCLUSIONS.—A deduction shall be allowed under subsection (a)(2)(D) for expenses only to the extent the amount of such expenses exceeds the amount excludable under section 135, 529(c)(1), or 530(d)(2) for the taxable year.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle B—Technical Corrections

SEC. 611. AMENDMENTS RELATED TO ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001.

(a) AMENDMENTS RELATED TO SECTION 101 OF THE ACT.—

(1) IN GENERAL.—Subsection (b) of section 6428 is amended to read as follows:

''(b) CREDIT TREATED AS NONREFUNDABLE PERSONAL CREDIT.—For purposes of this title, the credit allowed under this section shall be treated as a credit allowable under subpart A of part IV of subchapter A of chapter 1.''.

(2) CONFORMING AMENDMENTS.—

(A) Subsection (d) of section 6428 is amended to read as follows:

''(d) COORDINATION WITH ADVANCE REFUNDS OF CREDIT.—

''(1) IN GENERAL.—The amount of credit which would (but for this paragraph) be allowable under this section shall be reduced (but not below zero) by the aggregate refunds and credits made or allowed to the taxpayer under subsection (e). Any failure to so reduce the credit shall be treated as arising out of a mathematical or clerical error and assessed according to section 6213(b)(1).

''(2) JOINT RETURNS.—In the case of a refund or credit made or allowed under subsection (e) with respect to a joint return, half of such refund or credit shall be treated as having been made or allowed to each individual filing such return.''.

(B) Paragraph (2) of section 6428(e) is amended to read as follows:

''(2) ADVANCE REFUND AMOUNT.—For purposes of paragraph (1), the advance refund

amount is the amount that would have been allowed as a credit under this section for such first taxable year if—

''(A) this section (other than subsections (b) and (d) and this subsection) had applied to such taxable year, and

''(B) the credit for such taxable year were not allowed to exceed the excess (if any) of—

''(i) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(ii) the sum of the credits allowable under part IV of subchapter A of chapter 1 (other than the credits allowable under subpart C thereof, relating to refundable credits).''

(b) AMENDMENT RELATED TO SECTION 201 OF THE ACT.—Subparagraph (B) of section 24(d)(1) is amended by striking ''amount of credit allowed by this section'' and inserting ''aggregate amount of credits allowed by this subpart''.

(c) AMENDMENTS RELATED TO SECTION 202 OF THE ACT.—

(1) CORRECTIONS TO CREDIT FOR ADOPTION EXPENSES.—

(A) Paragraph (1) of section 23(a) is amended to read as follows:

''(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter the amount of the qualified adoption expenses paid or incurred by the taxpayer.''

(B) Subsection (a) of section 23 is amended by adding at the end the following new paragraph:

''(3) $10,000 CREDIT FOR ADOPTION OF CHILD WITH SPECIAL NEEDS REGARDLESS OF EXPENSES.—In the case of an adoption of a child with special needs which becomes final during a taxable year, the taxpayer shall be treated as having paid during such year qualified adoption expenses with respect to such adoption in an amount equal to the excess (if any) of $10,000 over the aggregate qualified adoption expenses actually paid or incurred by the taxpayer with respect to such adoption during such taxable year and all prior taxable years.''

(C) Paragraph (2) of section 23(a) is amended by striking the last sentence.

(D) Paragraph (1) of section 23(b) is amended by striking ''subsection (a)(1)(A)'' and inserting ''subsection (a)''.

(E) Subsection (i) of section 23 is amended by striking ''the dollar limitation in subsection (b)(1)'' and inserting ''the dollar amounts in subsections (a)(3) and (b)(1)''.

(F) Expenses paid or incurred during any taxable year beginning before January 1, 2002, may be taken into account in determining the credit under section 23 of the Internal Revenue Code of 1986 only to the extent the aggregate of such expenses does not exceed the applicable limitation under section 23(b)(1) of such Code as in effect on the day before the date of the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001.

(2) CORRECTIONS TO EXCLUSION FOR EMPLOYER-PROVIDED ADOPTION ASSISTANCE.—

(A) Subsection (a) of section 137 is amended to read as follows:

''(a) EXCLUSION.—

''(1) IN GENERAL.—Gross income of an employee does not include amounts paid or expenses incurred by the employer for qualified adoption expenses in connection with the adoption of a child by an employee if such amounts are furnished pursuant to an adoption assistance program.

''(2) $10,000 EXCLUSION FOR ADOPTION OF CHILD WITH SPECIAL NEEDS REGARDLESS OF EXPENSES.—In the case of an adoption of a child with special needs which becomes final during a taxable year, the qualified adoption expenses with respect to such adoption for such year shall be increased by an amount equal to the excess (if any) of $10,000 over the actual aggregate qualified adoption expenses with respect to such adoption during such taxable year and all prior taxable years.''

(B) Paragraph (2) of section 137(b) is amended by striking ''subsection (a)(1)'' and inserting ''subsection (a)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2002; except that the amendments made by paragraphs (1)(C), (1)(D), and (2)(B) shall apply to taxable years beginning after December 31, 2001.

(d) AMENDMENTS RELATED TO SECTION 205 OF THE ACT.—

(1) Section 45F(d)(4)(B) is amended by striking ''subpart A, B, or D of this part'' and inserting ''this chapter or for purposes of section 55''.

(2) Section 38(b)(15) is amended by striking ''45F'' and inserting ''45F(a)''.

(e) AMENDMENTS RELATED TO SECTION 301 OF THE ACT.—

(1) Section 63(c)(2) is amended—

(A) in subparagraph (A), by striking ''subparagraph (C)'' and inserting ''subparagraph (D)'',

(B) by striking ''or'' at the end of subparagraph (B),

(C) by redesignating subparagraph (C) as subparagraph (D), and

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

''(C) one-half of the amount allowable under subparagraph (A) in the case of a married individual filing a separate return, or''.

(2) Section 63(c)(7) is amended by adding at the end the following:

''If any amount determined under the preceding table is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.''.

(f) AMENDMENT RELATED TO SECTION 401 OF THE ACT.—Section 530(d)(4)(B)(iv) is amended by striking ''because the taxpayer elected under paragraph (2)(C) to waive the application of paragraph (2)'' and inserting ''by application of paragraph (2)(C)(i)(II)''.

(g) AMENDMENT RELATED TO SECTION 511 OF THE ACT.—Section 2511(c) is amended by striking ''taxable gift under section 2503,'' and inserting ''transfer of property by gift,''.

(h) AMENDMENT RELATED TO SECTION 532 OF THE ACT.—Section 2016 is amended by striking ''any State, any possession of the United States, or the District of Columbia,''.

(i) AMENDMENTS RELATING TO SECTION 602 OF THE ACT.—

(1) Subparagraph (A) of section 408(q)(3) is amended to read as follows:

''(A) QUALIFIED EMPLOYER PLAN.—The term 'qualified employer plan' has the meaning given such term by section 72(p)(4)(A)(i); except that such term shall also include an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A).''.

(2) Section 4(c) of Employee Retirement Income Security Act of 1974 is amended—

(A) by inserting ''and part 5 (relating to administration and enforcement)'' before the period at the end, and

(B) by adding at the end the following new sentence: ''Such provisions shall apply to such accounts and annuities in a manner similar to their application to a simplified employee pension under section 408(k) of the Internal Revenue Code of 1986.''.

(j) AMENDMENTS RELATING TO SECTION 611 OF THE ACT.—

(1) Section 408(k) is amended—

(A) in paragraph (2)(C) by striking ''$300'' and inserting ''$450'', and

(B) in paragraph (8) by striking ''$300'' both places it appears and inserting ''$450''.

(2) Section 409(o)(1)(C)(ii) is amended—

(A) by striking ''$500,000'' both places it appears and inserting ''$800,000'', and

(B) by striking ''$100,000'' and inserting ''$160,000''.

(3) Section 611(i) of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULE.—In the case of plan that, on June 7, 2001, incorporated by reference the limitation of section 415(b)(1)(A) of the Internal Revenue Code of 1986, section 411(d)(6) of such Code and section 204(g)(1) of the Employee Retirement Income Security Act of 1974 do not apply to a plan amendment that—

''(A) is adopted on or before June 30, 2002,

''(B) reduces benefits to the level that would have applied without regard to the amendments made by subsection (a) of this section, and

''(C) is effective no earlier than the years described in paragraph (2).''.

(k) AMENDMENTS RELATING TO SECTION 613 OF THE ACT.—

(1) Section 416(c)(1)(C)(iii) is amended by striking ''EXCEPTION FOR FROZEN PLAN'' and inserting ''EXCEPTION FOR PLAN UNDER WHICH NO KEY EMPLOYEE (OR FORMER KEY EMPLOYEE) BENEFITS FOR PLAN YEAR''.

(2) Section 416(g)(3)(B) is amended by striking ''separation from service'' and inserting ''severance from employment''.

(l) AMENDMENTS RELATING TO SECTIONS 614 and 616 OF THE ACT.—

(1) Section 404(a)(12) is amended by striking ''(9),'' and inserting ''(9) and subsection (h)(1)(C),''.

(2) Section 404(n) is amended by striking ''subsection (a),'' and inserting ''subsection (a) or paragraph (1)(C) of subsection (h)''.

(3) Section 402(h)(2)(A) is amended by striking ''15 percent'' and inserting ''25 percent''.

(4) Section 404(a)(7)(C) is amended to read as follows:

''(C) PARAGRAPH NOT TO APPLY IN CERTAIN CASES.—

''(i) BENEFICIARY TEST.—This paragraph shall not have the effect of reducing the amount otherwise deductible under paragraphs (1), (2), and (3), if no employee is a beneficiary under more than 1 trust or under a trust and an annuity plan.

''(ii) ELECTIVE DEFERRALS.—If, in connection with 1 or more defined contribution plans and 1 or more defined benefit plans, no amounts (other than elective deferrals (as defined in section 402(g)(3))) are contributed to any of the defined contribution plans for the taxable year, then subparagraph (A) shall not apply with respect to any of such defined contribution plans and defined benefit plans.''.

(m) AMENDMENT RELATING TO SECTION 618 OF THE ACT.—Section 25B(d)(2)(A) is amended to read as follows:

''(A) IN GENERAL.—The qualified retirement savings contributions determined under paragraph (1) shall be reduced (but not below zero) by the aggregate distributions received by the individual during the testing period from any entity of a type to which contributions under paragraph (1) may be made. The preceding sentence shall not apply to the portion of any distribution which is not includible in gross income by reason of a trustee-to-trustee transfer or a rollover distribution.''.

(n) AMENDMENTS RELATING TO SECTION 619 OF THE ACT.—

(1) Section 45E(e)(1) is amended by striking ''(n)'' and inserting ''(m)''.

(2) Section 619(d) of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by striking ''established'' and inserting ''first effective''.

(o) AMENDMENTS RELATING TO SECTION 631 OF THE ACT.—

(1) Section 402(g)(1) is amended by adding at the end the following:

''(C) CATCH-UP CONTRIBUTIONS.—In addition to subparagraph (A), in the case of an eligible participant (as defined in section 414(v)), gross income shall not include elective deferrals in excess of the applicable dollar amount under subparagraph (B) to the extent that the amount of such elective deferrals does not exceed the applicable dollar amount under section 414(v)(2)(B)(i) for the taxable year (without regard to the treatment of the elective deferrals by an applicable employer plan under section 414(v)).''.

(2) Section 401(a)(30) is amended by striking ''402(g)(1)'' and inserting ''402(g)(1)(A)''.

(3) Section 414(v)(2) is amended by adding at the end the following:

''(D) AGGREGATION OF PLANS.—For purposes of this paragraph, plans described in clauses (i), (ii), and (iv) of paragraph (6)(A) that are maintained by the same employer (as determined under subsection (b), (c), (m) or (o)) shall be treated as a single plan, and plans described in clause (iii) of paragraph (6)(A) that are maintained by the same employer shall be treated as a single plan.''.

(4) Section 414(v)(3)(A)(i) is amended by striking ''section 402(g), 402(h), 403(b), 404(a), 404(h), 408(k), 408(p), 415, or 457'' and inserting ''section 401(a)(30), 402(h), 403(b), 408, 415(c), and 457(b)(2) (determined without regard to section 457(b)(3))''.

(5) Section 414(v)(3)(B) is amended by striking ''section 401(a)(4), 401(a)(26), 401(k)(3), 401(k)(11), 401(k)(12), 403(b)(12), 408(k), 408(p), 408B, 410(b), or 416'' and inserting ''section 401(a)(4), 401(k)(3), 401(k)(11), 403(b)(12), 408(k), 410(b), or 416''.

(6) Section 414(v)(4)(B) is amended by inserting before the period at the end the following: '', except that a plan described in clause (i) of section 410(b)(6)(C) shall not be treated as a plan of the employer until the expiration of the transition period with respect to such plan (as determined under clause (ii) of such section)''.

(7) Section 414(v)(5) is amended—

(A) by striking '', with respect to any plan year,'' in the matter preceding subparagraph (A),

(B) by amending subparagraph (A) to read as follows:

''(A) who would attain age 50 by the end of the taxable year,'', and

(C) in subparagraph (B) by striking ''plan year'' and inserting ''plan (or other applicable) year''.

(8) Section 414(v)(6)(C) is amended to read as follows:

''(C) EXCEPTION FOR SECTION 457 PLANS.—This subsection shall not apply to a participant for any year for which a higher limitation applies to the participant under section 457(b)(3).''.

(9) Section 457(e) is amended by adding at the end the following new paragraph:

''(18) COORDINATION WITH CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS AGE 50 OR OLDER.— In the case of an individual who is an eligible participant (as defined by section 414(v)) and who is a participant in an eligible deferred compensation plan of an employer described in paragraph (1)(A), subsections (b)(3) and (c) shall be applied by substituting for the amount otherwise determined under the applicable subsection the greater of—

''(A) the sum of—

''(i) the plan ceiling established for purposes of subsection (b)(2) (without regard to subsection (b)(3)), plus

''(ii) the applicable dollar amount for the taxable year determined under section 414(v)(2)(B)(i), or

''(B) the amount determined under the applicable subsection (without regard to this paragraph).''.

(p) AMENDMENTS RELATING TO SECTION 632 OF THE ACT.—

(1) Section 403(b)(1) is amended in the matter following subparagraph (E) by striking ''then amounts contributed'' and all that follows and inserting the following:

''then contributions and other additions by such employer for such annuity contract shall be excluded from the gross income of the employee for the taxable year to the extent that the aggregate of such contributions and additions (when expressed as an annual addition (within the meaning of section 415(c)(2))) does not exceed the applicable limit under section 415. The amount actually distributed to any distributee under such contract shall be taxable to the distributee (in the year in which so distributed) under section 72 (relating to annuities). For purposes of applying the rules of this subsection to contributions and other additions by an employer for a taxable year, amounts transferred to a contract described in this paragraph by reason of a rollover contribution described in paragraph (8) of this subsection or section 408(d)(3)(A)(ii) shall not be considered contributed by such employer.''.

(2) Section 403(b) is amended by striking paragraph (6).

(3) Section 403(b)(3) is amended—

(A) in the first sentence by inserting the following before the period at the end: '', and which precedes the taxable year by no more than five years'', and

(B) in the second sentence by striking ''or any amount received by a former employee after the fifth taxable year following the taxable year in which such employee was terminated''.

(4) Section 415(c)(7) is amended to read as follows:

''(7) SPECIAL RULES RELATING TO CHURCH PLANS.—

''(A) ALTERNATIVE CONTRIBUTION LIMITATION.—

''(i) IN GENERAL.—Notwithstanding any other provision of this subsection, at the election of a participant who is an employee of a church or a convention or association of churches, including an organization described in section 414(e)(3)(B)(ii), contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such participant, when expressed as an annual addition to such participant's account, shall be treated as not exceeding the limitation of paragraph (1) if such annual addition is not in excess of $10,000.

''(ii) $40,000 AGGREGATE LIMITATION.—The total amount of additions with respect to any participant which may be taken into account for purposes of this subparagraph for all years may not exceed $40,000.

''(B) NUMBER OF YEARS OF SERVICE FOR DULY ORDAINED, COMMISSIONED, OR LICENSED MINISTERS OR LAY EMPLOYEES.—For purposes of this paragraph—

''(i) all years of service by—

''(I) a duly ordained, commissioned, or licensed minister of a church, or

''(II) a lay person,

as an employee of a church, a convention or association of churches, including an organization described in section 414(e)(3)(B)(ii), shall be considered as years of service for 1 employer, and

''(ii) all amounts contributed for annuity contracts by each such church (or convention or association of churches) or such organization during such years for such minister or lay person shall be considered to have been contributed by 1 employer.

''(C) FOREIGN MISSIONARIES.—In the case of any individual described in subparagraph (D) performing services outside the United States, contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such employee, when expressed as an annual addition to such employee's account, shall not be treated as exceeding the limitation of paragraph (1) if such annual addition is not in excess of the greater of $3,000 or the employee's includible compensation determined under section 403(b)(3).

''(D) ANNUAL ADDITION.—For purposes of this paragraph, the term 'annual addition' has the meaning given such term by paragraph (2).

''(E) CHURCH, CONVENTION OR ASSOCIATION OF CHURCHES.—For purposes of this paragraph, the terms 'church' and 'convention or association of churches' have the same meaning as when used in section 414(e).''.

(5) Section 457(e)(5) is amended to read as follows:

''(5) INCLUDIBLE COMPENSATION.—The term 'includible compensation' has the meaning given to the term 'participant's compensation' by section 415(c)(3).''.

(6) Section 402(g)(7)(B) is amended by striking ''2001.'' and inserting ''2001).''.

(q) AMENDMENTS RELATING TO SECTION 643 OF THE ACT.—

(1) Section 401(a)(31)(C)(i) is amended by inserting ''is a qualified trust which is part of a plan which is a defined contribution plan and'' before ''agrees''.

(2) Section 402(c)(2) is amended by adding at the end the following flush sentence:

''In the case of a transfer described in subparagraph (A) or (B), the amount transferred shall be treated as consisting first of the portion of such distribution that is includible in gross income (determined without regard to paragraph (1)).''.

(r) AMENDMENTS RELATING TO SECTION 648 OF THE ACT.—

(1) Section 417(e) is amended—

(A) in paragraph (1) by striking ''exceed the dollar limit under section 411(a)(11)(A)'' and inserting ''exceed the amount that can be distributed without the participant's consent under section 411(a)(11)'', and

(B) in paragraph (2)(A) by striking ''exceeds the dollar limit under section 411(a)(11)(A)'' and inserting ''exceeds the amount that can be distributed without the participant's consent under section 411(a)(11)''.

(2) Section 205(g) of the Employee Retirement Income Security Act of 1974 is amended—

(A) in paragraph (1) by striking ''exceed the dollar limit under section 203(e)(1)'' and inserting ''exceed the amount that can be distributed without the participant's consent under section 203(e)'', and

(B) in paragraph (2)(A) by striking ''exceeds the dollar limit under section 203(e)(1)'' and inserting ''exceeds the amount that can be distributed without the participant's consent under section 203(e)''.

(s) AMENDMENT RELATING TO SECTION 652 OF THE ACT.—Section 404(a)(1)(D)(iv) is amended

by striking ''PLANS MAINTAINED BY PROFESSIONAL SERVICE EMPLOYERS'' and inserting ''SPECIAL RULE FOR TERMINATING PLANS''.

(t) AMENDMENTS RELATING TO SECTION 657 OF THE ACT.—Section 404(c)(3) of the Employee Retirement Income Security Act of 1974 is amended—

(1) by striking ''the earlier of'' in subparagraph (A) the second place it appears, and

(2) by striking ''if the transfer'' and inserting ''a transfer that''.

(u) AMENDMENTS RELATING TO SECTION 659 OF THE ACT.—

(1) Section 4980F is amended—

(A) in subsection (e)(1) by striking ''written notice'' and inserting ''the notice described in paragraph (2)'',

(B) by amending subsection (f)(2)(A) to read as follows:

''(A) any defined benefit plan described in section 401(a) which includes a trust exempt from tax under section 501(a), or'', and

(C) in subsection (f)(3) by striking ''significantly'' both places it appears.

(2) Section 204(h)(9) of the Employee Retirement Income Security Act of 1974 is amended by striking ''significantly'' both places it appears.

(3) Section 659(c)(3)(B) of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by striking ''(or'' and inserting ''(and''.

(v) AMENDMENTS RELATING TO SECTION 661 OF THE ACT.—

(1) Section 412(c)(9)(B) is amended—

(A) in clause (ii) by striking ''125 percent'' and inserting ''100 percent'', and

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

''(iv) LIMITATION.—A change in funding method to use a prior year valuation, as provided in clause (ii), may not be made unless as of the valuation date within the prior plan year, the value of the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)).''.

(2) Section 302(c)(9)(B) of the Employee Retirement Income Security Act of 1974 is amended—

(A) in clause (ii) by striking ''125 percent'' and inserting ''100 percent'', and

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

''(iv) A change in funding method to use a prior year valuation, as provided in clause (ii), may not be made unless as of the valuation date within the prior plan year, the value of the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)).''.

(w) AMENDMENTS RELATING TO SECTION 662 OF THE ACT.—

(1) Section 404(k) is amended—

(A) in paragraph (1) by striking ''during the taxable year'',

(B) in paragraph (2)(B) by striking ''(A)(iii)'' and inserting ''(A)(iv)'',

(C) in paragraph (4)(B) by striking ''(iii)'' and inserting ''(iv)'', and

(D) by redesignating subparagraph (B) of paragraph (4) (as amended by subparagraph (C)) as subparagraph (C) of paragraph (4) and by inserting after subparagraph (A) the following new subparagraph:

''(B) REINVESTMENT DIVIDENDS.—For purposes of subparagraph (A), an applicable dividend reinvested pursuant to clause (iii)(II) of paragraph (2)(A) shall be treated as paid in the taxable year of the corporation in which such dividend is reinvested in qualifying employer securities or in which the election under clause (iii) of paragraph (2)(A) is made, whichever is later.''.

(2) Section 404(k) is amended by adding at the end the following new paragraph:

''(7) FULL VESTING.—In accordance with section 411, an applicable dividend described in clause (iii)(II) of paragraph (2)(A) shall be subject to the requirements of section 411(a)(1).''.

(x) EFFECTIVE DATE.—Except as provided in subsection (c), the amendments made by this section shall take effect as if included in the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 to which they relate.

SEC. 612. AMENDMENTS RELATED TO COMMUNITY RENEWAL TAX RELIEF ACT OF 2000.

(a) AMENDMENT RELATED TO SECTION 101 OF THE ACT.—Section 469(i)(3)(E) is amended by striking clauses (ii), (iii), and (iv) and inserting the following:

''(ii) second to the portion of such loss to which subparagraph (C) applies,

''(iii) third to the portion of the passive activity credit to which subparagraph (B) or (D) does not apply,

''(iv) fourth to the portion of such credit to which subparagraph (B) applies, and''.

(b) AMENDMENT RELATED TO SECTION 306 OF THE ACT.—Section 151(c)(6)(C) is amended—

(1) by striking ''FOR EARNED INCOME CREDIT.—For purposes of section 32, an'' and inserting ''FOR PRINCIPAL PLACE OF ABODE REQUIREMENTS.—An'', and

(2) by striking ''requirement of section 32(c)(3)(A)(ii)'' and inserting ''principal place of abode requirements of section 2(a)(1)(B), section 2(b)(1)(A), and section 32(c)(3)(A)(ii)''.

(c) AMENDMENT RELATED TO SECTION 309 OF THE ACT.—Subparagraph (A) of section 358(h)(1) is amended to read as follows:

''(A) which is assumed by another person as part of the exchange, and''.

(d) AMENDMENTS RELATED TO SECTION 401 OF THE ACT.—

(1)(A) Section 1234A is amended by inserting ''or'' after the comma at the end of paragraph (1), by striking ''or'' at the end of paragraph (2), and by striking paragraph (3).

(B)(i) Section 1234B is amended in subsection (a)(1) and in subsection (b) by striking ''sale or exchange'' the first place it appears in each subsection and inserting ''sale, exchange, or termination''.

(ii) Section 1234B is amended by adding at the end the following new subsection:

''(f) CROSS REFERENCE.—

''For special rules relating to dealer securities futures contracts, see section 1256.''

(2) Section 1091(e) is amended—

(A) in the heading, by striking ''SECURITIES.—'' and inserting ''SECURITIES AND SECURITIES FUTURES CONTRACTS TO SELL.—'',

(B) by inserting after ''closing of a short sale of'' the following: ''(or a securities futures contract to sell)'',

(C) in paragraph (2), by inserting after ''short sale of'' the following: ''(or securities futures contracts to sell)'', and

(D) by adding at the end the following:

''For purposes of this subsection, the term 'securities futures contract' has the meaning provided by section 1234B(c).''.

(3) Section 1233(e)(2) is amended by striking ''and'' at the end of subparagraph (C), by striking the period and inserting ''; and'' at the end of subparagraph (D), and by adding at the end the following:

''(E) entering into a securities futures contract (as so defined) to sell shall be treated as entering into a short sale, and the sale, exchange, or termination of a securities futures contract to sell shall be treated as the closing of a short sale.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Community Renewal Tax Relief Act of 2000 to which they relate.

SEC. 613. AMENDMENTS RELATED TO THE TAX RELIEF EXTENSION ACT OF 1999.

(a) AMENDMENTS RELATED TO SECTION 545 OF THE ACT.—Section 857(b)(7) is amended—

(1) in clause (i) of subparagraph (B), by striking ''the amount of which'' and inserting ''to the extent the amount of the rents'', and

(2) in subparagraph (C), by striking ''if the amount'' and inserting ''to the extent the amount''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 545 of the Tax Relief Extension Act of 1999.

SEC. 614. AMENDMENTS RELATED TO THE TAXPAYER RELIEF ACT OF 1997.

(a) AMENDMENTS RELATED TO SECTION 311 OF THE ACT.—Section 311(e) of the Taxpayer Relief Act of 1997 (Public Law 105–34; 111 Stat. 836) is amended—

(1) in paragraph (2)(A), by striking ''recognized'' and inserting ''included in gross income'', and

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

''(5) DISPOSITION OF INTEREST IN PASSIVE ACTIVITY.—Section 469(g)(1)(A) of the Internal Revenue Code of 1986 shall not apply by reason of an election made under paragraph (1).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 311 of the Taxpayer Relief Act of 1997.

SEC. 615. AMENDMENT RELATED TO THE BALANCED BUDGET ACT OF 1997.

(a) AMENDMENT RELATED TO SECTION 4006 OF THE ACT.—Section 26(b)(2) is amended by striking ''and'' at the end of subparagraph (P), by striking the period and inserting '', and'' at the end of subparagraph (Q), and by adding at the end the following new subparagraph:

''(R) section 138(c)(2) (relating to penalty for distributions from Medicare+Choice MSA not used for qualified medical expenses if minimum balance not maintained).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in section 4006 of the Balanced Budget Act of 1997.

SEC. 616. OTHER TECHNICAL CORRECTIONS.

(a) COORDINATION OF ADVANCED PAYMENTS OF EARNED INCOME CREDIT.—

(1) Section 32(g)(2) is amended by striking ''subpart'' and inserting ''part''.

(2) The amendment made by this subsection shall take effect as if included in section 474 of the Tax Reform Act of 1984.

(b) DISCLOSURE BY SOCIAL SECURITY ADMINISTRATION TO FEDERAL CHILD SUPPORT AGENCIES.—

(1) Section 6103(l)(8) is amended—

(A) in the heading, by striking ''STATE AND LOCAL'' and inserting ''FEDERAL, STATE, AND LOCAL'', and

(B) in subparagraph (A), by inserting ''Federal or'' before ''State or local''.

(2) The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(c) TREATMENT OF SETTLEMENTS UNDER PARTNERSHIP AUDIT RULES.—

(1) The following provisions are each amended by inserting ''or the Attorney General (or his delegate)'' after ''Secretary'' each place it appears:

(A) Paragraphs (1) and (2) of section 6224(c).

(B) Section 6229(f)(2).

(C) Section 6231(b)(1)(C).

(D) Section 6234(g)(4)(A).

(2) The amendments made by this subsection shall apply with respect to settlement agreements entered into after the date of the enactment of this Act.

(d) AMENDMENT RELATED TO PROCEDURE AND ADMINISTRATION.—

(1) Section 6331(k)(3) (relating to no levy while certain offers pending or installment agreement pending or in effect) is amended to read as follows:

''(3) CERTAIN RULES TO APPLY.—Rules similar to the rules of—

''(A) paragraphs (3) and (4) of subsection (i), and

''(B) except in the case of paragraph (2)(C), paragraph (5) of subsection (i),

shall apply for purposes of this subsection.''.

(2) The amendment made by this subsection shall take effect on the date of the enactment of this Act.

(e) MODIFIED ENDOWMENT CONTRACTS.—Paragraph (2) of section 318(a) of the Community Renewal Tax Relief Act of 2000 (114 Stat. 2763A–645) is repealed, and clause (ii) of section 7702A(c)(3)(A) shall read and be applied as if the amendment made by such paragraph had not been enacted.

SEC. 617. CLERICAL AMENDMENTS.

(1) The subsection (g) of section 25B that relates to termination is redesignated as subsection (h).

(2) Section 51A(c)(1) is amended by striking ''51(d)(10)'' and inserting ''51(d)(11)''.

(3) Section 172(b)(1)(F)(i) is amended—

(A) by striking ''3 years'' and inserting ''3 taxable years'', and

(B) by striking ''2 years'' and inserting ''2 taxable years''.

(4) Section 351(h)(1) is amended by inserting a comma after ''liability''.

(5) Section 741 is amended by striking ''which have appreciated substantially in value''.

(6) Section 857(b)(7)(B)(i) is amended by striking ''subsection 856(d)'' and inserting ''section 856(d)''.

(7) Section 1394(c)(2) is amended by striking ''subparagraph (A)'' and inserting ''paragraph (1)''.

(8)(A) Section 6227(d) is amended by striking ''subsection (b)'' and inserting ''subsection (c)''.

(B) Section 6228 is amended—

(i) in subsection (a)(1), by striking ''subsection (b) of section 6227'' and inserting ''subsection (c) of section 6227'',

(ii) in subsection (a)(3)(A), by striking ''subsection (b) of'', and

(iii) in subsections (b)(1) and (b)(2)(A), by striking ''subsection (c) of section 6227'' and inserting ''subsection (d) of section 6227''.

(C) Section 6231(b)(2)(B)(i) is amended by striking ''section 6227(c)'' and inserting ''section 6227(d)''.

(9) Section 1221(b)(1)(B)(i) is amended by striking ''1256(b))'' and inserting ''1256(b)))''.

(10) Section 618(b)(2) of the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107–16; 115 Stat. 108) is amended—

(A) in subparagraph (A) by striking ''203(d)'' and inserting ''202(f)'', and

(B) in subparagraphs (C), (D), and (E) by striking ''203'' and inserting ''202(f)''.

(11)(A) Section 525 of the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106–170; 113 Stat. 1928) is amended by striking ''7200'' and inserting ''7201''.

(B) Section 532(c)(2) of such Act (113 Stat. 1930) is amended—

(i) in subparagraph (D), by striking ''341(d)(3)'' and inserting ''341(d)'', and

(ii) in subparagraph (Q), by striking ''954(c)(1)(B)(iii) and inserting ''954(c)(1)(B)''.

SEC. 618. ADDITIONAL CORRECTIONS.

(a) AMENDMENTS RELATED TO SECTION 202 OF THE ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001.—

(1) Subsection (h) of section 23 is amended—

(A) by striking ''subsection (a)(1)(B)'' and inserting ''subsection (a)(3)'', and

(B) by adding at the end the following new flush sentence:

''If any amount as increased under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10.''

(2) Subsection (f) of section 137 is amended by adding at the end the following new flush sentence:

''If any amount as increased under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10.''

(b) AMENDMENTS RELATED TO SECTION 204 OF THE ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001.—Section 21(d)(2) is amended—

(1) in subparagraph (A) by striking ''$200'' and inserting ''$250'', and

(2) in subparagraph (B) by striking ''$400'' and inserting ''$500''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 to which they relate.

TITLE VII—UNEMPLOYMENT ASSISTANCE

SEC. 701. SHORT TITLE.

This title may be cited as the ''Temporary Extended Unemployment Compensation Act of 2001''.

SEC. 702. FEDERAL-STATE AGREEMENTS.

(a) IN GENERAL.—Any State which desires to do so may enter into and participate in an agreement under this title with the Secretary of Labor (in this title referred to as the ''Secretary''). Any State which is a party to an agreement under this title may, upon providing 30 days written notice to the Secretary, terminate such agreement.

(b) PROVISIONS OF AGREEMENT.—Any agreement under subsection (a) shall provide that the State agency of the State will make payments of temporary extended unemployment compensation to individuals who—

(1) have exhausted all rights to regular compensation under the State law or under Federal law with respect to a benefit year (excluding any benefit year that ended before March 15, 2001);

(2) have no rights to regular compensation or extended compensation with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law;

(3) are not receiving compensation with respect to such week under the unemployment compensation law of Canada; and

(4) filed an initial claim for regular compensation on or after March 15, 2001.

(c) EXHAUSTION OF BENEFITS.—For purposes of subsection (b)(1), an individual shall be deemed to have exhausted such individual's rights to regular compensation under a State law when—

(1) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to such individual based on employment or wages during such individual's base period; or

(2) such individual's rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(d) WEEKLY BENEFIT AMOUNT, ETC.—For purposes of any agreement under this title—

(1) the amount of temporary extended unemployment compensation which shall be payable to any individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependents' allowances) payable to such individual during such individual's benefit year under the State law for a week of total unemployment;

(2) the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof shall apply to claims for temporary extended unemployment compensation and the payment thereof, except—

(A) that an individual shall not be eligible for temporary extended unemployment compensation under this title unless, in the base period with respect to which the individual exhausted all rights to regular compensation under the State law, the individual had 20 weeks of full-time insured employment or the equivalent in insured wages, as determined under the provisions of the State law implementing section 202(a)(5) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note); and

(B) where otherwise inconsistent with the provisions of this title or with the regulations or operating instructions of the Secretary promulgated to carry out this title; and

(3) the maximum amount of temporary extended unemployment compensation payable to any individual for whom a temporary extended unemployment compensation account is established under section 703 shall not exceed the amount established in such account for such individual.

(e) ELECTION BY STATES.—Notwithstanding any other provision of Federal law (and if State law permits), the Governor of a State that is in an extended benefit period may provide for the payment of temporary extended unemployment compensation in lieu of extended compensation to individuals who otherwise meet the requirements of this section. Such an election shall not require a State to trigger off an extended benefit period.

SEC. 703. TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACCOUNT.

(a) IN GENERAL.—Any agreement under this title shall provide that the State will establish, for each eligible individual who files an application for temporary extended unemployment compensation, a temporary extended unemployment compensation account with respect to such individual's benefit year.

(b) AMOUNT IN ACCOUNT.—

(1) IN GENERAL.—The amount established in an account under subsection (a) shall be equal to the lesser of—

(A) 50 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law, or

(B) 13 times the individual's average weekly benefit amount for the benefit year.

(2) REDUCTION FOR EXTENDED BENEFITS.—The amount in an account under paragraph (1) shall be reduced (but not below zero) by the aggregate amount of extended compensation (if any) received by such individual relating to the same benefit year under the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

(3) WEEKLY BENEFIT AMOUNT.—For purposes of this subsection, an individual's weekly benefit amount for any week is the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for such week for total unemployment.

SEC. 704. PAYMENTS TO STATES HAVING AGREEMENTS FOR THE PAYMENT OF TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION.

(a) GENERAL RULE.—There shall be paid to each State that has entered into an agreement under this title an amount equal to 100 percent of the temporary extended unemployment compensation paid to individuals by the State pursuant to such agreement.

(b) TREATMENT OF REIMBURSABLE COMPENSATION.—No payment shall be made to any State under this section in respect of any compensation to the extent the State is entitled to reimbursement in respect of such compensation under the provisions of any Federal law other than this title or chapter 85 of title 5, United States Code. A State shall not be entitled to any reimbursement under such chapter 85 in respect of any compensation to the extent the State is entitled to reimbursement under this title in respect of such compensation.

(c) DETERMINATION OF AMOUNT.—Sums payable to any State by reason of such State having an agreement under this title shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this title for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that the Secretary's estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

SEC. 705. FINANCING PROVISIONS.

(a) IN GENERAL.—Funds in the extended unemployment compensation account (as established by section 905(a) of the Social Security Act (42 U.S.C. 1105(a)) of the Unemployment Trust Fund (as established by section 904(a) of such Act (42 U.S.C. 1104(a)) shall be used for the making of payments to States having agreements entered into under this title.

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

(c) ASSISTANCE TO STATES.—There are appropriated out of the employment security administration account (as established by section 901(a) of the Social Security Act (42 U.S.C. 1101(a)) of the Unemployment Trust Fund, without fiscal year limitation, such funds as may be necessary for purposes of assisting States (as provided in title III of the Social Security Act (42 U.S.C. 501 et seq.)) in meeting the costs of administration of agreements under this title.

(d) APPROPRIATIONS FOR CERTAIN PAYMENTS.—There are appropriated from the general fund of the Treasury, without fiscal year limitation, to the extended unemployment compensation account (as so established) of the Unemployment Trust Fund (as so established) such sums as the Secretary estimates to be necessary to make the payments under this section in respect of—

(1) compensation payable under chapter 85 of title 5, United States Code; and

(2) compensation payable on the basis of services to which section 3309(a)(1) of the Internal Revenue Code of 1986 applies.

Amounts appropriated pursuant to the preceding sentence shall not be required to be repaid.

SEC. 706. FRAUD AND OVERPAYMENTS.

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

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

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

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

(1) the payment of such temporary extended unemployment compensation was without fault on the part of any such individual; and

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

(c) RECOVERY BY STATE AGENCY.—

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

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

(d) REVIEW.—Any determination by a State agency under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.

SEC. 707. DEFINITIONS.

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

SEC. 708. APPLICABILITY.

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

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

(2) ending before January 1, 2003.

SEC. 709. SPECIAL REED ACT TRANSFER IN FISCAL YEAR 2002.

(a) REPEAL OF CERTAIN PROVISIONS ADDED BY THE BALANCED BUDGET ACT OF 1997.—

(1) IN GENERAL.—The following provisions of section 903 of the Social Security Act (42 U.S.C. 1103) are repealed:

(A) Paragraph (3) of subsection (a).

(B) The last sentence of subsection (c)(2).

(2) SAVINGS PROVISION.—Any amounts transferred before the date of enactment of this Act under the provision repealed by paragraph (1)(A) shall remain subject to section 903 of the Social Security Act, as last in effect before such date of enactment.

(b) SPECIAL TRANSFER IN FISCAL YEAR 2002.—Section 903 of the Social Security Act is amended by adding at the end the following:

''Special Transfer in Fiscal Year 2002

''(d)(1) The Secretary of the Treasury shall transfer (as of the date determined under paragraph (5)) from the Federal unemployment account to the account of each State in the Unemployment Trust Fund the amount determined with respect to such State under paragraph (2).

''(2) The amount to be transferred under this subsection to a State account shall (as determined by the Secretary of Labor and certified by such Secretary to the Secretary of the Treasury) be equal to—

''(A) the amount which would have been required to have been transferred under this section to such account at the beginning of fiscal year 2002 if—

''(i) section 709(a)(1) of the Temporary Extended Unemployment Compensation Act of 2001 had been enacted before the close of fiscal year 2001, and

''(ii) section 5402 of Public Law 105–33 (relating to increase in Federal unemployment account ceiling) had not been enacted,

minus

''(B) the amount which was in fact transferred under this section to such account at the beginning of fiscal year 2002.

''(3)(A) Except as provided in paragraph (4), amounts transferred to a State account pursuant to this subsection may be used only in the payment of cash benefits—

''(i) to individuals with respect to their unemployment, and

''(ii) which are allowable under subparagraph (B) or (C).

''(B)(i) At the option of the State, cash benefits under this paragraph may include amounts which shall be payable as—

''(I) regular compensation, or

''(II) additional compensation, upon the exhaustion of any temporary extended unemployment compensation (if such State has entered into an agreement under the Temporary Extended Unemployment Compensation Act of 2001), for individuals eligible for regular compensation under the unemployment compensation law of such State.

''(ii) Any additional compensation under clause (i) may not be taken into account for

purposes of any determination relating to the amount of any extended compensation for which an individual might be eligible.

''(C)(i) At the option of the State, cash benefits under this paragraph may include amounts which shall be payable to 1 or more categories of individuals not otherwise eligible for regular compensation under the unemployment compensation law of such State, including those described in clause (iii).

''(ii) The benefits paid under this subparagraph to any individual may not, for any period of unemployment, exceed the maximum amount of regular compensation authorized under the unemployment compensation law of such State for that same period, plus any additional compensation (described in subparagraph (B)(i)) which could have been paid with respect to that amount.

''(iii) The categories of individuals described in this clause include the following:

''(I) Individuals who are seeking, or available for, only part-time (and not full-time) work.

''(II) Individuals who would be eligible for regular compensation under the unemployment compensation law of such State under an alternative base period.

''(D) Amounts transferred to a State account under this subsection may be used in the payment of cash benefits to individuals only for weeks of unemployment beginning after the date of enactment of this subsection.

''(4) Amounts transferred to a State account under this subsection may be used for the administration of its unemployment compensation law and public employment offices (including in connection with benefits described in paragraph (3) and any recipients thereof), subject to the same conditions as set forth in subsection (c)(2) (excluding subparagraph (B) thereof, and deeming the reference to 'subsections (a) and (b)' in subparagraph (D) thereof to include this subsection).

''(5) Transfers under this subsection shall be made by December 31, 2001, unless this paragraph is not enacted until after that date, in which case such transfers shall be made within 10 days after the date of enactment of this paragraph.''

(c) LIMITATIONS ON TRANSFERS.—Section 903(b) of the Social Security Act shall apply to transfers under section 903(d) of such Act (as amended by this section). For purposes of the preceding sentence, such section 903(b) shall be deemed to be amended as follows:

(1) By substituting ''the transfer date described in subsection (d)(5)'' for ''October 1 of any fiscal year''.

(2) By substituting ''remain in the Federal unemployment account'' for ''be transferred to the Federal unemployment account as of the beginning of such October 1''.

(3) By substituting ''fiscal year 2002 (after the transfer date described in subsection (d)(5))'' for ''the fiscal year beginning on such October 1''.

(4) By substituting ''under subsection (d)'' for ''as of October 1 of such fiscal year''.

(5) By substituting ''(as of the close of fiscal year 2002)'' for ''(as of the close of such fiscal year)''.

(d) TECHNICAL AMENDMENTS.—(1) Sections 3304(a)(4)(B) and 3306(f)(2) of the Internal Revenue Code of 1986 are amended by inserting ''or 903(d)(4)'' before ''of the Social Security Act''.

(2) Section 303(a)(5) of the Social Security Act is amended in the second proviso by inserting ''or 903(d)(4)'' after ''903(c)(2)''.

(e) REGULATIONS.—The Secretary of Labor may prescribe any operating instructions or regulations necessary to carry out this section and the amendments made by this section.

TITLE VIII—DISPLACED WORKER HEALTH INSURANCE CREDIT

SEC. 801. DISPLACED WORKER HEALTH INSURANCE CREDIT.

(a) IN GENERAL.—Subchapter B of chapter 65 is amended by inserting after section 6428 the following new section:

''SEC. 6429. DISPLACED WORKER HEALTH INSURANCE CREDIT.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by subtitle A an amount equal to 60 percent of the amount paid during the taxable year for coverage for the taxpayer, the taxpayer's spouse, and dependents of the taxpayer under qualified health insurance during eligible coverage months.

''(b) ONLY 12 ELIGIBLE COVERAGE MONTHS.—The number of eligible coverage months taken into account under subsection (a) for all taxable years shall not exceed 12.

''(c) ELIGIBLE COVERAGE MONTH.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible coverage month' means any month during 2002 or 2003 if, as of the first day of such month—

''(A) the taxpayer is unemployed,

''(B) the taxpayer is covered by qualified health insurance,

''(C) the premium for coverage under such insurance for such month is paid by the taxpayer, and

''(D) the taxpayer does not have other specified coverage.

''(2) SPECIAL RULES.—

''(A) TREATMENT OF FIRST MONTH OF EMPLOYMENT.—The taxpayer shall be treated as meeting the requirement of paragraph (1)(A) for the first month beginning on or after the date that the taxpayer ceases to be unemployed by reason of beginning work for an employer.

''(B) INITIAL CLAIM MUST BE AFTER MARCH 15, 2001.—The taxpayer shall not be treated as meeting the requirement of paragraph (1)(A) with respect to any unemployment if the initial claim for regular compensation for such unemployment is filed on or before March 15, 2001.

''(C) JOINT RETURNS.—In the case of a joint return, the requirements of paragraph (1) shall be treated as met if at least 1 spouse satisfies such requirements.

''(3) OTHER SPECIFIED COVERAGE.—For purposes of this subsection, an individual has other specified coverage for any month if, as of the first day of such month—

''(A) SUBSIDIZED COVERAGE.—

''(i) IN GENERAL.—Such individual is covered under any qualified health insurance under which at least 50 percent of the cost of coverage (determined under section 4980B) is paid or incurred by an employer (or former employer) of the taxpayer or the taxpayer's spouse.

''(ii) TREATMENT OF CAFETERIA PLANS AND FLEXIBLE SPENDING ACCOUNTS.—For purposes of clause (i), the cost of benefits—

''(I) which are chosen under a cafeteria plan (as defined in section 125(d)), or provided under a flexible spending or similar arrangement, of such an employer, and

''(II) which are not includible in gross income under section 106,

shall be treated as borne by such employer.

''(B) COVERAGE UNDER MEDICARE, MEDICAID, OR SCHIP.—Such individual—

''(i) is entitled to benefits under part A of title XVIII of the Social Security Act or is enrolled under part B of such title, or

''(ii) is enrolled in the program under title XIX or XXI of such Act.

''(C) CERTAIN OTHER COVERAGE.—Such individual—

''(i) is enrolled in a health benefits plan under chapter 89 of title 5, United States Code, or

''(ii) is entitled to receive benefits under chapter 55 of title 10, United States Code.

''(4) DETERMINATION OF UNEMPLOYMENT.—For purposes of paragraph (1), an individual shall be treated as unemployed during any period—

''(A) for which such individual is receiving unemployment compensation (as defined in section 85(b)), or

''(B) for which such individual is certified by a State agency (or by any other entity designated by the Secretary) as otherwise being entitled to receive unemployment compensation (as so defined) but for—

''(i) the termination of the period during which such compensation was payable, or

''(ii) an exhaustion of such individual's rights to such compensation.

''(d) QUALIFIED HEALTH INSURANCE.—For purposes of this section, the term 'qualified health insurance' means insurance which constitutes medical care; except that such term shall not include any insurance if substantially all of its coverage is of excepted benefits described in section 9832(c).

''(e) COORDINATION WITH ADVANCE PAYMENTS OF CREDIT.—

''(1) RECAPTURE OF EXCESS ADVANCE PAYMENTS.—If any payment is made by the Secretary under section 7527 during any calendar year to a provider of qualified health insurance for an individual, then the tax imposed by this chapter for the individual's last taxable year beginning in such calendar year shall be increased by the aggregate amount of such payments.

''(2) RECONCILIATION OF PAYMENTS ADVANCED AND CREDIT ALLOWED.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit (other than the credit allowed by subsection (a)) allowable under part IV of subchapter A of chapter 1.

''(f) SPECIAL RULES.—

''(1) COORDINATION WITH OTHER DEDUCTIONS.—Amounts taken into account under subsection (a) shall not be taken into account in determining any deduction allowed under section 162(l) or 213.

''(2) MSA DISTRIBUTIONS.—Amounts distributed from an Archer MSA (as defined in section 220(d)) shall not be taken into account under subsection (a).

''(3) DENIAL OF CREDIT TO DEPENDENTS.—No credit shall be allowed under this section to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

''(4) CREDIT TREATED AS REFUNDABLE CREDIT.—For purposes of this title, the credit allowed under this section shall be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1.

''(5) REGULATIONS.—The Secretary may prescribe such regulations and other guidance as may be necessary or appropriate to carry out this section and section 7527.''.

(b) INCREASED ACCESS TO HEALTH INSURANCE FOR INDIVIDUALS ELIGIBLE FOR TAX CREDIT.—Notwithstanding any other provision of law, in applying section 2741 of the Public Health Service Act (42 U.S.C. 300gg–41)) and any alternative State mechanism under section 2744 of such Act (42

U.S.C.300gg–44)), in determining who is an eligible individual (as defined in section 2741(b) of such Act) in the case of an individual who may be covered by insurance for which credit is allowable under section 6429 of the Internal Revenue Code of 1986 for an eligible coverage month, if the individual seeks to obtain health insurance coverage under such section during an eligible coverage month under such section—

(1) paragraph (1) of such section 2741(b) shall be applied as if any reference to 18 months is deemed a reference to 12 months, and

(2) paragraphs (4) and (5) of such section 2741(b) shall not apply.

(c) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by inserting after section 6050S the following new section:

"SEC. 6050T. RETURNS RELATING TO DISPLACED WORKER HEALTH INSURANCE CREDIT.

''(a) REQUIREMENT OF REPORTING.—Every person—

''(1) who, in connection with a trade or business conducted by such person, receives payments during any calendar year from any individual for coverage of such individual or any other individual under qualified health insurance (as defined in section 6429(d)), and

''(2) who claims a reimbursement for an advance credit amount,

shall, at such time as the Secretary may prescribe, make the return described in subsection (b) with respect to each individual from whom such payments were received or for whom such a reimbursement is claimed.

''(b) FORM AND MANNER OF RETURNS.—A return is described in this subsection if such return—

''(1) is in such form as the Secretary may prescribe, and

''(2) contains—

''(A) the name, address, and TIN of each individual referred to in subsection (a),

''(B) the aggregate of the advance credit amounts provided to such individual and for which reimbursement is claimed,

''(C) the number of months for which such advance credit amounts are so provided, and

''(D) such other information as the Secretary may prescribe.

''(c) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each individual whose name is required to be set forth in such return a written statement showing—

''(1) the name and address of the person required to make such return and the phone number of the information contact for such person, and

''(2) the information required to be shown on the return with respect to such individual.

The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) is required to be made.

''(d) ADVANCE CREDIT AMOUNT.—For purposes of this section, the term 'advance credit amount' means an amount for which the person can claim a reimbursement pursuant to a program established by the Secretary under section 7527.''

(2) ASSESSABLE PENALTIES.—

(A) Subparagraph (B) of section 6724(d)(1) (relating to definitions) is amended by redesignating clauses (xi) through (xvii) as clauses (xii) through (xviii), respectively, and by inserting after clause (x) the following new clause:

''(xi) section 6050T (relating to returns relating to displaced worker health insurance credit),''.

(B) Paragraph (2) of section 6724(d) is amended by striking ''or'' at the end of subparagraph (Z), by striking the period at the end of subparagraph (AA) and inserting '', or'', and by adding after subparagraph (AA) the following new subparagraph:

''(BB) section 6050T (relating to returns relating to displaced worker health insurance credit).''returns relating to payments for qualified health insurance).''

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6050S the following new item:

''Sec. 6050T. Returns relating to displaced worker health insurance credit.''

(d) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period '', or from section 6429 of such Code''.

(2) The table of sections for subchapter B of chapter 65 is amended by adding at the end the following new item:

''Sec. 6429. Displaced worker health insurance credit.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 802. ADVANCE PAYMENT OF DISPLACED WORKER HEALTH INSURANCE CREDIT.

(a) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

"SEC. 7527. ADVANCE PAYMENT OF DISPLACED WORKER HEALTH INSURANCE CREDIT.

''(a) GENERAL RULE.—The Secretary shall establish a program for making payments on behalf of eligible individuals to providers of health insurance for such individuals.

''(b) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term 'eligible individual' means any individual for whom a qualified health insurance credit eligibility certificate is in effect.

''(c) QUALIFIED HEALTH INSURANCE CREDIT ELIGIBILITY CERTIFICATE.—For purposes of this section, a qualified health insurance credit eligibility certificate is a statement certified by a State agency (or by any other entity designated by the Secretary) which—

''(1) certifies that the individual was unemployed (within the meaning of section 6429) as of the first day of any month, and

''(2) provides such other information as the Secretary may require for purposes of this section.''

(c) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following new item:

''Sec. 7527. Advance payment of displaced worker health insurance credit.''

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

TITLE IX—EMPLOYMENT AND TRAINING ASSISTANCE AND TEMPORARY HEALTH CARE COVERAGE ASSISTANCE

SEC. 901. EMPLOYMENT AND TRAINING ASSISTANCE AND TEMPORARY HEALTH CARE COVERAGE ASSISTANCE.

(a) IN GENERAL.—Section 173(a) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(a)) is amended—

(1) in paragraph (2), by striking ''and'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(4) to the Governor of any State or outlying area who applies for assistance under subsection (f) to provide employment and training assistance and temporary health care coverage assistance to workers affected by major economic dislocations, such as plant closures, mass layoffs, or multiple layoffs, including those dislocations caused by the terrorist attacks of September 11, 2001.''.

(b) REQUIREMENTS.—Section 173 of the Workforce Investment Act of 1998 (29 U.S.C. 2918) is amended by adding at the end the following:

''(f) ADDITIONAL RELIEF FOR MAJOR ECONOMIC DISLOCATIONS.—

''(1) GRANT RECIPIENT ELIGIBILITY.—

''(A) IN GENERAL.—To be eligible to receive a grant under subsection (a)(4), a Governor shall submit an application, for assistance described in subparagraph (B), to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(B) TYPES OF ASSISTANCE.—

''(i) IN GENERAL.—Assistance described in this subparagraph is—

''(I) employment and training assistance, including employment and training activities described in section 134; and

''(II) temporary health care coverage assistance described in paragraph (4).

''(ii) MINIMUM ALLOCATION TO TEMPORARY HEALTH CARE COVERAGE ASSISTANCE.—Not less than 30 percent of the cost of assistance requested in any application submitted under this subsection shall consist of the cost for temporary health care coverage assistance described in paragraph (4).

''(iii) ENCOURAGEMENT OF CERTAIN TYPES OF HEALTH CARE COVERAGE.—In publishing requirements for applications under this subsection, the Secretary shall encourage the use of private health coverage alternatives.

''(C) MINIMUM AWARD REQUIREMENT FOR ELIGIBLE STATES AND OUTLYING AREAS.—

''(i) REQUIREMENTS.—In any case in which the requirements of this section are met in connection with one or more applications of the Governor of any State or outlying area for assistance described in subparagraph (B), the Governor—

''(I) shall be awarded at least 1 grant under subsection (a)(4) pursuant to such applications, and

''(II) except as provided in clause (ii), shall be awarded not less than $5,000,000 in total grants awarded under (a)(4).

''(ii) EXCEPTION TO MINIMUM GRANT REQUIREMENTS.—The Secretary may award to a Governor a total amount less than the minimum total amount specified in clause (i)(II), as appropriate, if the Governor—

''(I) requests less than such minimum total amount, or

''(II) fails to demonstrate to the Secretary that there are a sufficient number of eligible recipients to justify the awarding of grants in such minimum total amount.

''(2) STATE ADMINISTRATION.—The Governor may designate one or more local workforce

investment boards or other entities with the capability to respond to the circumstances relating to the particular closure, layoff, or other dislocation to administer the grant under subsection (a)(4).

''(3) PARTICIPANT ELIGIBILITY.—An individual shall be eligible to receive assistance described in paragraph (1)(B) under a grant awarded under subsection (a)(4) if such individual is a dislocated worker and the Governor has certified that a major economic dislocation, such as a plant closure, mass layoff, or multiple layoff, including a dislocation caused by the terrorist attacks of September 11, 2001, contributed importantly to the dislocation.

''(4) TEMPORARY HEALTH CARE COVERAGE ASSISTANCE.—

''(A) IN GENERAL.—Temporary health care coverage assistance described in this paragraph consists of health care coverage premium assistance provided to qualified individuals under this paragraph with respect to premiums for coverage for themselves, for their spouses, for their dependents, or for any combination thereof, other than premiums for excluded health insurance coverage.

''(B) QUALIFIED INDIVIDUALS.—For purposes of this paragraph—

''(i) IN GENERAL.—Subject to clause (ii), a qualified individual is an individual who—

''(I) is a dislocated worker referred to in paragraph (3) with respect to whom the Governor has made the certification regarding the dislocation as required under such paragraph, and

''(II) is receiving or has received employment and training assistance as described in paragraph (1)(B)(i)(I).

''(ii) LIMITATION.—An individual shall not be treated as a qualified individual if—

''(I) such individual is eligible for coverage under the program under title XIX of the Social Security Act applicable in the State or outlying area, or

''(II) such individual is eligible for coverage under the program under title XXI of such Act applicable in the State or outlying area,

unless such eligibility is effective solely in connection with eligibility for health care coverage premium assistance under a program established by the Governor in connection with temporary health care coverage assistance received under this subsection.

''(iii) CONSTRUCTION.—

''(I) PERMITTING COVERAGE THROUGH ENROLLMENT IN MEDICAID OR SCHIP.—Nothing in this subsection shall be construed as preventing a State from using funds made available by reason of subsection (a)(4) to provide health care coverage through enrollment in the program under title XIX (relating to medicaid) or in the program under title XXI (relating to SCHIP) of the Social Security Act, but only in the case of individuals who are not otherwise eligible for coverage under either such program.

''(II) NOT AFFECTING ELIGIBILITY FOR ASSISTANCE.—An individual shall not be treated for purposes of this subsection as being eligible for coverage under either such program (and thereby not eligible for assistance under this subsection) merely on the basis that the State provides assistance under this subsection through coverage under either such program.

''(C) LIMITATION ON ENTITLEMENT.—Nothing in this subsection shall be construed as establishing any entitlement of qualified individuals to premium assistance under this subsection.

''(D) CONCURRENCE AND CONSULTATION.—In connection with any temporary health care coverage assistance provided pursuant to this paragraph—

''(i) if the Secretary determines that health care coverage premium assistance provided through title XIX or XXI of the Social Security Act is a substantial component of the assistance provided, the Secretary shall act in concurrence with the Secretary of Health and Human Services, and

''(ii) in any other case, the Secretary shall consult with the Secretary of Health and Human Services to the extent that such assistance affects programs administered by or under the Secretary of Health and Human Services.

''(E) USE OF FUNDS.—Temporary health care coverage assistance provided pursuant to this subsection shall supplement and may not supplant any other State or local funds used to provide health care coverage and may not be included in determining the amount of non-Federal contributions required under any program.

''(F) DEFINITIONS.—For purposes of this paragraph—

''(i) EXCLUDED HEALTH CARE COVERAGE.—The term 'excluded health care coverage' means coverage under—

''(I) title XVIII of the Social Security Act,

''(II) chapter 55 of title 10, United States Code,

''(III) chapter 17 of title 38, United States Code,

''(IV) chapter 89 of title 5, United States Code (other than coverage which is comparable to continuation coverage under section 4980B of the Internal Revenue Code of 1986), or

''(V) the Indian Health Care Improvement Act.

Such term also includes coverage under a qualified long-term care insurance contract and excepted benefits described in section 733(c) of the Employee Retirement Income Security Act of 1974.

''(ii) PREMIUM.—The term 'premium' means, in connection with health care coverage, the premium which would (but for this section) be charged for the cost of coverage.

''(5) APPROPRIATIONS.—

''(A) IN GENERAL.—There is hereby appropriated, from any amounts in the Treasury not otherwise appropriated, $4,000,000,000 for the period consisting of fiscal years 2002, 2003, and 2004 for the award of grants under subsection (a)(4) in accordance with this section.

''(B) AVAILABILITY.—Amounts appropriated pursuant to subparagraph (A) for each fiscal year—

''(i) are in addition to amounts made available under section 132(a)(2)(A) or any other provision of law to carry out this section; and

''(ii) notwithstanding section 189(g)(1), shall remain available for obligation by the Secretary from the date of the enactment of this subsection through each succeeding fiscal year, except that, notwithstanding section 189(g)(2), no funds are hereby available for expenditure after June 30, 2004.''.

TITLE X—TEMPORARY STATE HEALTH CARE ASSISTANCE

SEC. 1001. TEMPORARY STATE HEALTH CARE ASSISTANCE.

(a) IN GENERAL.—Title XXI of the Social Security Act is amended by adding at the end the following new section:

''SEC. 2111. TEMPORARY STATE HEALTH CARE ASSISTANCE.

''(a) IN GENERAL.—For the purpose of providing allotments to States under this section, there are hereby appropriated, out of any funds in the Treasury not otherwise appropriated, $4,599,667,448. Such funds shall be available for expenditure by the State through the end of 2002. This section constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide for the payment to States of amounts provided under this section.

''(b) ALLOTMENT.—Funds appropriated under subsection (a) shall be allotted by the Secretary among the States in accordance with the following table:

''State	Allotment (in dollars)
Alabama	50,746,770
Alaska	31,934,026
Arizona	68,594,677
Arkansas	38,203,601
California	482,591,746
Colorado	37,469,775
Connecticut	60,039,005
Delaware	10,355,807
District of Columbia	18,321,834
Florida	164,619,369
Georgia	118,754,564
Hawaii	12,827,163
Idaho	13,031,700
Illinois	175,505,956
Indiana	66,067,368
Iowa	31,521,201
Kansas	27,288,967
Kentucky	82,759,133
Louisiana	83,907,301
Maine	22,650,838
Maryland	60,347,066
Massachusetts	121,971,140
Michigan	156,479,213
Minnesota	113,966,453
Mississippi	55,335,225
Missouri	74,675,436
Montana	10,224,652
Nebraska	31,582,786
Nevada	14,695,973
New Hampshire	15,482,962
New Jersey	115,880,093
New Mexico	39,204,714
New York	573,999,663
North Carolina	189,333,723
North Dakota	8,915,675
Ohio	166,006,936
Oklahoma	48,914,626
Oregon	71,160,353
Pennsylvania	227,183,255
Rhode Island	45,001,680
South Carolina	94,789,740
South Dakota	19,951,788
Tennessee	102,845,128
Texas	289,526,532
Utah	30,860,915
Vermont	10,291,090
Virginia	67,232,217
Washington	110,377,264
West Virginia	31,120,804
Wisconsin	93,089,086
Wyoming	12,030,459

''(c) USE OF FUNDS.—

''(1) IN GENERAL.—Funds appropriated under this section may be used by a State only to provide health care items and services (other than types of items and services for which Federal financial participation is prohibited under this title or title XIX).

''(2) LIMITATION.—Funds so appropriated may not be used to match other Federal expenditures or in any other manner that results in the expenditure of Federal funds in excess of the amounts provided under this section.

''(d) PAYMENT TO STATES.—Funds made available under this section shall be paid to the States in a form and manner and time specified by the Secretary, based upon the submission of such information as the Secretary may require. There is no requirement for the expenditure of any State funds in order to qualify for receipt of funds under

this section. The previous sections of this title shall not apply with respect to funds provided under this section.

''(e) DEFINITION.—For purposes of this section, the term 'State' means the 50 States and the District of Columbia.''.

(b) REPEAL.—Effective as of January 1, 2003, section 2111 of the Social Security Act, as inserted by subsection (a), is repealed.

TITLE XI—SOCIAL SECURITY HELD HARMLESS; BUDGETARY TREATMENT OF ACT

SEC. 1101. NO IMPACT ON SOCIAL SECURITY TRUST FUNDS.

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

(b) TRANSFERS.—

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

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

SEC. 1102. EMERGENCY DESIGNATION.

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

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

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

The SPEAKER pro tempore. Pursuant to House Resolution 320, the gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 1 hour.

The Chair recognizes the gentleman from California (Mr. THOMAS).

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

Mr. Speaker, the last time we addressed a piece of legislation that was designed to help us stimulate the economy, as requested by the President, as Alan Greenspan had indicated, this economy needed some help, and that perhaps by making some decisions in the tax and business area we could assist the recovery. Equally important, those people who lost their jobs, and, as we have come to realize now more and more associated with the loss of job is the loss of health insurance, that that had to be part of the package as well.

We started, as we normally do in the legislative process, by passing a bill out of the House of Representatives. What then normally happens is the Senate of the United States passes a piece of legislation, and, if it is different in the House and the Senate, we go to a conference. The conference then works out the difference between the two bills.

The House did its job. On October 24 we started the process by passing our Stimulus and Recovery Act. The Senate did not do its job. The Senate did not pass a bill. But all of us, trying to stimulate this economy and help those who, through no fault of their own, are not now employed or do not have either the wherewithal or the opportunity to provide their families with health insurance, we decided to try to move under a leadership umbrella.

Notwithstanding the Senate's inability to move legislation to get us into a regular conference, we reached out and tried to create a leadership conference that would try to operate under the same rules so that we could address the very real need to help stimulate the economy and answer those distressed workers.

We have worked long and hard, and I do have to say on the floor that the chairman of the Senate Finance Committee on the other side worked diligently. I believe he was required to follow rules of engagement which made it very difficult to come together. His staff worked long hours. We tried to be as creative as we could under the restrictions placed on us, and we did not ultimately succeed in producing a document that looked like a conference between the House-passed bill and the pieces of legislation that were brought from the Senate. For example, the Senate finance-passed bill, which passed by an 11 to 10 vote, was one of the vehicles that we looked at.

Notwithstanding that, those discussions, nevertheless, bore fruit, and the legislation that you have before you tonight, and we will talk about it in particular areas, has major modifications as though a conference took place. So the House started by passing legislation, and tonight we reach the culmination of what amounts to the result of a conference, notwithstanding the fact that the Senate has not passed any legislation in this area.

As we discuss the pieces of the bill, I do hope Members will focus on how much the legislation changed between October 24 and today. That is what normally happens when the House and the Senate get together.

The package represented here tonight in the legislation before you is a significantly different package than what we presented on October 24, and our job will be to enlighten both the Members and the American public about how the President's intervention in the area of health insurance has produced a significantly better package and how the House leadership's willingness to make modifications on the stimulus side has, in fact, produced a document that would look very much like a conference report would normally look.

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

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURETTE). The Chair would again advise all Members that the rules covering decorum in debate in the House indicate that a factual description relating to Senate action or inaction concerning a measure then under debate in the House are in order but characterizations of those actions or inactions are not allowed.

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

12:40. 12:40, and 8 million people without work. Some of these people have been described as being ''unproductive.'' But all of these people have been promised that this Congress of this great Nation, that we would not only feel their pain, but we would do something about it.

We waited patiently, because people have confidence in the President and the Congress. When the flag went up, we saluted it; when we were hit, we responded; and during the war, we are the patriots. But we kind of felt that in order to stimulate the economy, that it was not just tax relief.

Everyone agreed if it was temporary, if it was direct, if it could stimulate, encourage investment, we should do it. Nobody said, nobody said, that these 8 million people had to be held hostage until we did it their way. That type of thinking never came up.

But, yes, we went into some kind of a conference, and we spent a lot of time on taxes. And the chairman of the Committee on Ways and Means would have to agree that there were a lot of concessions made, concessions that we found unpleasant. But because we were determined that we not leave this House of Representatives without doing something for these 8 million people. We said that we agree with you on taxes, if you agree with us on unemployment insurance and on health.

Well, it just seems like when you get to unemployment insurance, they believe a block grant will take care of that. Trust the governors; they will take care of it. Maybe some people are not eligible, maybe there is not enough money, but trust the governors, they would do it.

Well, we said we will trust the House and we will trust the Senate and we will just leave that alone, but let us get to the question of health.

This is the funniest thing in the world, that we are talking about extending health benefits for 1 year. We

are talking about an existing program that is used today by employers. We are talking about using a system called COBRA and providing the funds so that the people who lost their jobs will be able to still continue to get health insurance.

□ 0045

But there are some people in this House that believe they do not like the current system; that they do not believe there should be employer-sponsored insurance programs; that what they really believe should happen is that people who are out of work and need insurance, they need credits, they need vouchers, they have to go shop and see where they can get the best benefit for their dollar. They do not need these Cadillac programs that Republicans and Democrats have as Members of Congress; they need something cut back. And, of course, if they have ailments and the HMO says it is a higher price, they will give 60 percent of it, but they better go find the rest of it.

I tried to figure, in this country, at this time of year, the dignity of a person without a job, the pressures on a marriage, the inability to look at your children and know that you do not have a job, that you cannot pay their tuition, you cannot pay the mortgage. That is enough for any American to lose their dignity. But when you know you are not even currently covered for health insurance, that you do not know what is going to happen to the rest of your family, and they tell you to go out with the credit and shop; so I asked everyone, how do you do it? And do my colleagues know something? I heard an explanation in the Committee on Rules that I could not believe. You needed a lawyer to figure out what to do with the credit. So I said immediately, let me find out where this is in the bill, because I may not have understood in the Committee on Rules, but before I came to this floor, you bet your life I was going to find it. Who has page 100 of the Republican bill? I thank the gentleman from Washington (Mr. MCDERMOTT).

This is all you need. Forget the complexities of it; forget how it works. If you do not know what to do with an advance refundable tax credit, not to worry. If you do not know what to do with a tax credit and you are not working and you have no unemployment, no earnings coming in, not to worry. Because under the Thomas bill, let me emphasize, under the Thomas bill, because the Committee on Ways and Means, like with most tax bills, had nothing to do with this; but that is okay, the gentleman from California (Mr. THOMAS) is a smart person. Because, under the Thomas bill, the whole program shall be established for making payments on behalf of the eligible individual by the Secretary of the Treasury. Not the Secretary of Health and Human Services, the Secretary of the Treasury.

So we got 2 hours of debate. Every so often, my colleagues will hear me refer to page 100, because we have a lot of bright people in this House, and they know just what to tell the Secretary to do. So do not go to sleep; be alert. People are going to ask, what is in the health bill? And remember, one does not have to study it. Hold on to page 100.

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

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

As we said on October 24, that was the bill that started the process. If anyone wants to look at any of the other pages in the bill, they will find out that on the health provision, there was $3 billion provided, and on unemployment, there was 9.2. That bill had $12.2 billion directed toward the unemployed and health insurance for them.

In the bill we have in front of us tonight, thanks to the President Bush health insurance credit, there is $18.2 billion for health, and there is $19 billion for unemployment, for a total of $37.2 billion. One may wave one page, but the unemployed and those who are looking for health insurance think a $25 billion difference is real money. If the House and the Senate do not act on this before we leave for our break, all the one-page waving in the world will not help them out. This bill will provide $37.2 billion.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from New York (Mr. HOUGHTON), a member of the committee.

Mr. HOUGHTON. Mr. Speaker, there are many features of this bill. I would like to talk about one, which happens to do with New York City; and New York City, of course, was the focal point of the bombing. Many people were killed. Buildings were destroyed. This is a particular feature of this bill which I believe in very strongly, and I would like to feel my other New York associates would feel this way too.

I am not going to go through the details of this bill, because they are quite technical in terms of expensing and tax-exempt private bonds and things like that. But the end result, and I will make this very brief, is that it is going to help the smaller businesses and the people who have lived and shopped and started and thrived in lower New York to come back, and that is the critical thing. Mr. Speaker, 20 million square feet of office space was lost, and we have to somehow bring that back. I know that other States say, well, why is this special for New York? New York was the focal point of the bombing, and there was no point in avoiding that. We must help this city.

I think this is a good bill, it is a good feature, and I hope other people will support it.

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

I think I have not made myself clear, Mr. Speaker. I asked people to look for page 100 to establish what the program was, not how much money was there. Who cares how much money is there if we do not know how to get it? So please, take a look at page 100. That is called the health program. We can put lipstick on the page, but we cannot call it a lady. This is no health program.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. MATSUI), a senior member of the committee; and he knows a health program when he sees one.

Mr. MATSUI. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL), the ranking Democrat on the Committee on Ways and Means, for yielding me this time.

This bill will not become law; and I think the majority will probably be very happy about that, because there is no way that this legislation, the Thomas bill, will have anything to do with stimulating the U.S. economy. The reason for it is because it is based upon a wrong premise. Essentially what we have right now is a lack of consumer confidence, we have an underutilization of plant capacity, and our exports are down because our foreign competitors are not buying. So the bill itself will have nothing to do with making the economy better.

What is interesting is that the gentleman from California (Mr. THOMAS), in his legislation, makes some modifications in the corporate minimum tax; but basically, he puts a huge hole in it. It has something on the operating losses in subpart F, which has nothing to do with stimulating the economy. Essentially in this bill, 85 percent of the $260 billion over the next 5 years will be spent in the form of tax cuts to corporations or wealthy individuals. Only about 15 percent of it goes to the unemployed and those people that need health insurance. This is just a backdoor way of getting the tax cuts that the business community did not get in the June tax bill.

I have to say, what is very offensive about this is the fact that it comes from the Social Security payroll taxes. That is the problem. It comes from Social Security. So using Social Security payroll taxes, it comes from the lady who is a janitor or the lady who is the elevator operator, their tough-earned money, to pay for major tax cuts for big corporations. I think that is outrageous. They are lucky that this bill will not become law, because this bill will have nothing to do with stimulating the economy. What this bill will basically do is pay off those people that have made big contributions.

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

I am looking at page 44 of a bill called the Rangel bill and it is under

the health insurance provision, and as some of my colleagues might expect, do not be too surprised. This is what it says: ''Not later than 60 days after the date of enactment of this act, the Secretary of the Treasury, in consultation with the Secretary of Labor, shall establish a program under which premium assistance is created.''

My colleagues are right. We have the Secretary of the Treasury, we have the Secretary in consultation with the Secretary of Labor. It really is a significant difference.

Mr. Speaker, it is my pleasure to yield 2½ minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), the chairman of the Subcommittee on Health.

Mrs. JOHNSON of Connecticut. Mr. Speaker, we cannot put lipstick on a paper and call it a lady, but we can put $25 billion additional dollars on the table and help people who are unemployed. A total of $37.2 billion does make a difference in unemployment benefits, in health care subsidies, absolutely. And in addition to this money, there is $4.6 billion for States to manage Medicaid costs or to put it into CHIP and open up CHIP for people who need affordable coverage.

So not only is there $4.6 billion in addition to the $32 billion, but there is $4 billion additional money for States to either use for training expansion or other health care needs. They could use it for community health centers so more people could be covered through that avenue. There are all kinds of ways we can make certain that everyone is covered. And remember, under the Democrat alternative offered by the other body, the only people who got health insurance, the only people, now listen to this, if you represent a rural area. The only people under the other bill who got any health care subsidies were people who worked for employers who were covered by COBRA. That means if you had less than 20 employees, your guys did not get any help with health insurance, not any, zero.

How could my colleagues hold out that their bill offered unemployment compensation and health insurance to those laid off as a result of this recession when, in fact, anyone who worked for an employer with less than 20 employees got zero, zero, zero, zero. That is wrong. It is not truthful.

We do provide subsidies for everyone. If I work for a small employer, he has health insurance, I get laid off, I get 60 percent of the premium costs. If I work for a small employer, as many people do in my district, I pay 50 percent of my premiums while I am working. I get laid off, the government pays 60 percent of the premiums. If I work for a small employer who does not provide health insurance, I buy my own health insurance, I get laid off, I get 60 percent.

Everyone, everyone gets unemployment compensation, 13 additional weeks, and flexible money to increase benefits if that is what the State needs, and everyone under this bill gets health insurance subsidies, 60 percent of premiums.

Do not let politics prevent people from getting the help they need during this recession, complicated by the terrorist attack of September 11. Put rhetoric aside. Give people real help.

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

The gentleman from California, the chairman of the Committee on Ways and Means, referred to the Rangel bill. The gentlewoman from Connecticut referred to the Rangel bill. The only people that do not refer to the Rangel bill is the majority in the Committee on Rules that denied us the opportunity to discuss the Rangel bill. So all we have is the so-called Thomas bill.

But if we really get past the first page of the bill that we wanted to have as a substitute, that we wanted to debate, that we wanted to see which one was the best so we have options, yes, we start off, I say to the gentleman from California (Mr. THOMAS), on page 44 with the Secretary of the Treasury. But then we go to 45, 46, 47, 48, 49, 50, 51, 52, and all up to 54. This is what we call a program.

□ 0100

Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Speaker, I beg to differ with the chairman. This matter started on the wrong foot. If they expect a bipartisan product, start on a bipartisan basis in the House of Representatives.

They did not do that. Instead, they put together a bill on a strictly partisan basis. They put together a bill that was heavily taxed, had a slender amount of attention to unemployment comp and health insurance, and then they say it is the Senate's fault. I beg to differ. The President endorsed the strategy that they adopted; and now they are bearing the fruits, the bitter fruits of a flawed strategy.

If Members want a bipartisan bill, start on a bipartisan basis in the House of Representatives. They have not done that. So now they come back with a bill that they say is better than the terrible bill, they do not say terrible, but better than the bill that they passed here loaded with tax breaks for the few and gave crumbs to the many who were unemployed, and they parade this as something that is very strong.

Health insurance under their bill, for most, they have to be drawing unemployment comp to get any help with health insurance. Two-thirds of the people in this country who are laid off do not get unemployment compensation.

They talk about $37 billion. Many of those billions of dollars in unemployment comp are Reed Act monies. They have been told, do not count $9 billion, because at the most a few billion will be used in the first year. Most of that money cannot be used to change unemployment comp because the legislatures are out of session, so under their bill, so many millions of the unemployed in this country will get zero help from their bill.

If Members want a bipartisan bill, start in the House of Representatives. Do not blame TOM DASCHLE or the Democrats. The fault lies with the Republican majority in the U.S. House of Representatives.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Texas (Mr. SAM JOHNSON), someone who sits in the unique position of being not only on the Committee on Ways and Means, but a subcommittee chair on the Committee on Education and the Workforce, and I think he has a clear perspective on the problem in front of us.

Mr. SAM JOHNSON of Texas. Mr. Speaker, what was just said is totally out of line. We are providing health care to people. Americans want action and they want it now, and for the second time in 2 months Republicans in the House have passed a bill to stimulate the economy and get Americans back to work.

This bill does strike a bipartisan compromise, and it provides health insurance and benefits to those who lost their jobs. Unemployed workers and their families need extra assistance in order to afford health care coverage after they lose their jobs.

In addition, dislocated workers need access to job training programs, child care, transportation, and other assistance in order to get back to work quickly. That is what we are talking about is creating jobs.

National emergency grants which are in this bill are the right approach. It allows each Governor to implement a seamless package of assistance for the needs of dislocated workers in their State. Importantly, it recognizes that a displaced worker's true goal ultimately is the right to return to work. It gives people more of their own money back, and it provides incentives to businesses to invest in new equipment and create new jobs.

Mr. Speaker, the Members know there is $14 billion, $14 billion going to low-income workers. There are stimulus payments. Also, the bill includes national emergency grants, which I just talked about, which I introduced, that target workers who are laid off by paying part of their health insurance.

Can Members believe this: this government is going to pay 60 percent of the health insurance costs of laid-off workers. It makes no difference whether or not they had health care insurance when they were employed, we are paying it to the unemployed.

The bottom line is this: the American people want, need, and deserve

help, and it is time for one Senator to stop running for President.

POINT OF ORDER

Mr. FRANK. Point of order, Mr. Speaker. Point of order, Mr. Speaker.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from Massachusetts will state his point of order.

Mr. FRANK. Mr. Speaker, I am a non-fan of the rule which says we shall not denigrate the Senate, but as long as it is on the books, it has to be enforced.

The gentleman's comments were blatantly out of order in characterizing the motives of a Member of the Senate. Either we are going to have this rule and enforce it, or we are not going to have it. I would be glad not to be bound by it. But simply announcing after Members have violated it that we wish they had remembered it is not appropriately enforcing the rules.

If we are going to have the rule that says clearly that we cannot talk about the Senate in that fashion, then we should enforce it or else let us get rid of it.

The SPEAKER pro tempore. The gentleman from Massachusetts is correct. As the Chair said several times during the course of both of the rules and now during a debate on this bill, it is not appropriate under clause 1 of rule XVII of the Rules of the House to characterize the action or the inaction of the other body; and further, it is not appropriate to make such reference to any individual Member of the other body during the course of the debate.

PARLIAMENTARY INQUIRIES

Mr. FRANK. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. FRANK. Would it not be appropriate for the Speaker, when such violations happen, to prevent the violation, rather than simply comment on it after the fact?

The SPEAKER pro tempore. The gentleman is correct. The Chair may take the initiative in the appropriate case.

Mr. THOMAS. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. THOMAS. To understand the import of that dialogue, if someone on the floor now was to indicate that the Senate has not passed a bill, that would be in violation of the rule; is that correct?

The SPEAKER pro tempore. The gentleman is not correct. As the Chair read the rule before, a factual statement of action or inaction relative to the Senate is appropriate when it comes during debate on a matter under consideration in the House.

Mr. THOMAS. So saying that the Senate did not pass a stimulus bill would not be in violation of the rule? I thank the Chair.

The SPEAKER pro tempore. The comment to which the Chair took exception earlier was an observation that the Senate had not done its job. That is not appropriate. Indicating that the Senate has not passed a bill is appropriate. Making reference to any individual Senator is not appropriate.

The Chair would indicate that he will attempt to be more vigilant as these matters occur and will interrupt Members, should there be a continuing violation.

Mr. RANGEL. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. RANGEL. Could a Member state that a bill before the House did not go before the Committee on Ways and Means and never had hearings? Is that proper to debate on the floor?

The SPEAKER pro tempore. That is a proper matter for debate.

Mr. RANGEL. I thank the Speaker.

Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN), a member of the committee who has worked hard to protect the rights of those people who are unemployed.

Mr. CARDIN. Mr. Speaker, the legislation that is before us should be judged on two bases: first, does it really stimulate our economy; and second, what does it do for unemployed workers?

I would suggest that on both of these standards, the legislation fails and should be rejected. First, it will not stimulate our economy. Two-thirds of the relief provided in this bill will not occur during the critical first year of this legislation, the year in which we are trying to stimulate the economy. We run the real risk of further deficits hurting our economy.

This bill also fails because it will not help the unemployed worker. It falls grossly short on the changes on the unemployment insurance. Currently, only one-third to 40 percent of the people who are unemployed in this Nation get any unemployment insurance benefits, any at all. The legislation before us will do nothing to correct that.

We had suggested that we take the stakeholders of the unemployment insurance system's recommendation and include part-time workers, and include the most recent wage quarter, so those people who have left welfare, who are now working and who may lose their jobs can collect unemployment insurance.

But no, the legislation before us does not incorporate those suggestions. Instead, we make early Reed Act distributions. That is Federal unemployment funds going to our States. Yet, the Congressional Budget Office says only 5 percent of those funds would be used by the State legislatures to improve benefits. So it does not provide any help for the unemployed, or very little help for the unemployed.

We had suggested, why not increase the benefits? That would stimulate the economy and be the right thing to do. But no, the legislation before us does not do that. Instead, it was supposed to include tax relief for unemployment insurance benefits, but now even that has been removed from the bill. That would at least have provided some help. That has now been taken out of the legislation.

We told the people who have lost their jobs that we were going to help them. We told them when we passed the airline bill, and we did not act. We told them when we passed the insurance bill that we would help the unemployed worker, and we have not taken any action. We told them when we passed the trade bill that we would help the unemployed worker, and still no action.

Now we all understand that this bill has no chance of being enacted, another broken promise to millions of unemployed workers. Mr. Speaker, let us reject the bill that is before us, and let us come together as a united body so we can really help those who have lost their jobs with the benefits they deserve.

Mr. Speaker, I have two primary objections to this bill as it relates to unemployed Americans. First, it does not do enough to help the jobless. And second, the legislation holds displaced workers hostage to an additional round of huge tax breaks.

The bill before us would not improve unemployment coverage for low-wage and part-time workers, despite findings from the General Accounting Office that low-wage workers are only half as likely to receive unemployment assistance compared to workers with higher earnings. The Chairman of the Ways and Means Committee has suggested the Reed Act distributions in the bill would address that concern. However, the Congressional Budget Office estimates that only 5 percent of the Reed Act money provided by this legislation would be used to expand coverage or increase benefits in FY 2002. In addition, a recent survey of State UI directors indicates that the vast majority of them do not believe their States would expand UI coverage with the bill's Reed Act distributions.

I am not opposed to providing Federal assistance to State unemployment trust funds, but it is simply not accurate to suggest that such a step will dramatically expand unemployment coverage. There are few simple and relatively modest steps we could take to improve coverage, such as counting a displaced worker's most recent wages when determining UI eligibility, but this bill does not include such reforms. The measure also fails to increase unemployment benefits—a step that would provide immediate stimulus to our economy by sending more money to families who need it and who will spend it quickly.

At one point, Chairman THOMAS suggested temporarily suspending income taxes on UI benefits. While I believe an increase in the unemployment benefit level is a better approach (because it would provide benefits more quickly and more inclusively than suspending taxes

on UI), the original Thomas plan at least acknowledged the need to boost the value of unemployment benefits. However, even the proposed suspension of taxes on UI benefits has been dropped from this legislation.

Beyond the specific limitations of this bill, I have a more general concern about a process that will doom assistance to unemployed workers unless Congress also passes a new round of budget-busting tax breaks. How many times have we heard promises that the unemployed would be helped—after the airline bill—after the insurance bill—and mostly recently during the consideration of the trade bill. But today the House is going to pass provisions on displaced workers as part of a larger tax bill that we all know cannot pass the other body in its current form. The final result will be one more broken promise to millions of unemployed Americans.

At a time when cynicism of government is actually declining, let us not break the faith with the Americans who need us the most. If we cannot come together on a larger stimulus package, then we should agree on a package of assistance for displaced workers. The unemployed have been promised help again and again. It is now time to deliver. And it is time to choose responsible governing over political posturing.

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

Mr. Speaker, perhaps the gentleman fails to remember, I know it was sometime ago, that we passed on the floor a Trade Adjustment Assistance Act. We said that since the events of 9–11 were so similar, that we attached a rider which provided $23 billion focused directly on those people who lost their jobs associated with 9–11 and the decision by the government to ground the airlines, and to make other decisions which disrupted business.

I know since the Senate has not acted on that legislation that the gentleman may have forgotten that, once again, the House responded almost immediately with direct aid. This bill contains more than 9 billion additional dollars for unemployment. It says that we are putting 13 weeks of additional unemployment out there for those who need it, and the date for that being available will be moved back to March 15. That is in the bill, as well.

If the gentleman does not believe that is adequate, that is his opinion. To say that we have done nothing, I believe, is a gross overstatement. If he would look at the legislation passed by this House and sent over to the Senate, perhaps the gentleman was concerned about the fact that the Senate has sent us no legislation dealing with those issues that we sent them.

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

Mr. THOMAS. I yield to the gentleman from Louisiana.

Mr. McCRERY. Mr. Speaker, I thank the gentleman for yielding to me.

Also, the previous speaker characterized the Reed Act transfers as being of very little help to the unemployed. The fact is that States can use Reed Act transfers immediately to help the unemployed find a job. Some of the unemployed might consider that help.

So I just wanted to make clear that the Reed Act transfers can be used immediately for that purpose.

Mr. RANGEL. Mr. Speaker, I yield 30 seconds to the gentleman from Maryland (Mr. CARDIN) to respond.

Mr. CARDIN. I thank the gentleman for yielding time to me, Mr. Speaker.

Let me point out, they can only use the money if they are in session and they pass legislation improving the unemployment system. There are limitations as to how the States can use it, the Reed money.

Let me point out to my friend, the gentleman from California, we said that when we passed the airline bill that we would help the airline workers. The day after we passed the bill, we saw massive layoffs of airline workers. We have not done one thing to help them with their unemployment benefits.

I agree that we should do something, so let us separate out the unemployment insurance provisions. Let us separate that out and not put it in with the controversial provisions. Let us at least get something done for the unemployed worker. But instead, they want to put it all together, knowing nothing is going to happen.

Mr. THOMAS. Mr. Speaker, I yield 30 seconds to the gentleman from Louisiana (Mr. McCRERY).

Mr. McCRERY. Mr. Speaker, I do not think my friend, the gentleman from Maryland, meant to characterize the Reed Act transfers as he did because he quickly corrected himself to say, well, there are limits on how they can use those.

First, he said the legislatures have to go back into session to use the Reed Act transfers. That is incorrect. Current law allows the States to use the Reed Act transfers within some limits, yes; but they can use those immediately upon transfer.

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

Mr. McCRERY. I yield to the gentleman from Maryland.

Mr. CARDIN. Mr. Speaker, I would ask the gentleman from Louisiana (Mr. McCRERY), could they use it to increase benefits without the State legislature meeting?

Mr. McCRERY. No. But reclaiming my time, they can use it to help the unemployed find a job. It is called unemployment job services.

Mr. RANGEL. Mr. Speaker, it is my honor and pleasure to yield 3 minutes to the gentleman from Michigan (Mr. DINGELL), a former chairman of the Committee on Commerce and the ranking Democrat.

□ 0115

Mr. DINGELL. Mr. Speaker, it is a good time to bring it up. It is late at night. This kind of cynical legislation should be brought up in the dark because people are not going to want to see this kind of sorry display take place.

First of all, this is a rather shameful piece of legislation. It is a fine compendium of giveaways to special interests on which there is neither economic nor moral justice.

The bill promises laid off workers a lot of help but then squeezes them into a kind of weird situation where they cannot get it. It gives tax credits to people who do not have any money who are going to have to wait for a year to file an income tax, and then get their refund, and then to maybe go out and get the money that they have to have now to buy the unemployed health care program that this bill supposedly sets up.

Does that make sense? I hardly think so.

Now, the Republicans are talking about how this is going to give us a bill that is going to go to the Senate. The Senate is not going to take up this sorry piece of legislation. And on top of that, it is illusion at best. The program of grants that are given to the governors are, in fact, taken away from categorical programs. And it is interesting to note that those programs, the Republicans do not even know how they are going to go to work. And they said, well, we are going to have to find in one discussion, they said, we are going to have to find out how we are going to create some sort of national calamity that will create the need for putting money into some of the States that are losing money.

Now, I am sure with the innovation that they have, if there is a Republican governor that that might occur; but then again, it might not.

In any event, the simple fact is that the unemployed who are supposedly getting health care under this are not. They are getting a tax credit which they will not be able to cash in until such time as they have, in fact, filed a return. And if they have not filed a return, they are not going to get anything. And if they have not gotten any money coming back, they probably are not going to get anything either. So it is all fraud. It is all sham. It is all illusion. It is, in fact, a thinly disguised tax cut for the rich for the world to do.

And I can understand that the stimulus that the Republicans are talking about is a stimulus for their fat cat Republican friends. It is essentially a repealer, believe it or not, of the alternative minimum tax going back for years to take care of their buddies.

Now, I recognize in an election year that probably makes good sense but it is hard to defend morally and it is hard, indeed, to justify on the basis of economics. It is also something which is not going to become law this year. The unemployed are not going to get

the health care benefits that my Republican colleagues are talking about. And the end result is that this is just an exercise in frustration and illusion and delusion and deceit.

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

Mr. Speaker, I tell my friend I have great admiration for the gentleman from Michigan (Mr. DINGELL). But this health insurance plan was devised by someone who proudly calls himself a compassionate conservative, and the description the gentleman just provided is simply flat out wrong. It is an advancable refundable credit. They get it immediately. They do not have to wait until the end of the year. It is not based upon one's income. And it is not something that the gentleman described.

As I said, I have a great deal of admiration for him. But his three minutes were used to describe something that is not in our bill and it simply was wrong.

Mr. Speaker, I yield 2 minutes 30 seconds to the gentleman from Michigan (Mr. CAMP), a member of the committee.

Mr. CAMP. Mr. Speaker, I thank the chairman for yielding me time. And I also thank the chairman for pointing out that the advance payment structure gives immediate help to the unemployed.

But this bill is not only a vehicle to create jobs and help the unemployed, but, unlike my friend from Michigan characterizes, this bill, it is an agent of compassion. The victims of the terrorist attacks in New York and anthrax and Oklahoma City will receive tax relief under this package from death taxes and incomes. There is that provision that would allow charitable organizations to give immediately to those families who lost loved ones in these attacks so they do not have to fill out all the cumbersome paperwork that the charities are demanding to meet their need requirement, so that the families will not be humiliated by going to charity after charity to fill out paperwork after paperwork.

This bill fixes that provision. This bill helps those families and will help them get the assistance they need. Many of them lost their breadwinners. I think it is very, very important that we get this provision passed.

The proposal also provides more than $9 billion in extended unemployment benefits available in any State. My State of Michigan would get an additional 12 percent in funding in unemployment, injecting more than $340 million badly needed in my home State of Michigan to those who need it.

Nationally, workers who have exhausted their benefits will get an additional 13 weeks. Unemployment benefits generally last for 26 weeks, so for a total of 39 weeks of unemployment. Nationwide an estimated 3 million workers will receive these benefits averaging about $230 per week. These benefits would be 100 percent Federally funded, unlike under the regular extended benefits where States have to pick up 50 percent of the cost.

The health insurance provisions provide a health insurance tax credit which covers every displaced worker, whether or not they had employer provided insurance. Many employers in Michigan have small businesses and this will be especially helpful to those employers. And for those employees who had coverage for at least a year, they must be sold a policy. There can be no preexisting condition.

I have heard many Members say that there is no chance of this bill being enacted, and I would say if more Members on the other side would vote for this bill, there would be a chance for this bill being enacted.

There is also an additional $4 billion in emergency block grants to be used for health care services and worker retraining. These are all funds that are much needed for our unemployed workers and for our States to help implement those programs. I urge a yes vote on this bill.

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

Mr. Speaker, the chairman of the committee in response to a question that was raised by the former chairman of the Committee on Energy and Commerce was asking well, what does one do with a tax credit? Where does one take it? How does one convert this into health insurance? What does one do if one got a disability? And the distinguished gentleman from California (Mr. THOMAS) said that the gentleman from Michigan (Mr. DINGELL) did not understand because under his bill, under his program it was an advanced refundable tax credit.

Well, I tell Members this, when Members get back home and people ask questions, Members had better staple the gentleman from California's (Mr. THOMAS) press release to their response. Because I said it before and I say it again, the total Republican Thomas health plan is on page 100. There is nothing in this bill about any refundable tax credit. There is nothing in here about anything except what some people who did not like the Secretary of Treasury 2 weeks ago now find him to be the Secretary of Health and the Secretary of the Unemployed.

But I tell Members, if they want to find out where to find the refundable tax credits, which makes sense to me, they had better check with the Secretary of Treasury.

Now, a person who knows about health and who helped to draft this program because he is a doctor and he did not refer to the Secretary of Treasury, is the gentleman from Washington (Dr. MCDERMOTT), a senior member of the Committee on Ways and Means.

Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me time.

Looking at this bill makes me think of the Enron Corporation. Republican handling of the economy in this House has been just like Enron. We start the year with a $5.6 trillion surplus, and 12 months later we are broke, and we are borrowing to give tax credits and tax cuts around the country. Sounds just like Enron to me. Fortune 500, broke at the end of the year.

How did they do it? Well, they gave big stock options and whatnot to their board of directors. So did you. You gave a tax credit of 1.3 or 1.8 or 2 billion, who knows exactly what it was, or 2 trillion, and ultimately you have disseminated our whole base in this country.

Now we come along again, you blow the bottom of the tax, the lock box. We do not have any pensions left, just like Enron. They have 18,000 people out in with nothing because of their fiscal management and that is more of the same in this bill. But the part that is really irritating is this whole health question.

Now, there is nobody on this floor who has ever been broke, I guess, or they have forgotten what it was like not to have money. We all make $11,000 a month. Now, just imagine if we suddenly were without employment. And we were getting the average benefit for unemployment in this country which is $224 a week. That is a little less than $900 a month. Going from $11,000, right, down to $900.

Now, we got to still pay the house mortgage, right? That is easy. And the next thing is we want to have a little food, right? And then we want to go pay for your health care benefits. Now, we are going to get 60 percent of the premium from the government. We just have got to come up with 40 percent of it, right? How many of us think that we would be able to pay for our rent and pay for our food, and put clothes on our kids' backs and put gas in the car while we look for a job and pay 40 percent of our health care benefit?

This is a fraud. I do not care how many dollars you put in it, it is not going to be any good to give a guy a voucher for, I do not know, $600 and say, okay, go out now and find yourself a health insurance plan. Because he hasn't got the other means to put with it to pay for it. It is simply a fraud.

You are not guaranteeing health benefits to anybody. You could have done something. You could have said let us put them all in the Medicaid. That would be one way. You would guarantee they had some health care. Or you could allow them to buy into Medicare as has been suggested for people between 65 and 50. Let them buy in.

But you do not want to give anybody a guaranteed program. You want to throw them into the free enterprise system and say, good luck. It is a fraud and it should be defeated.

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

The gentleman failed to tell anyone that if they are actually under the COBRA program they can take the certificate, they can go to the unemployment office. As they get the registration for unemployment, they apply it to COBRA. That certainly is available. There are those people who have health insurance who actually pay for it out of their pocket. They, now, when they are unemployed, get 60 percent of every dollar subsidized. They already have health insurance. They continue that health insurance.

The gentleman seems to believe there is only one way to solve the problem when the American worker has been scrambling around for a number of years because, depending on whether your employer provides it or not, you may or may not have health insurance. This guarantees if you get health insurance, whether you had it at your employer's place or not. We simply cover more people than they do. I think that is why they are squirming a little bit.

Mr. Speaker, I yield 30 seconds to the gentleman from Louisiana (Mr. MCCRERY).

Mr. MCCRERY. Mr. Speaker, with respect to my good friend from Washington's (Mr. MCDERMOTT) comments, I agree that people who go from a job to being unemployed and on unemployment insurance have a tough time meeting their mortgage payments and so on.

So in this compromise bill we are considering tonight, in the first time of the history of the United States, we are offering the unemployed a 60 percent subsidy for their health insurance. The gentleman says that they will not use it. Well, the experts who we hire around here to look at these things and estimate how much a proposal will cost have estimated it will cost $13 billion, so somebody is going to take advantage of it.

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

Well, I am at a disadvantage, Mr. Speaker, because I cannot keep up with the gentleman from California (Mr. THOMAS). He is making up this thing as he goes along and he refuses to refer to what page.

First of all, the whole idea that we cover less people, we have information from the Health Department to indicate we cover 5 million under COBRA, and we cover up to 3.8 million on the Medicaid, and he only covers 3.3 tax credits under his so called health bill. And if he has figures to contradict this, I will eat it on the House floor. So much for that.

But the interesting thing as to when one goes to the unemployment office and they go there with their credit and they do all of these things, sounds exciting to me, but I refer you to page 100. That is not on page 100. The total program is that you got to find Secretary O'Neill and ask him what you do. Do not ask the chairman of the Committee on Ways and Means.

Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. KLECZKA).

Mr. KLECZKA. Mr. Speaker, the chairman of the committee, the gentleman from California (Mr. THOMAS) indicated in his opening remarks that this is sort of like a compromise, sort of like a conference committee report. Well, it is sort of like it is not.

□ 0130

The fact of the matter is the only good part of the bill is it is as dead as the first you passed, which is even worse.

Now, one of the big hangups between the other body and the House Republicans was not the corporate tax giveaways, totaling some $60 billion for this year; but it was a few billion dollars for the unemployed and those who are losing their health care. And I say to the gentleman from California (Mr. THOMAS), what you have in this bill is woefully inadequate. If we can throw $60 billion at the corporations and the high-income folks, we can do better for those people who have lost their jobs and have lost their health care.

And so the other body, and the gentleman from New York (Mr. RANGEL), and our negotiators were going to swallow hard on the corporate stuff. We will give you the $60 billion, but we want a better shake for the unemployed. And you guys said, you cannot have a better shake, this is all we are giving you.

And then what really squelched the deal was your insistence on health tax credits. Some might say, well, why are they so hung up on it? Well, Mr. Speaker, here is why. Here is a quote from the chairman of the Committee on Ways and Means in an article dated March of 1999, where he indicates, ''We will offer a bill this year to jettison the entire employer-based insurance system and replace it with a system of individual tax breaks.''

So it did not happen in 1999, but it is happening today, and this is the start of it. Instead of expanding an existing program, COBRA, and giving a better break to workers, what my colleagues are doing is saying we are insisting on these tax credits because the next step, my friend, is to replace employer-sponsored health care with the same type of a tax credit. Now, you can say, no, that is not my quote, I do not remember that, but the chairman has said this four or five times, and I have the exact quotes each time.

Remember the old Medicare program? They had a good idea over there about making it better and giving our seniors a Medicare HMO. And since that happened, 800 million seniors who joined up have quit it. It is a bad deal. It is a failed experiment. And so now my friends on the Republican side, after helping our seniors, are out to help working men and women by jettisoning employer-based health care.

That is what this debate is all about. I am glad this bill is DOA, if it ever gets over to the Senate.

Mr. THOMAS. Mr. Speaker, I yield myself 15 seconds. I am pleased the gentleman believes this program in this bill is mine, because it is an excellent bill. It is in fact the President's plan. The administration has worked out the structure, and this is President Bush's response for those in need.

Those people who have COBRA are able to utilize COBRA. But those who believe that that is a bit expensive when they are unemployed are provided additional options. And I think the President has done an excellent job in responding to those in need.

Mr. Speaker, I yield 2½ minutes to the gentleman from Florida (Mr. SHAW), the chairman of the Subcommittee on Social Security of the Committee on Ways and Means.

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding me this time. People watching this debate have to be somewhat confused at this particular time, but let us bring everything back to earth and see exactly where we are at this particular time in the debate.

Right here in Washington right now it is 1:30 in the morning. Comments have been made as to the lateness of the hour. Much of the lateness of the hour has been caused by the failed negotiations between this body and the other body in order to try to work something out.

Unfortunately, I have to agree with the previous speaker that this may be dead on arrival when it is received in the other body. But if it is not acted upon, then certain things will not be addressed by this Congress and signed into law by this President; such things as the extension of unemployment compensation for 13 weeks. That is important. That is important to the people who are without jobs, and it may not be enough.

The gentleman from Washington was talking about, well, this was some kind of a big deal. Well, it is if you are out of work. Health care. The Federal Government helping to pay health care costs and health care insurance for those that have lost their insurance because of the loss of their jobs, since March. That is the right thing to do. If it is not taken up by the other body, it will not happen. Such things as accelerated depreciation and things that are going to bring about capital investment by the private sector are not

going to happen unless this is taken up by the other body. And as a result there will be more layoffs.

What we are trying to do is to stimulate the economy. This body has already passed a stimulus bill that has languished in the other body. They have seen fit not to take it up. We have tried to negotiate with them with a phantom bill, one they do not have; and we have failed and they have failed. Now is the time for us to pass this bill. Over 50 percent of it goes to individuals, not businesses.

This is a bill that is compassionate, it cares, it stimulates the economy, and it does exactly what this body should do, and that is care about the unemployed and those who have lost their jobs.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURETTE). The Chair would indicate to Members that the use of the word ''languish'' is probably not appropriate in referring to the inaction or action of the other body.

Mr. RANGEL. Mr. Speaker, I ask unanimous consent that if the other side does not refer to their health bill any further this evening, I will stop embarrassing them.

The SPEAKER pro tempore. The gentleman has not stated a correct unanimous consent request.

Mr. RANGEL. Well, having heard the objection, then I must continue.

Mr. Speaker, I yield myself such time as I may consume, and let me first start off by apologizing to the gentleman from California (Mr. THOMAS). All evening I have been calling it the Thomas health bill, since I thought he drafted it. But his response to the gentleman from Michigan (Mr. KLECZKA) was that this was not his bill at all, it was the President's bill.

So maybe we ought to get unanimous consent to substitute, if we want to find out what is in the bill, the President, instead of the Secretary of the Treasury. Because there is only one sentence in this bill that deals with health care, and that is ''the Secretary shall establish the program.'' So if this is not the program of the gentleman from California (Mr. THOMAS), I apologize. Mr. President, we owe you an apology too.

Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. LEWIS), a vital member of the Committee on Ways and Means.

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend, the ranking member, for yielding me this time.

Mr. Speaker, this proposed stimulus package is not good for the economy. It is not good for unemployed workers and their families. It is not good for America. This bill is only good for the big contributors to the last Bush campaign, big companies like Enron, a top contributor to President Bush and the Republican Party. The only thing this bill is going to stimulate is more campaign contributions.

This legislation is the result of an illicit relationship between the Republican Party and large campaign contributors. This bill never faced the spotlight in the Committee on Ways and Means. It was conceived in darkness and born in the den of inequity.

I say again this bill is not good for the economy, and it is not good for America. We should send this bill back to where it came from, back to the bosom of Chairman THOMAS and the Republican leadership.

I urge my colleagues to vote against this bill. It would not help the economy. We should be working together on a bipartisan package that helps average working Americans, those who need it most. We should be working on an economic stimulus package that America deserves and deserves now, and not this Thomas bill.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN), a member of the Committee on Ways and Means who has contributed significantly in helping us shape this package so that we can actually get the country moving again.

Mr. RYAN of Wisconsin. Mr. Speaker, let us put all the theatrics aside. We are at war, we have a national emergency and homeland security on our hands, and we are in a recession. So speaker after speaker is coming down to the well playing partisan politics.

Let us talk about what this bill actually does. This bill has two important goals: one, help the people who have lost their jobs with their health insurance and with unemployment compensation at an unprecedented level; and, second, and most importantly, let us help get people back to work.

What this bill does is recognize what has gone wrong with this economy. We now know officially that we are in a recession and that this recession started in March. And we do know that the recession did not come from a decline in consumption but a decline in investment. We have lost 1.3 million manufacturing jobs in America in the last 14 months.

In my own home State of Wisconsin, we have lost 29,900 manufacturing jobs in the last 14 months. This bill injects $89 billion of investment stimulus in the economy this year.

What we are trying to say is this: Americans, employers, we want you to put your capital at risk. We want to give you incentives to go back and hire people, put them back on the payroll, invest in America, reinvest in your company and create jobs. What we are trying to do is use what has worked time and time again when we have conducted these policies in America before, and that is make it easier for our employers to keep being employers, to invest in America, to grow new jobs.

We know for a fact that this bill will stimulate the economy. It will bring people back to work, and it will help those people who are looking for their jobs get other jobs. That is what this is all about.

Let us put the partisan shenanigans aside, cut to the brass tacks, pass this bill, and hope we can pass this in the other body, because that is what our constituents deserve.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume to say to the gentleman from Wisconsin that as soon as he can find what page in the bill all these advance refundable credits are, any of these credits, since he worked so hard on it, it must be in the bill someplace, but whenever he finds that, he can rely on me to give him a minute to show it to the rest of us.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Mrs. THURMAN).

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

To the speaker before me, let us not forget that we just did in July a $1.3 trillion stimulus package. We did $40 billion for recovery and relief, we did $15 billion for the airline industry, and we are doing a defense bill that will put money into the economy.

Let us talk about the Republican stimulus proposal for just a little while. The GOP plans to exclude, and I might add that many women in this category, part-timers, temporary workers, and workers who have not worked in the same job for long enough, some by the way might even be some of those welfare mothers that the gentleman talked about so eloquently, so if they do not get 13 weeks, or they do not get unemployment compensation now, they certainly are not going to get 13 weeks of extended unemployment compensation.

The refundable tax credit for health insurance premiums. I hear the rhetoric that is being talked about. But guess what, if they do not have the money, whether it is today or whether at the end of the year, they do not have the money to buy this insurance, and it does not matter whether they get a tax credit.

And I might say to my colleague that he might want to think about what the governors are saying. Paul Patton from Kentucky says, ''If Congress is serious about a stimulus package, they need to help States. A temporary increase in the Federal share for Medicaid is the right step to take.''

Now, according to CBO, up to 9 million displaced workers would receive relief under the Democratic plan, 5.1 million under COBRA, and up to 3.8 million under Medicaid. The Republican plan only provides assistance to 3.35 million.

But let me just remind my colleagues of a story in Florida recently. We had

a legislature that had to go into a special session because they could not meet their needs. The fact of the matter is, what they had to do is to reduce their spending, and they had to delay their promised tax cuts because our constitution requires the State to have a balanced budget. Where are the people tonight who voted for a balanced budget amendment to our constitution?

I would suggest to my colleagues that you are sending us down the wrong path.

□ 0145

Mr. THOMAS. Mr. Speaker, I yield myself such time as I might consume.

I might remind the gentlewoman that under their program, the numbers that she quoted in terms of the number of people that they cover include people who voluntarily retire, people who voluntarily leave their jobs, not that they were distressed or lost their jobs. It seems to me that that is a significant expansion.

What we are trying to do are help people in need, not extend to it people who make a voluntary decision. We are worried about the people who lost their jobs involuntarily.

Mr. Speaker, it is my pleasure to yield 2½ minutes to the gentlewoman from Washington (Ms. DUNN), a member of the Committee on Ways and Means.

Ms. DUNN. Mr. Speaker, 5,000 Boeing workers were laid off in Washington State last week. Yesterday Selectron closed their plant, laying off 345 people. Nordstrom has laid off 900 people. Thirty-eight thousand people, that is the number of how many honest, hardworking Washington State residents have been laid off this year and are now struggling to hold their families together during a tough holiday season.

Yesterday my State's unemployment rate surged to 7 percent, the highest since 1995. What has been the reaction of the United States Senate to this news? Inaction.

Two months ago the House passed a fair and balanced bill that provided business incentives to help our economy and to create jobs. It provided assistance to displaced workers for income and for health insurance; $257 million of that would have come into Washington State. Two months have lapsed and what has the Senate done? Nothing.

We were told that we needed to do more for displaced workers and for their incomes. We agreed and we added an additional 13 weeks of unemployment benefits.

We were told that we needed to do more for displaced workers health care. We agreed and we added $13 billion in health care assistance.

In all, between health care coverage and employment assistance, we went from $12 billion to $37 billion. Now, though, we are being told that there are no disagreements with the new funds that are being added, but with the method of delivery.

This is an argument, Mr. Speaker, that is lost on the American people. Families right now simply want the peace of mind that their children are going to be cared for and that we are going to be able to help them cover an injury or illness.

We are now being told that individual tax cuts should not be part of any stimulus package. Why? Because a teacher in Belleview, Washington, who pays a 27 percent tax rate is considered rich. This teacher, who earns a salary of $30,000, who cannot even afford housing near the school district, and she has to commute up to an hour just to get to class every morning, she is considered rich by the Senators who have failed to act.

Mr. Speaker, in my State, 660,000 people will be helped by this provision. I think it is time for the Senate to give up and to stop making excuses for their inaction.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. THORNBERRY). The gentlewoman will suspend.

The Chair would again remind all Members not to characterize action or inaction of the Senate.

The gentlewoman may continue.

Ms. DUNN. Mr. Speaker, my commitment to the people I represent is to make sure that the economic security bill we pass will boost our economy and will provide, at the same time, help for displaced workers and stimulate the economy, but if the Senate fails to act again, Mr. Speaker, we must explore every avenue, congressional and administrative, to bring assistance to those in need.

I support this bill, and I hope everybody will vote for this bill. We help my Washington State workers and their own at the same time.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the hardworking gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Speaker, I thank my beloved colleague the gentleman from New York (Mr. RANGEL), the distinguished ranking member of the Committee on Ways and Means, for yielding me the time, and I rise in strong opposition.

This is not a bill. It is a raid. First, it is a $260 billion raid on Social Security and Medicare. Yes, tax cuts for the super rich gut the lock box, and it holds the unemployed hostage for tax cuts to the Fortune 500 that are not even required to invest the dollars in America; $1.4 billion more to IBM; $671 million to GE that has not created a manufacturing job in this country in over a decade.

With American troops at war, sacrificing themselves, five of the top corporate tax evaders walk away with over $100 million, and they are in the energy business like discredited Enron that has both hands out. By golly, their CEO, Ken Lay, he is laughing all the way to the bank with the $200 million he took out of the deal, and in fact, he should pay at the 38 percent tax rate. I would not mind if we taxed him at the 50 percent rate to pay for all the unemployed people he put out of work.

Let me just say, we ought to think what Bill Natcher, our colleague, used to tell us, think about it America. Vote no on this Republican trickle down raid on the public Treasury.

Mr. THOMAS. Mr. Speaker, I yield myself 10 seconds to tell the gentlewoman from Ohio (Ms. KAPTUR) that a no vote on this would deny her fellow Ohioans $406 million additional on just the $9 billion in this program for unemployment insurance, and the decision is hers.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from California (Mr. HERGER).

Mr. HERGER. Mr. Speaker, I rise in strong support of the economic security and worker assistance package. This legislation will give our economy an urgently needed boost and will provide displaced workers with additional financial assistance in these uncertain economic times.

Specifically, this bill will allow Americans to keep more of their hard earned dollars by deducing the 27 percent tax rate to 25 percent beginning in 2002. This legislation will encourage new business investment by allowing companies to more quickly recover the cost of their investments, allowing small businesses to expense more of their equipment purchases.

In all, this legislation will inject nearly $90 billion of economic stimulus into our economy next year. This package also provides significant new assistance to unemployed workers.

Under the proposal, displaced workers will receive up to 13 weeks of extended unemployment benefits, and an additional $9 billion in surplus Federal unemployment funds will be made available to States.

As chairman of the Subcommittee on Human Resources, I want to thank the gentleman from California (Mr. THOMAS) for all his hard work in this area. This bill is a carefully crafted compromise, supported by a number of centrist Senate Democrats and is a result of weeks of negotiation.

Mr. Speaker, let us pass this bill and send a message to the Senate and the Senate Democrat leadership, which has refused to pass this legislation, that the American economy and American workers cannot wait any longer, and that it is time to act and act now.

Mr. RANGEL. Mr. Speaker, I would just like to thank my friend, the gentleman from California (Mr. HERGER)

for not referring to the nonexisting health program for the unemployed.

Mr. Speaker, I yield 1 minute to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me the time.

Mr. Speaker, this bill is the product of negotiations of the House Republicans with themselves. In our system, a remarkably ineffective way of making law.

They cannot seem to give up writing big checks to big corporations. Take, for example, the alternative minimum tax. It is not repealed retroactively as in the first Republican bill. Under this bill, corporations get only $13 billion in several smaller checks and not all at once.

The gentlewoman from Connecticut said that the unemployed will get $30 billion. We think it is about half that amount. Compare that number to the cost of this bill over 5 years, $260 billion.

While most States right now are facing desperate situations with respect to their own finances, the bonus depreciation provision will reduce State government revenues by $5 billion a year for each of the next 3 years. Tell that to your governors.

Rarely have we heard so much talk about the unemployed and so little help for them.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 3 minutes to the gentleman from Ohio (Mr. PORTMAN), a member of the committee.

Mr. PORTMAN. Mr. Speaker, let us back up for a second and talk about why we are here. Let us remind ourselves of the fact that we are in a recession. The economy was already hurting before September 11, and it is in a whole lot worse shape now. Eight hundred thousand people we believe have lost their jobs since September 11. Businesses are shutting down, mostly small businesses, and people are hurting because people are unemployed.

We are trying in a good faith effort to deal with that and to protect people's jobs and help jump start this economy. That is what this is all about. We can do it tonight.

For starters, this package provides needed stimulus to the economy by giving people more money to spend so they can get out and spend more money. We heard earlier people care about consumers. I have heard tonight on the floor that this is all about the super rich; that it is all about fat cats, those are quotes, tax cuts for the rich. Tell me where they are. Is it the $13 billion that is going out to people who did not get checks over the summer and the fall, the $300, $500, and $600 checks? Are they the fat cats? They are at the low end of the economic scale. They need that money. They can use it right now. They will spend it.

Is it lowering the taxes from 27 percent to 25 percent? These are people making $27,000 a year up to about $67,000 a year. Are these the super rich? Are these the fat cats? Are these the folks who I have heard about tonight on the floor? I do not think so.

I do not where these tax cuts for the super rich are. These folks are not super rich. These are the folks who need the money and they need it now.

Yes, there are some things to help companies to retain and grow jobs, and those include allowing businesses to immediately expense things so they can go out and buy them. Thirty percent are meeting expensing.

Yes, the alternative minimum tax makes no sense. It is countercyclical. It hurts companies at a time when the economy is not doing well. Half of America's companies were paying alternative minimum tax during the last recession. It hurts jobs.

There is nothing retroactive in here. It is all prospective, and it is going to help jobs, and that is why we are doing it.

We also need to help people who are already unemployed. Ohio gets $406 million out of this to help the unemployed. The health insurance provisions are very good. I am looking at page 100. I am also looking back to page 93, 94 and 95 and 96 and 97 and so on up to page 108. There is a lot of good stuff in here about it, and what it says to me, it says my colleagues are selling people short.

They can figure out this program. They go to the unemployment office, they get a certificate, they go out and get their health care. Most of them are going to get it through the employer-based system. I do not know where this paranoia comes that we are somehow destroying the employer-based system through this plan. No analysis I have seen, nobody who is objective, who looks at this thinks that most people will not get it through the employer-based system. The employers are providing health care now. They can use a certificate for that.

The point is that you cover more workers because if you do not get the employer-based health care, you can go out and use the certificate in the private market to get health care if you do not have it now. We may cover fewer people, but we cover more people who are unemployed and uninsured, and that is the point, is it not? That is where the resources ought to be directed. That is what this is all about.

This economic stimulus package is going to help put people back to work. It is going to help people who are already out of work, and it is going to get this economy going again. We have an opportunity to do something big tonight, which is send a message to the other body and get this done for the American people.

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

I may end up apologizing to my friend on the committee because he is a good friend of the President, and so this is the President's program, and so my colleague flipped through those pages a little fast here, but I will yield him 30 seconds to tell me how does a person with a tax credit and no job and no tax liability, what do they do and where do they go, and he can just refer to one of those pages that he flipped, and if he does not know, he can call the President and I will give him time when he comes back.

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

Mr. RANGEL. I yield 30 seconds to the gentleman from Ohio (Mr. PORTMAN) to tell me what page is this on.

Mr. PORTMAN. Mr. Speaker, this is a very interesting idea, because this actually came out of the Democratic Leadership Council, as well as the President of the United States, as well as people on both sides of the aisle here. No one person has a monopoly on this idea.

Mr. RANGEL. Mr. Speaker, if the gentleman will yield, where does the person go, to the Democratic Council?

Mr. PORTMAN. No. It is a great program because you get the certificate and you use it. Do not sell people short. They can figure this out.

□ 0200

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, I bring you another Christmas story. Long ago, many highly profitable corporations paid zero in Federal income tax. Ebenezer Scrooge rejoiced. But the American people insisted that we pass a corporate alternative minimum tax so that no matter what loopholes a profitable corporation exploited, it still had to pay a minimum tax of 20 percent of its economic income.

Today, Ebenezer cynically dresses as Santa Claus. He is pretending to bring relief for Tiny Tim. But actually he is delivering the virtual repeal of the corporate alternative minimum tax, delivering presents to the largest and richest corporations in America. In doing so, he will take $13 billion away from Social Security and imperil the retirement of Mr. Cratchit.

Bah, humbug.

Mr. THOMAS. Mr. Speaker, it is indeed my pleasure to yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH), a member of the committee.

Mr. HAYWORTH. Mr. Speaker, I would caution us all, with the severity of the challenge our Nation faces, with the fact that we are a people at war who were wantonly and brutally attacked on September 11, to continue to preen and posture and play games in the hopes of providing what in some twisted way must be thought of as a clever soundbite does a disservice to

people who are out of work, to people who are hurting, to people who need health insurance, to people who need this unemployment, money that has been set aside where we have tried to work in good faith.

People can talk about the lateness of the hour. People can try to use misguided tales of Scrooge. The tragedy is for all the talk of compassion, my friends, if you set aside this last best opportunity to help these people, then you have turned your back on them. And then you have taken on the mantle of those you claim to attack and not to support. You have taken on the mantle of Scrooge. We cannot have that tonight. We cannot have this type of posturing and preening. Let us put the people in front of the politics. You may disagree with us on many matters. We have tried to come halfway and find a plan that can work at the behest of our President.

The American people deserve this opportunity. Do not turn your back on the people, for if you do so, you will ensure that this holiday is one that lacks prosperity and you will ensure that you are not doing your part to add to goodwill and a constructive, united front in the face of a massive war effort.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the hard-working gentlewoman from Florida (Ms. BROWN).

Ms. BROWN of Florida. Mr. Speaker, as we pause for the holiday, the loyal opposition party is bent on giving out huge handouts for their country club friends for Christmas. Meanwhile, most Americans, especially minorities, go on suffering the economic consequences of 9–11.

In concentrating on passing tax cuts, trade bills and stimulus packages for the rich, this House, which is supposed to be the people's house, continues to allow the big dogs to eat first. In fact, right now, they are the only dogs that are doing the eating.

More workers lost their jobs in October than any other time in the last 10 years. And what is their response? Pass a tax cut, pass a tax cut, pass a tax cut.

This country needs a stimulus bill that provides money for jobs training, economic development, and real health care. In closing, let me just say one thing. Thank God for the other body and hold the line for the American people. Hold the line.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. THORNBERRY). The Chair would remind all Members not to urge action or inaction of the other body.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Oklahoma (Mr. WATKINS) who does not believe we ought to hold the line and deny people help when people need that help.

Mr. WATKINS of Oklahoma. Mr. Speaker, I know the night has been long for all of us. But to my colleagues, let me say this night is not near as long as many years ago when our Native Americans were forced by our government to travel from the east coast over 1,200 miles to the Indian Territory. Those were long winter nights and many of them died. Thirty-seven States have Indian reservations. California has the greatest population of Native Americans. Oklahoma has the highest per capita and the second largest population, but 37 States.

This is not a rich bill. This also extends a Native American tax credit, a wage tax credit and also accelerated depreciation. It works. It works because let me say I have personally experienced helping bring industry into those areas, because I was raised with the Native Americans. It is not a rich man's, a rich person's bill. If you have any compassion at all for those who have the worst economic conditions, the highest unemployment, the highest underemployment, the highest outmigration, those with the greatest social problems, of drug problems and also of alcoholism, if you want to lift them up, this can do it. I know because just last Saturday, I broke ground on a $700 million power generation plant that employs hundreds and hundreds of people, many of them with Native American backgrounds. I also know it works because I was going to be home Friday to break ground on a second $65 million operation at the headquarters of the Choctaw Indians in my area of my boyhood home county where I was raised with the Choctaws.

Let me say to my colleagues, please do not overlook these forgotten Native Americans. This bill will help lift them out of their problems into a better way of life.

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

Mr. NADLER. Mr. Speaker, with Christmas just around the corner, the Republican leadership is once again handing out its presents to the large corporations. That might not be so bad if there were any economic value to this so-called stimulus bill. We should be putting money into the hands of people most likely to spend it, the unemployed and those people living paycheck to paycheck. Instead, this bill would give billions to corporations, hoping they will make products for people who do not have the money to buy the products. That is not stimulus, that is corporate giveaway.

Even the portions of the bill directed toward rebuilding New York are a disappointment. They are simply the same tax incentives that we passed just last week on the victims tax relief bill. As I noted then, while we welcome these measures in aiding our long-term economic revitalization, they do not provide the immediate relief that New York desperately needs. My distinguished colleague, the gentleman from New York (Mr. RANGEL), has a substitute that has just what we need today.

In particular, he would address the devastation our small businesses are facing now. The gentleman from New York's provisions would help small businesses survive the transitional period until Lower Manhattan is rebuilt and larger businesses return to the area. Only then will their customers return. But this bill just tells them to wait a few years. By then it will be too late.

Mr. Speaker, this bill is nothing new. It follows the tired old Republican script, provide as much money to the wealthy and to the large corporations as possible and then claim there is not enough for the people who really need it.

Vote ''no'' on this irresponsible bill.

Mr. THOMAS. Mr. Speaker, I yield myself 10 seconds. The gentleman from New York really does need to know that out of the $9 billion, New York gets half a billion; out of the block grant alone, New York gets another half a billion; and out of that victims tax relief, New York gets another $5 billion. Even a New Yorker would recognize that a billion here, a billion there, finally adds up to real money.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Pennsylvania (Mr. ENGLISH), a valued member of the Committee on Ways and Means.

Mr. ENGLISH. Mr. Speaker, American workers need help now. We know that from my district in northwestern Pennsylvania, and we know that from the experience around the country. The legislation before us brings a total of 37 billion new dollars in new benefits for unemployed workers, including 13 extra weeks of additional unemployment benefits. This is a critical initiative that we must pass now. With this bill, the House has made an effort to respond to the needs of the American worker during the current slowdown. But in doing so, we have also insisted that a stimulus package must be just that, a stimulus, that will return our struggling economy back to a growth path.

The single best way to jump-start our sputtering economy today is to allow companies to quickly recapture the money that they invest in capital. We know that huge additional amounts of business capital investment are critical to restart the economy. This bill includes an expensing provision that is no corporate giveaway. It rewards companies that make concrete entrepreneurial investments. We know that productivity is spurred by investment in innovative capital equipment. The sooner manufacturers can recapture the cost of their equipment, the faster they can create and maintain good-paying jobs. Workers not only need a better safety net as provided in this

bill, but they need to be able to hold on to their jobs. Yes, workers want help when they are unemployed; but more importantly they want a good-paying, stable job. This bill stimulates the economy to make that possible.

This is a well-balanced bill that addresses both the human needs and the investment needs of this recession and will help many individuals and employers who are bearing the brunt of a slowdown that started last year. We must put partisan differences aside and unite behind this pro-growth, pro-jobs, pro-worker economic program to get America's economy growing again.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO), who is a special assistant to the minority leader.

Ms. DELAURO. Mr. Speaker, I rise in strong opposition to this bill. It does not help our economy and little to help those who are hurt by the economy.

Times are tough for American families. Unemployment rates are the highest that they have been in nearly a decade. States are facing severe budget shortfalls. Families need to know that if they lose their jobs that their unemployment benefits will be secure and they will have a way to continue health coverage. This body needs to pass an economic stimulus package that helps the economy get moving, which assists families during difficult times.

I ask my colleagues on the other side of the aisle, where have you been for the last 3 months? This bill and your past actions have done nothing to help those families. This bill does not include unemployment benefit increases. It does not guarantee access to affordable health care coverage. What it does include is a big helping hand to the Republicans' wealthiest contributors by refunding the corporate minimum tax, without any real benefits to the economy or to consumers.

This body has bailed out the insurance companies, it has bailed out the airline industry, and where it has come to the working men and women of this country, you have dragged your feet. And now, weeks and months later, the Republicans are trying to pass a bill that is simply unconscionable. There is no other word for this Republican economic package than greed. It is an unpatriotic grab on the public treasury.

I urge my colleagues to vote ''no'' on this bill. This leadership needs to be seriously engaged in negotiations to produce a plan that will truly help the economy and truly help the families in this country.

□ 0215

You have paid not a shred, not a shred of attention, to what has happened to working Americans, and it is a sham tonight to hear you talk about working Americans and what their plight is.

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

Mr. Speaker, I was not aware that one party had a monopoly on compassion for people in need.

Mr. Speaker, it is my pleasure to yield 3 minutes to the gentleman from Missouri (Mr. HULSHOF), a member of the committee.

Mr. HULSHOF. Mr. Speaker, I do not intend to invoke the wrath of the Chair by mentioning the other body. I do not intend, in fact, to focus my comments except for on those colleagues who are actually considering the merits of the bill. Not those, for instance, who say they are in favor of free trade, but then vote against a free trade bill; not against those who say they want some sort of stimulus, but then do everything they can to prevent that stimulus from happening.

What I would like to do is ask a simple question. My colleague, the gentleman from Ohio (Mr. PORTMAN), asked this question earlier, and I ask it again: Why are we here?

The answer to that question I think can be found in a videotape that was released last week of a dinner in Afghanistan when Osama bin Laden boasted to his dinner companions that the attack on September 11 exceeded his wildest expectations. Yes, those terrorists went into those Twin Towers in Lower Manhattan, but they did not intend for those towers of commerce to topple. But they did.

Along with that, our economy has been rocked. Even the Democratic former Secretary of Treasury has said that we were teetering on a recession, but clearly we are in that recession now. This is a bill that addresses the needs of our economy now. It helps rebuild that sagging economy.

Some of the statements on the floor have been just blatantly wrong. Certainly every person is entitled to his or her own opinion, but no one is entitled to his own set of facts, and the facts are these: There is an immediate stimulus in this bill.

My friend from Maryland said that there was no immediate stimulus. We are going to have $90 billion over the next 9 months if this bill were to become law.

My friend from Florida says that the governors have complained. My own Governor from the State of Missouri has complained that if this bill were passed, that Missouri would be harmed. We have $8.6 billion for Medicaid reimbursements and other grants so that States are held harmless.

In addition to boosting consumer confidence, we accepted an idea, a constructive idea, from the other side, a $14 billion income supplement, even if you do not pay income taxes. We boost investor confidence to small business owners, a short-term incentive to invest in equipment. Those laid-off workers, this bill is three times more generous than the bill this House passed a few weeks ago.

For Members who are interested in the policy, Mr. Speaker, inaction is not an option. For Members of this body who are purely interested in politics, however, I say this: A ''no'' vote means an extended recession. The blood of that extended recession will be on your hands. I urge a ''yes'' vote.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the hard-working gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I almost rise to a point of being speechless on the last comments being made about the blood being on our hands. For that I will take more time. For, in fact, what a tragic statement.

This is not a stimulus package. This is a raid on the Treasury, for those whose hands are out and in your pockets. The American people are hurting and the American people are being laid off every single day, and what the American people need is what the Democrats have offered, not a sham of an extension of 13 weeks. They need a full loaf of 26 weeks of unemployment insurance, a whole year, because we have not a recession, we have almost a depression. And the stimulus or the tax cut that you gave us just a few months ago did not work.

What the American people need now is to have real coverage of health insurance, not a worthless tax credit that those who are broke and unemployed with no money will not have the ability to be able to use those dollars.

We have millions of dollars of worthless tax cuts that are raiding Social Security, and we are also taking money from equipment by 30 percent depreciation.

Mr. Speaker, let me just say: This is a raid on the Treasury. We need real legislation. This is a worthless bill, and we need to defeat it.

Mr. THOMAS. Mr. Speaker, I yield myself 10 seconds.

Mr. Speaker, I find it ironic that I am in receipt of a letter dated December 5 which the gentlewoman from Texas's signature is on which urges the gentleman from Illinois (Speaker HASTERT) to include the $9.2 billion accelerated redact distribution contained in the bill.

Mr. Speaker, it is my pleasure to yield 2½ minutes to the gentleman from Illinois (Mr. WELLER), a valued member of the committee.

Mr. WELLER. Mr. Speaker, my home State of Illinois had bad news this week. Like many communities across America, one of our Nation's largest employers, Motorola, headquartered in Illinois, announced they were going to lay off 8,900 workers yesterday; 8,900 men and women who had to come home to their families and tell their children they no longer had a job. Motorola is just one major employer who has already lost one-third of their employees through layoffs in the past year.

Nationwide we have seen 800,000 workers who have lost their jobs, 8,000 a week, since the terrorist attack on September 11. That is why we are here tonight, because we want to help these American workers. I want to help these American workers. My Republican colleagues want to help these American workers. My hope is my Democratic colleagues will join with us in helping these American workers who have lost their jobs.

Frankly, I think we all want these workers to have the opportunity to go back to work, because every good hard-working American deserves an opportunity to work.

Let us remember one basic economic fact, and that is that investment creates jobs, investment grows the economy. Our bipartisan legislation that is before us rewards investment. The 30 percent expensing, the accelerated depreciation, rewards investment; investment in computers, investment in pickup trucks, investment in machinery and other equipment. Let us remember that when an employer purchases this type of equipment, there is an employee that makes this type of equipment, as well as is required to operate it. That creates jobs.

We also have to recognize that there are American companies losing money this year, and they need investment capital. That is why the NOL carryback, the 5-year opportunity to go back and recover from a profitable year some extra money that can be invested this year in creating jobs, again rewards investment.

The bottom line is we want to reward investment, we want to create jobs. This is an opportunity for us to work together. Frankly, it is a bipartisan bill. My hope is our Democratic friends will set aside their rhetoric and work to help the American worker.

Let us pass this bill. We need economic security. We need to help workers. Let us support this legislation. My hope is the other body will take it up.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. PELOSI), our new and dynamic minority whip.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me time in his capacity as ranking member and for his leadership in fighting this ill-advised bill.

Mr. Speaker, Christmas is coming, the goose is getting fat; pleased to put a penny in the old man's hat. That is what this bill reminds me of tonight.

Corporate America, because of this bill, which puts tax breaks for corporations over assistance to unemployed workers, says to America's families, Bah, humbug.

The Director of the Office of Management and Budget has predicted that we will face deficits through the rest of the Bush presidency. During the previous administration, years of fiscal responsibility had built a strong economy and a significant surplus. Now the surplus is gone. More than half of the lost surplus is directly linked to the Bush tax cut.

Despite this result, Republicans insist that further tax breaks make up the bulk of any stimulus package, refusing to provide additional unemployment and health benefits to displaced workers unless Democrats agree to give huge tax cuts to corporations.

The goose is getting fatter; pleased to put a penny in the old man's hat.

Throughout the economic stimulus negotiations, the Democratic position has been simple: Put unemployed workers first. But the Republicans have refused. They have refused to increase unemployment insurance benefits; they have refused to expand health insurance for unemployed workers who had been employed part-time or on a temporary basis; they have refused to provide sufficient resources for displaced workers to purchase health insurance in the private market.

Mr. Speaker, this is really a tragedy, because in the course of the budget negotiations earlier this year, the House Committee on the Budget and Senate Budget Committee on a bipartisan basis agreed that in order to be effective, the stimulus package must be short-term, provide a quick boost to the economy and not sacrifice our long-term fiscal stability.

This stimulus package fails on all three fronts, it fails America's unemployed workers and it fails America's families. I urge a no vote on this.

Mr. THOMAS. Mr. Speaker, I yield myself 10 seconds.

Mr. Speaker. Under the temporary State Health Care Assistance of $4.6 billion grant, California out of that $4.6 billion would get $482 million. Out of the $9 billion on the unemployment insurance, California alone would get over $1 billion. That, to me, is real help to real people in need.

Mr. Speaker, it is my pleasure to yield 3 minutes to the gentleman from Iowa (Mr. NUSSLE), the chairman of the Committee on the Budget and a valued member of the Committee on Ways and Means.

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

Mr. Speaker, the distinguished minority whip just mentioned the fact that we had this big surplus going into this year. What happened to it?

Well, of course, the Democrats love to blame the Bush tax cut. The fact of the matter is, as we all know, only $35 billion went out the door in the tax cut for this particular year. So where did the rest of it go? Where did the rest of the $100 billion go that the gentlewoman talked about?

Is it possible that that had to do with Osama bin Laden? Is it possible that is the deepening of the pre-attack economic recession? Is it possible that is what happens when terrorism strikes America? Is it possible that you can put aside your rhetoric for just one moment and take a look at the facts, as opposed to just trying to blame people in the dead of night?

Because do you know what is going to happen? Blaming people in the dead of night probably is not any more effective than trying to pass legislation in the dead of night. But one thing will be alive in the morning, and that is the action that happens. Actions will speak louder than words.

When we were hit with terrorism, we passed an emergency bill. When we had to fight a war in a bipartisan way, we funded the military. But when it came to dealing with the recession, actions speak louder than words.

The House acted. The House put forward a stimulus bill. The House put forward ideas and plans. But where has action come from any other place in this Capitol? Unfortunately, we have not seen much. In fact, it is easy to talk about page 100 in the Republican bill. There is not even a bill to talk about in the other body, page 100 or page 1.

So, you can debate action, but when everything is said and done tonight, you are going to be voting on all of these different provisions, and you are going to have one opportunity to help New York, you are going to have one opportunity to help the victims of this attack, you are going to have one opportunity to deal with this recession, and that one opportunity will be lost if you continue to vote no.

I believe that this instance will be a test for this Congress, and the question will be when the lights come on tomorrow morning and people want to find out exactly what happened, they will ask the question, who acted and who did not?

I am really perplexed by the fact that we have been hearing all tonight about how the Senate has not acted. We cannot talk about that. We are not going to talk about that.

Mr. RANGEL. Do not talk about that.

Mr. NUSSLE. We are not going to talk about that. But I will talk about something else, and that is they cannot. It is not a matter that they will not, they cannot. They have not. They have not.

Mr. RANGEL. He is talking about that.

Mr. NUSSLE. No, I am not talking about anything. I am talking about they cannot. Why have they not, if they can? It is that they cannot. It is not that they will not.

Mr. RANGEL. Point of order. He continues to talk about that.

Mr. NUSSLE. I am not saying that they will not.

□ 0230

PARLIAMENTARY INQUIRIES

Mr. THOMAS. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman will state his inquiry.

Mr. THOMAS. Mr. Speaker, can one say they have not acted? I believe the earlier clarification was that if one stated the fact, and the fact is that the Senate has not acted, that would not rise to a point of order.

The SPEAKER pro tempore. The gentleman is correct. It is appropriate to state factually.

Mr. THOMAS. And a factual statement is, the Senate has not acted?

The SPEAKER pro tempore. The gentleman is correct.

Mr. RANGEL. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from New York will state his inquiry.

Mr. RANGEL. Mr. Speaker, is it proper to state that this body, this Committee on Ways and Means, has not acted on this bill? Is that proper?

The SPEAKER pro tempore. Yes.

Mr. RANGEL. I thank the Speaker.

Mr. Speaker, I yield 30 seconds to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me 30 seconds to respond to the references made here.

Mr. Speaker, I do not blame my Republican colleagues for debating this bill in the dark of night. It is a shame. I know why they do not want the American people to hear about this and what the facts are, but I want to address the point of the gentleman from California. He rose and said that there are $482.6 million in Federal funds for the Republican block grant that California will gain under this bill. What he failed to mention is that under the Democratic plan, California would get $722 million, a more than $240 million increase. As far as that point is concerned, the 53 percent of the deficit is attributed to the tax cut, not to September 11.

Mr. RANGEL. Mr. Speaker, they say, what bill? It is the bill that they denied the opportunity for this body to debate, the Democratic alternative.

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

Mr. RANGEL. Mr. Speaker, I will be glad to take some of the time on the other side if they would like to yield it to us.

Mr. Speaker, I yield 1½ minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, I agree with my Republican colleagues on one very important point. This bill is much, much better than the last time they told us that we had to pass a stimulus bill to save the economy. How is it better? Liberalism has broken out in that unlikely place. Member after Member has bragged about how much they are doing for the unemployed, how much they are doing with health care. All of a sudden the market does not work, and we have the Republicans telling us how much more money they are providing out of public funds.

Well, I agree, they are trying; but like most people who are doing something which they really are not used to, they do not do it well, because what they do is compound it by adding tax cuts. The gentleman from Iowa is partially correct, in my judgment. There are many factors why the surplus that we had has become a deficit. But one thing we do not do is to respond by deepening that deficit by further tax cuts, some of which are entirely unrelated to a short-term stimulus because they are 2 and 3 years.

The biggest difference between the two bills to me is yes, we do say we want to raise taxes over current law for people who make more than $300,000. The Democratic plan puts off that further rate reduction for people who make over $300,000 and prevents the deficit from lessening. The first President Bush said we could not do a lot of important programs because we had more will than wallet. The current President Bush, having inherited a wallet from Bill Clinton, was terrified that this might lead to real programmatic improvements, so my Republican colleagues are helping him throw that wallet away. That is a very important difference.

Yes, they should be proud of doing much better, although not good enough, in trying to respond to the unemployed; but they cannot do it without revenues.

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) has 12 minutes remaining; the gentleman from New York (Mr. RANGEL) has 15½ minutes remaining. Who yields time?

Does the gentleman from New York seek to yield time?

Mr. RANGEL. Mr. Speaker, it was said that they have 12 minutes and we have 15½, and they are yielding to us? Okay.

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

Mr. ANDREWS. Mr. Speaker, I know that the unemployed people of our country need help and our economy needs help, and I think there is broad agreement on that tonight. Where there is disagreement is over the two-thirds of the money in this bill that is not spent this year, Mr. Speaker; $162 billion that does not even get spent this year. It has nothing to do with stimulating the economy.

If we have learned any lesson in the last 30 years, it is that when we run the Federal Government by borrowing money, we destroy jobs and ruin the economy. This bill is as if the last 10 years never happened around here, because here we go again.

This bill is going to take a quarter of $1 trillion and borrow it from the Social Security trust fund. Two-thirds of that money has nothing to do with what is going to happen in the next 12 months. It is simply going to run up the deficit, destroy jobs, and re-create the malignancy that burdened this economy and the people of this country for so long.

We could make an agreement in the short run, but this bill does not do it. It should be opposed.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the song goes, we wish you a merry Christmas; good tidings we bring to you and your kin. That is good tidings if you are unemployed and you have had coverage for 12 to 18 months; it is good tidings if you are eligible for unemployment compensation. It is good tidings if you have money to pay for health care and you can come up with 40 percent. It is good tidings if you can find your way through the unemployment maze.

The gentleman from Ohio failed to admit that in the State of Ohio, our Governor closed down unemployment offices, so they are going to be very hard to find.

But more importantly, as we stand here talking about truth at 2:35 a.m., the truth of the matter is that this bill does not provide all that it could for unemployed workers because many are left out of the pocket. If we really wanted to help unemployed workers, we would do one bill that helps unemployed workers, and then we could say to them, good tidings we bring to you and your kin. We are going to give you some money to take care of your families and your Christmas.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the hardworking gentleman from New Jersey (Mr. PALLONE), especially on health affairs.

Mr. PALLONE. Mr. Speaker, the majority, the vast majority of Americans who are unemployed cannot afford health insurance under our current system. What the Democrats have proposed is so easy. We simply say, okay, we will pay for your COBRA benefits or, if you are not eligible for COBRA, we will pay for your Medicaid benefits and you will get comprehensive coverage.

I think that what is happening here tonight is that the Republicans are so kind of wrapped up into their own idealogy, conservative idealogy, that they just think that what the Democrats have proposed is somehow a giveaway or some kind of welfare or something that is wrong for the American people. They should be looking at this practically in terms of what is actually

going to help people get health insurance, and that is true for unemployment compensation and the other aspects of this bill.

It really irks me to hear my Republican colleagues act as if they want to help or do something when they know full well that by bringing this bill up tonight they are going to do nothing. I am going to get a call Friday when I go back to my district office about health insurance; and I am going to have to say, nothing happened in this House of Representatives because of the Republican leadership and because of their conservative, right-wing idealogy and their unwillingness to bend.

NATIONAL GOVERNORS ASSOCIATION,
Washington, DC, November 26, 2001.

Hon. THOMAS A. DASCHLE,
Majority Leader, U.S. Senate, the Capitol, Washington, DC.

Hon. J. DENNIS HASTERT,
Speaker, House of Representatives, the Capitol, Washington, DC.

Hon. TRENT LOTT,
Minority Leader, U.S. Senate, the Capitol, Washington, DC.

Hon. RICHARD A. GEPHARDT,
Minority Leader, House of Representatives, the Capitol, Washington, DC.

DEAR SENATOR DASCHLE, SENATOR LOTT, SPEAKER HASTERT, AND REPRESENTATIVE GEPHARDT: The nation's Governors support your negotiations to secure bipartisan action on an economic stimulus program. As you know, the current budget shortfall in states is estimated to be about $15 billion and is being caused primarily by declining revenue growth and the explosion in the costs of the Medicaid program. As the economy continues to slow, this shortfall is expected to increase to between $20 billion and $30 billion. The unprecedented costs of homeland security, as well as other provisions being considered as part of the stimulus package, will add substantially to the growing fiscal crisis. This growing state budget shortfall will continue to be a major drag on economic recovery and will offset a portion of a federal economic stimulus package.

Given this fiscal stress in just about every state, the nation's Governors number one priority in the economic stimulus package is for a temporary increase in the federal medical assistance percentage (FMAP). Our FMAP proposal, which will cost about $5.5 billion, includes three major provisions:

A hold harmless provision for any state that would receive a decrease in its FMAP this year;

An across-the-board one and one-half percent increase in the FMAP for every state; and

A one and one-half percent increase in the FMAP for states with higher than average unemployment.

From a state perspective, this proposal has major advantages over any other provision being considered for the stimulus package. First, it provides fiscal relief for all states. Second, 100 percent of the funds would be spent over the next year, which is a very strong economic stimulus. Third, it is extremely flexible funding. Fourth, it does not require the federal government or the states to develop new legislation or regulations. All other state-administered programs that are being considered as part of the stimulus package are targeted to specific populations or programs and do little to provide fiscal relief to states.

We appreciate the difficult task that you have in negotiating a final package but we strongly urge you to build on the existing federal-state partnership by including a temporary increase in the FMAP in the final stimulus package. The bottom line is that enactment of a temporary increase in the FMAP would both offset some of the other provisions in the stimulus package that would decrease state revenues and dramatically reduce the drag on the economy of the growing state budget shortfall.

Sincerely,

JOHN ENGLER,
Governor.

PAUL E. PATTON,
Governor.

Mr. THOMAS. Mr. Speaker, it is my privilege to yield 15 seconds to the gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Speaker, let me just set the record straight. Your bill does not pay people's COBRA benefits. It pays a percent of the COBRA premium, and through our bill we would pay a percent of the COBRA premium, and all of the rhetoric on the floor about how people could not afford their portion is just as big a problem in your bill as in ours. So do not get out there and say we pay the COBRA benefits.

Mr. THOMAS. Mr. Speaker, I yield myself 30 seconds.

Some people might think it is the late hour when they listen to the math on the other side of the aisle. I have to assure those who believe it is the late hour that, actually, they do this in daylight as well.

I read off the amount of money that was going to California. The immediate retort from the gentlewoman from California was, yes, but we give more than you do, and yet we hear the refrain that we put ourselves into a deficit. Well, if we are going to double every number we deal with and you are telling us we put us into deficit, I think you ought to take a look at what you are doing as well.

Mr. Speaker, it is my pleasure to yield 2½ minutes to the gentleman from Georgia (Mr. COLLINS), a very valuable member of the Committee on Ways and Means.

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

I have always heard that money talks and B.S. walks. Well, Mr. Speaker, there is enough money in this bill to talk, but there is a lot of rhetoric here tonight that should walk.

Yes, there is a difference of opinion as to how this health care and this unemployment should be handled, but the truth of the matter is, it is being handled. If there are questions by constituents of how and who they get in touch with when it comes to their health care, I am pretty sure they have the number in the third district of Georgia of Congressman MAC COLLINS's office and they will call and we will be glad to help them.

There is a lot of rhetoric here about this is for the rich corporations. The rich corporations are only a name. It is the people who work for those businesses that actually make up those businesses. But there are a lot of small businesses in this country that need help. I am going to tell my colleagues about one in particular. Two young men operating a trucking company in Jackson, Georgia, doing fairly well for themselves, deep in debt, a lot of expenses, a lot of overhead. They are working people. Their business is off because of what has happened recently in this economy. It is down some 25 to 30 percent.

This particular bill, based on the tax provisions that will encourage people to invest capital, either into buildings or into equipment, will help those two young men, because someone will order some material and they will get to deliver it; one of their drivers will have another load to haul. That is how we stimulate an economy. Piece by piece, worker by worker. Encouraging investment.

We are taking away something in this bill too that is in the tax codes that punishes people for making investments. We are reducing the burden of the alternative minimum tax. It is a punishment for people to invest, small or large. But it is not the entity; it is the people. People that we are trying to get back into the marketplace, back into the job place, and that is the best thing we can do for anyone who is out of work who works for an employer or who has their own health insurance. Get their job back. Put them back into the workplace. That is what will happen with this bill here.

This is the last train leaving the station, folks. Do not fail, do not fail those working people at home. Small business, or if we want to call it the big fat cat corporations, it is whoever we want to call it, but it is the workers, the people that work for those entities. They need help

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

I am so glad that the gentlewoman from Connecticut (Mrs. JOHNSON) is on the floor. No one has worked harder to provide adequate health care for the majority of Americans and continues to work to expand that coverage.

While she does refer to our bill providing only 75 percent of COBRA and fails to talk about the Medicaid provisions that we have to provide for additional care, the truth of the matter is that there is no Democratic bill that we can debate. We have been denied the opportunity to have our substitute on the floor. But I think it is safe to say for those people who wondered what went on in the stimulus conference that we had, I think the chairman of that conference, who happens also to be the chairman of the Committee on Ways and Means, would agree that we

accomplished a lot in recognizing that we did need short-term tax incentives to stimulate the economy. We never challenged that.

□ 0245

We never challenged that. I think that he would also agree that in the area of unemployment compensation, while there was a wide gap, we thought if we continued to work, that even that gap could be covered.

The major problem we had was providing health care under a new program that was introduced to us, we thought, by the gentleman from California (Mr. THOMAS) and now we find out by the President, that would allow people to get health insurance with a credit, and if they had no tax liability, they would be able to negotiate with an advance refundable credit.

I ask the gentlewoman from Connecticut (Mrs. JOHNSON), this advance refundable credit, it is more or less, I would suspect, some type of a voucher that would allow the person with no tax liability to go somewhere and try to get health insurance, try to negotiate for it. And while there would be a cap on the cost, still there is some thought that the program would work by allowing them to get into the system.

What I have been saying all night is that if the gentlewoman does not talk about health insurance, I will not talk about page 100. But I have looked through this, and we were unable to find any way to make the credit system work in conference. One of the Senators who was in charge said that we should go to the President, and the White House could not find any way to handle it, so the way they handled it on the floor is to say the program does not exist in terms of what they do with advance refundable payment.

I may be wrong, but all I am saying is that the only thing that I see that refers to how an unemployed person with no health insurance and no tax liability, when we ask how do they get negotiated into the system in order to get health insurance, it is on page 100. If there is another part of this bill that tells how people can really use the advance payment of a displaced person using this so-called credit, I would like the gentlewoman to refer to the page.

Mr. Speaker, I yield 30 seconds to the gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I did not use the 75 percent versus the 60 percent in the gentleman's bill, because in the gentleman's bill, he allows only 75 percent.

Mr. RANGEL. I do not have a bill. I am saying, in the gentlewoman's bill, how do they negotiate the credit?

Mrs. JOHNSON of Connecticut. There are two questions here.

First of all, let me answer the subsidy one. We provide 60 percent subsidy of the premiums, and we let people buy that plan that CRS has.

Mr. RANGEL. But how do they get in the system? Where do they go?

Mrs. JOHNSON of Connecticut. Here it is. When they go and apply for the unemployment compensation benefits, it says in the bill they certify they are unemployed with the Social Security number.

Mr. RANGEL. What page?

Mrs. JOHNSON of Connecticut. Let me finish, I will get the page in a minute. It says it right there.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. THORNBERRY). If the Members would suspend, the Chair would request that all Members yield time to one another and direct their comments to the Chair.

The time is controlled by the gentleman from New York (Mr. RANGEL). If the gentleman would like to yield time to the gentlewoman, then it would be the gentlewoman's time to use.

Mr. RANGEL. I yield myself such time as I may consume.

Mr. Speaker, if anyone can tell me how they get these credits. All I am saying is that I respect that the gentlewoman knows that we had a bill and she studied it and she would like to critique it. I only wish that the majority would have allowed us to bring the bill on the floor so it could be critiqued, one.

Two, if we are talking about credits as a substitute for the existing program, the one question that I keep asking is, if they have the credit but no tax liability, how does a guy go to the HMO and try to get insurance? The answer is that the tax credit is advanced, so they can get it up front, they do not have to wait for the Treasury to give it to them. So I accept that.

I am saying if there is this advance credit, where do they go and what do they do with it? The answer is that there is no answer. They make it up as they go along, because the Secretary of the Treasury is the one that is going to determine at some point in time sometime next year how the program works.

But if Members are trying to find out how it works tonight on the floor, as we say in New York, forget about it.

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

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 30 seconds to the gentlewoman from Connecticut (Mrs. JOHNSON.)

Mrs. JOHNSON of Connecticut. Mr. Speaker, if the gentleman will read page 93 to 108, he will find that a person who is noticed goes to the unemployment office and gets unemployment compensation and certification that he is eligible for unemployment compensation. He then gives that certification that his employer gave and is charged only 40 percent of the premium. The rest is collected from the employer from the Department of the Treasury. It is very simple.

Now, when there is $13 billion out there, does the gentleman think insurance companies are not going to make it real easy to pay these premiums? Of course they are.

But back to this premium thing, remember, the gentleman provides a 75 percent premium and it is only for the most expensive plans. Seventy-five percent of the most expensive plans, the COBRA plans, which are usually $400 a week, is less of a subsidy than 60 percent of the average premium according to the Congressional Research Service of $200 a month. So ours is actually more generous than the gentleman's.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2½ minutes to the gentleman from Kentucky (Mr. LEWIS), a member of the Committee on Ways and Means.

Mr. LEWIS of Kentucky. Mr. Speaker, I thank the gentleman for yielding time to me.

The basic question tonight, Mr. Speaker, is where do jobs come from. If the Members will indulge me, I want to give some of my personal experiences.

Tonight the other side of the aisle has indulged in the old political rhetoric of class warfare. That is kind of getting old. It is over and over and over again that we hear it.

Let me tell the Members about my history. I was born in eastern Kentucky in the mountains, in a log cabin. My father was a tenant farmer. He had to work his way up to get a card as a pipefitter in a union. He just retired a few years ago from that.

He had to suffer through several recessions where he was out of work, and yes, we certainly appreciated the unemployment check. But number one and most of all, he wanted his job as soon as he could possibly get it back.

I worked for a steel mill. I was a United Steelworker, belonged to the union. There were times that I was out of work and had to depend on the unemployment check. I appreciated that. But I wanted my job back.

If I had the choice of extending my unemployment and the economy being stimulated through some tax credits and some tax incentives for the steel company I worked for, or my father would have chosen more unemployment or getting some stimulus into the economy where the construction jobs would start back up, do Members know what he would have chosen and what I would have chosen? I would have chosen the stimulus to those companies, those big, fat corporations that provided me a job.

That is what we are talking about tonight: People want jobs, not unemployment checks. But we will help them. We want to help them. We want to help

them with health care, we want to help them with unemployment checks, but number one, we want to help them get their jobs back; and those that have jobs, to keep their jobs.

My son, my daughter-in-law, work in a manufacturing company right now. If we do not do something about this economy, they are in danger of losing their jobs. Let us do something tonight to protect their jobs and put people back to work. That is what America needs.

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

As I stated, Mr. Speaker, when we were in conference, we wanted to follow what the President had suggested and to take in consideration tax cuts, many of which were not liked by our side, but we thought it was a question of give and take. But there is one thing that we insisted upon, and that is that either we take everything or we take nothing.

So the things that we were willing to do, some of those things we put in our substitute bill as an enticement in believing that if the House was going to be fair enough to give us an opportunity to say that we have a better plan, that Republicans and Democrats would have an opportunity to at least hear the merits of the plan, since ours had substantial tax cuts.

But we just refuse to believe that the unemployed have to be held hostage to the tax cuts, so therefore, we insisted that until we could work out the differences, there would be no agreement.

The complexity of finding an answer to how do you properly give coverage to unemployed people is a problem that the gentlewoman from Connecticut (Mrs. JOHNSON), the gentleman from California (Mr. STARK), and Members of this House have wrestled with for months and perhaps years. We have 44 million people without any type of insurance at all, and that is increasing. The recession is causing more people to become unemployed, and therefore, more people without insurance.

So we struggle to find a way. The majority insisted that we discard the way that we have because, as the gentlewoman from Connecticut (Mrs. JOHNSON) said, it is too expensive. Others said it is a Cadillac system, and some said we are paying for more than people deserve because they are unproductive people.

They talk about how you can get cheaper policies, and that you were given more. But the fact is, there is a cap on what the other people are giving. So given 60 percent, if you cannot afford the 40 percent, you are just out of insurance, because you are there to negotiate with an HMO that is in it for profit, and one cannot really negotiate from that position.

Certainly if we can just picture for one moment that we have lost our jobs and that we have lost our COBRA benefits, and that what we do have are tax credits, can Members imagine what they, their wives, or their kids, would have to go? Where do they go with the credits? What do they do? Who do they ask?

The gentlewoman from Connecticut (Mrs. JOHNSON) said people would be fighting for those credits. Do we wait until it is time to pay taxes and find out that there is no tax liability, and then get a refund? Oh, no, says the gentleman from California (Mr. THOMAS), they do not have to wait. We asked, why do we not have to wait? They said, ''Because we have a provision.''

What is the provision? The provision is that even before we filed the tax, they know we have no tax liability so they advance the refund, and we take that someplace and negotiate.

We said to the gentleman from California (Mr. THOMAS), that is pretty complicated. We do not understand how that works. He did not understand either, to be honest. He said, it is the President's program. So what did we do? We sent it over to the President. We never heard from anybody since.

So I was really surprised that what I used to refer to as the Thomas tax credits, since the statement is attributed to him, is now the President's tax credit, and I still could not find how do people use the advance refundable credit.

The truth of the matter is the gentleman from California (Mr. THOMAS) did not know then, he does not know now, and it is not in the bill. He may be able to tell us how he would like for this to work, or he may talk about his newly found good relationship with the with the Secretary of the Treasury, or he may say, trust the President.

But there is one thing that he is not going to be able to say, and that is anything concerning how to use the advance credit in order to get insurance, except that on page 100 and only on page 100 they say, check with the Secretary of the Treasury. At some time he will come up with some program.

□ 0300

What we had suggested is maybe you do not like COBRA. Maybe you think it is too expensive. Maybe you think it is too inclusive. But the whole idea was to do something and do it now.

This was not supposed to provide for a permanent change in health delivery system. It was not a reform bill. The President did not say everything had to be right. Maybe some of the loopholes that we expanded we went too far. But he said give me something, make it temporary and do it now. Which meant what? We could have kept our system for one year, brought in Medicaid to supplement it and to make certain that everyone had coverage. And at least use it as a testing ground that if it was abused, if people was using more than they should, than we could get together and come up with a good Medicaid/Medicare reform bill.

As it is now, we are left with nothing except your imagination and whatever the Secretary of Treasury may come up with. And the reason we broke down in our negotiations is because there was no provisions there for refundable advanced credit for people to get insurance. There is no provision now, and that is why we are opposed to the bill.

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

Mr. THOMAS. Mr. Speaker, I yield myself 30 seconds.

The gentleman is entitled to his opinion but not his own set of facts. The bill did and the bill does not have a cap on the payment. And what the payment and what the gentleman has not really shared because with us is that his plan a subsidy for the COBRA program does not exist. Currently people who are unemployed take their own money and pay 102 percent of the cost. That is the structure in place. The gentleman's subsidy program does not exist and has not been created. Where it will be created is with the Secretary of the Treasury, the same place our program is created.

Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma (Mr. WATTS), the chairman of the Republican Conference.

Mr. WATTS of Oklahoma. Mr. Speaker, I am about to share a story that some of my colleagues will have probably heard me share, but I am going to share it again because I think it is very fitting for the hour.

Back in 1981, I was about 45 days from graduating from the University of Oklahoma and I had gone home one weekend to spend the weekend with my parents, and my father said to me as we sat up in the front room of his home one night until about 2:00 in the morning, and daddy and I solved all of America's problems according to our own opinions and thoughts.

After about 3 hours of discussions he said to me, he said, Junior, I think I want to go to college. And I said, Daddy, why do you want to go to college? You are 57 years old. You are a double bypass heart patient. Mom has diabetes. You have these cows, this rental property. You are pastor of the church. Why do you want to go to college? And he replied to me, he said, I would like to see what makes you guys fools when you get out. He said, you guys seem to lose your ability to use common sense.

What this package is about it is about common sense, trying to address the needs of the American people. Common sense should say to us, we have got people who are unemployed, who are without work, who are without health insurance benefits. Common sense should say to us, our moral fiber should say to us, let us address the

needs of these people who need this assistance. Common sense should say to us, we do not need more taxes. We need more taxpayers. How do you created more taxpayers? You allow dollars to stay in the hands of the people who are risking their capital in order to either sustain jobs or to create jobs. Now, that is common sense.

What does this package do? This bill helps laid off workers by providing a generous tax credit for Americans who lost their jobs so they can buy health insurance. It extends unemployment benefits by 13 weeks, 3 months. It gives small businesses help so they may create more jobs or help to sustain the jobs that they currently have.

We give tax rebate checks to lower income Americans and reduce the income tax for middle income Americans. These are initiatives that achieve important goals helping these who need immediate assistance while creating jobs and giving a boost to the economy.

Again, we are not proposing more new taxes or more taxes as our friends on the left would do because we understand that is not the way. I asked my colleagues to do the right thing concerning this vote, this bill. It is not a be-all or an end-all, but it is a solid package to help folks who are suffering from hard times while looking ahead to the future.

Let us reject yesterday's fear and go into tomorrow with great confidence. Let us reject yesterday's rhetoric and go for tomorrow's solutions.

Mr. Speaker, I urge my colleagues to support this bill on December 18, or 19. What day is it? Whatever day it is, I ask my colleagues to support this legislation.

Mr. THOMAS. Mr. Speaker, each day is slipping away.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. MCKEON).

Mr. MCKEON. Mr. Speaker, I rise on behalf of the American people who need this stimulus package to get back to work.

Mr. Speaker, I rise in support of H.R. 3529, the Economic Security and Worker Assistance Act. This important piece of legislation will bolster our economy in many ways, but I am particularly pleased that it addresses the needs of our dislocated workers and their families.

This legislation incorporates President Bush's proposal to expand the existing National Emergency Grants, found within the Workforce Investment Act, to assist our workers. These grants complement the workforce development resources available in states to ensure an effective response to significant worker dislocation events. Currently, these grants are used to provide a variety of employment and training assistance to workers who have been laid off. These include (1) job training and reemployment services; (2) income support for those that are not eligible or have exhausted their eligibility for unemployment compensation, if they are enrolled in training; and, (3) supportive services such as transportation and child care to allow individuals to get back to work.

The proposal before us today would expand the allowable supportive services to include temporary health care coverage premium assistance. A state would be required to use at least 30 percent of its grant to provide temporary health care coverage of its choosing. The Economic Security and Worker Assistance Act provides $4 billion to enhance this critical safety net for workers. Using the National Emergency Grant as a means to provide additional assistance is the right one for our workers and their families.

First, it is flexible, allowing each governor to implement a seamless package of assistance for the needs of the dislocated workers in his or her state.

Second, it can be implemented quickly since it uses an established mechanism to provide needed assistance without creating a new federal bureaucracy.

Finally, the program is targeted and temporary. The assistance aims to help those affected by the economic downturn, including families impacted by the terrorist attacks of September 11, get back to work.

By passing this legislation, we will keep our commitment to helping every worker return to work while ensuring that they and their families have the critical support they need at this difficult time. I encourage my colleagues to support America's working families and vote yes on the economic stimulus package.

Mr. THOMAS. Mr. Speaker, I yield the remainder of my time to the gentleman from Illinois (Mr. HASTERT), the Speaker of the House of Representatives.

Mr. HASTERT. Mr. Speaker, first of all, this Congress has come through an extraordinary year, a year where a lot of us never thought that the challenges and problems and probably the grief that many Americans have faced we would have to deal with, but we did.

I want to commend my colleagues on both sides of the aisle for facing up from time to time, standing tall and getting things done that were important to the American people. We have stood together. We have faced problems. We have done those things that secured this Nation. But there is one more problem. We also see an economic downturn. We can discuss why that happened. Whether it was the result of September 11 or it was in the mix a year ago, we do not know; but we know it is here. And we know when this country faces problems, this is the body that the American people look to to find solutions.

And somehow from time to time we, as Americans, we, as elected people here, pull together our collective strength and find solutions to those problems. We are human, and solutions many times are not perfect.

I remember a conversation I had with the gentleman from Missouri (Mr. GEPHARDT). He was concerned when we did the airline bill and we did a couple other things so that American workers were taken care of, because at that time there were people out of work. But today there is a lot more people out of work. And those people out of work are on unemployment compensation.

We want to extend that unemployment compensation. This bill does it. It does it to the tune of $30 billion and gives these people a lot of hope and a lot of time to get back on their feet and to find that new job. The problem is, too, some of those people do not have health care. They do not have the COBRAs opportunity. If you have COBRA that means you have to go out and pay 102, 103 percent of your premium.

We tried to find a solution to that problem too. We tried to find it together. In finding it together, we said there is a couple of ways to do this. But the way you do it quickest is give people that little code, that little voucher if you want to say it, I hate to use that word, that you can take and say here is my voucher. Here is my number. I am certified. Here is a check for 40 percent of my health care to your employer or to your insurance company, it depends on what State you are in. You know that. And in 38 States for people who are not covered by COBRA, are not in one of those big corporations, do not want to have one of those Cadillac health care bills, they also have the ability to have many COBRAs. Because you can take that there to small businesses that are not covered by COBRA and extends that insurance coverage.

We do something else. There is another group of people out there that work for companies that do not offer insurance. And they have the ability in this bill to take that code number and a check for 40 percent of their coverage and take it to buy where they buy insurance every day, whether it is down at the Main Street insurance office or some cooperative, people that they buy and do business with every day.

But this bill does more than that. It also puts money in people's pockets. If we are going to change this economy, if we are going to change this system that we have today, we have to get consumer confidence back. And we do that.

We also say every family in this country that works has had some type of security, some types of wealth that have given us a safety net, whether it is a 401(K) or whether it is a savings plan or it is a mutual funds of some kind. And almost every family since September 11 has lost that wealth or some of that wealth.

We are saying let us kick that market and let us get it going. Let us do some of those things that spur this economy and people's confidence of putting money back in the market. Let us bring that wealth back to American families, every family that has a pension or a savings account or a 401(k) is

tied to securities. We need to get that done.

Finally, the engine in this country that creates jobs is the magic of people taking capital and creating wealth, taking capital and creating jobs, building buildings, buying machinery, investing in ideas, and you have to have the capital to do that. And this bill also does that and brings that capital into a place where people can invest it and create the jobs and restore this country back to where it should be.

Now, do we do it this way or that way? Is this a perfect way? Well, I say it happens to be a centrist way, because folks on both sides on the aisle, on both sides of the rotunda have basically come together and said this is what we should do, and we should do it. We should do it for this Nation. We should do it for our people who are unemployed. We should do it for the victims in New York because we addressed that too. It is time to get it done.

We have heard a lot of rhetoric. The hour is late. I know this has been a stressful couple of weeks, tempers flair and we get on edge. But I think as this Congress we have done a pretty good job over the years and over the last year, especially. I thank the Members for their help and support when we needed to have that.

There is one more time that we need your help and support, not just us, the American people need it. Here is the solution. Here is the ability to do it, and now is the time to do it. I thank Members for their attention. I thank Members for their consideration. Let us vote this bill and get it done.

Mr. SANDLIN. Mr. Speaker, I rise to oppose the misdirected economic stimulus plan, H.R. 3529, Economic Security and Recovery Act of 2001 because the bill fails to balance worker assistance provisions and tax cuts while wrecking years of Federal fiscal discipline. The economy is stagnating and people with a tenuous grip on the economic ladder fear rising unemployment rates and health costs will cause further pain. I am disappointed that Congress could not come to an agreement on an economic stimulus package and I fault those who cling to rigid ideological positions as a justification for blocking compromise and comity. The plan we will consider today does not do enough to focus on the hundreds of thousands of recently unemployed Americans and enacts risky corporate tax cuts and rebates that would further weaken our fiscal health.

Squandering an opportunity to secure health care coverage for the unemployed and tax reductions to encourage business growth sends the message to American people that Congress is not serious about economic recovery. Mr. Speaker, the Congress acted in a bipartisan manner to give the President the tools necessary to fight the war on terrorism. Democrats and Republicans compromised to pass legislation in the best interest of the country. I believe that many Democrats and Republicans were willing to compromise on an economic stimulus package but, unfortunately, ideology trumped pragmatism and common sense.

Last spring, I voted for the $1.3 trillion tax cut advocated by President Bush. At the time, our budget surplus projections looked strong for years to come. Unlike the present legislation, that tax cut contained relief for working American families and allowed most Americans to share in the expanding economy. I have great reservations that the $250 billion total cost of the bill over 10 years will further exacerbate our fiscal picture and balloon our Federal deficit.

In light of the September 11 tragedy, the priority of Congress and our country must be securing the safety of Americans from further terrorist attack and rooting out terrorist evil around the globe. We are making progress on bringing to justice those responsible for the terrorist attacks and our efforts will forestall future attacks. I believe, however, that more can be done to safeguard the American people and strengthen Homeland Defense. As a Member of the Blue Dog Coalition—a group of fiscally moderate Democrats—we proposed, as part of an economic stimulus plan, a homeland security component. This fiscally responsible initiative addresses the fundamental questions of strengthening our domestic security through targeted initiatives. The security package could also complement legislation aimed at stimulating the economy in the short term by providing relief for those who lost their jobs as a result of September 11. The proper course of action must focus on short-term assistance and avoid long-term business tax cuts that will skew our budget picture and endanger the Social Security trust fund.

I believe that the components of a balanced and fiscally responsible stimulus plan exist and a compromise can be reached. H.R. 3529, however, fails both of these criteria by enacting long-term corporate tax reductions and rebates with dubious short-term economic benefit that will lead to a return of Federal budget deficits. America needs a shot in the arm, not a misdirected tax bill in disguise as economic stimulus.

Mr. UDALL of New Mexico. Mr. Speaker, I rise today to voice my strong opposition to this legislation being brought forth under the guise of a stimulus for a sluggish economy.

Once again, just like H.R. 3090, this sham of a stimulus bill is geared toward providing tax breaks to the wealthiest individuals and corporations in our country. Extending for an additional 5 years a tax break for multinational financial corporations? Cutting the 27 percent income tax rate to 25 percent? How many of the men and women who have lost their jobs because of the economic slowdown are going to benefit from these provisions?

Instead of discussing ways to make sure that these individuals are able to afford health insurance for themselves and their families, we are talking, once again, about retroactive corporate tax cuts. We are talking about a tax cut that leaves out 75 percent of all Americans because they don't have high enough income to be in the 27 percent tax bracket.

It was recently announced by the National Bureau of Economic Research that the recession began in March, yet since that time, the House of Representatives has not passed any legislation or committed one dime for worker relief.

I urge my colleagues to oppose this shameful legislation that benefits only the wealthiest corporations and individuals in this great country; a country, Mr. Speaker, that was built on the hard-working shoulders of the types of men and women who are excluded from this very legislation. Oppose this bill.

Mr. MOORE. Mr. Speaker, I rise in opposition to H.R. 3529, the Economic Security and Worker Assistance Act of 2001.

In October, when this House debated and voted on its first stimulus package, I voted against both the majority proposal and the minority's substitute. At that time, I voiced my concern those two competing proposals had one deficiency in common: they both failed to effectively balance our Nation's priorities and needs.

In October, our Nation was at war and I argued that never, in the history of this country, during a time of war, have we cut taxes or spent our precious resources on items unrelated to achieving our wartime objectives. I also argued that we had critical needs both domestically and globally to defeat terrorism, to protect the safety and security of the American people, and to assist the hundreds of thousands of Americans who lost their jobs as a result of the events of September 11.

In October, the President called on this Congress to help our Nation recover from the September 11 terrorist attacks. He called on us to secure our airlines, to strengthen law enforcement, to give him the tools he needs to win the war on terrorism, and to assist those Americans affected by the economic consequences of the terrorist attacks. This Congress heard the call of the President and responded in a bipartisan fashion to each and every one of these needs, except for one—we have failed to provide for those who lost their job through no fault of their own.

Mr. Speaker, since October this Congress has accomplished a lot and much has changed. We have secured our airlines. We have strengthened law enforcement and we are winning the war on terrorism. We should applaud the bipartisan efforts that made these accomplishments possible.

Since October, however, we have witnessed other changes that should demonstrate to each and every one of us that there is much more to accomplish. We experienced firsthand the continued threat of terrorism in the form of anthrax and recognized our deficiencies in providing for our homeland security needs. We learned that the Federal Government ran a unified deficit of $63 billion in the first two months of this fiscal year. We heard from the Director of the Office of Management and Budget that we will face deficit spending for the remainder of the President's term. And, most chillingly, since October over 700,000 Americans have lost their jobs.

Mr. Speaker, while much has changed since October, much remains the same. Our Nation is still at war, our States and municipalities are still at risk, and our displaced workers are still in need of assistance.

This Congress' response is also the same: we are once again debating a bill to reduce revenues without offsets while in a time of war; we are debating a bill that does nothing to shore up homeland defense; we are debating a bill that fails to effectively respond to the

needs of our displaced workers; and I will continue to oppose legislation that fails our economy, that fails our cities and States, and that fails our workers.

On December 10, I received a letter from the President calling on Congress to send him legislation to expand unemployment and health insurance benefits by the end of the year, ''regardless of the success or failure of any other element of the economic stimulus measures now pending.''

In response to the President's call, I introduced H.R. 3471, the Worker Opportunity and Relief Compensation (WORC) Act, which would meet the pressing needs of our Nation's unemployed. Among other items, this bill would expand access to unemployment and extend these benefits for 13 weeks. This bill would also provide assistance for individuals to help cover the cost of COBRA health insurance premiums.

I urge my colleagues today to vote against this legislation and support the President and me in passing a stand-alone bill that will help our Nation's workers before this Congress adjourns for the year.

Ms. WATERS. Mr. Speaker, I rise in opposition to the Republican so-called economic stimulus plan and in support of the Democratic substitute. I am committed to the goals of improving the economy in general. I am specifically committed to providing relief to the working men and women of America and those who have recently lost their jobs. Many of these individuals did not fully realize the benefits of the recent economic expansion and are now being hit the hardest by this current downturn. I believe that it is crucial that their needs must be the top priority in any economic stimulus package, and any authorized spending should be in a form that can get it into communities as quickly as possible.

I believe that true economic stimulus will be achieved by investing in certain existing economic development programs whose benefits far exceed their cost to the government. These programs invest Federal dollars in communities, resulting in job creation and economic growth. My proposal, which was adopted by the Democratic Caucus, increases funding to the Community Development Financial Institutions Fund, section 108 loan guarantees, Empowerment Zones/Enterprise Communities, and Community Development Block Grants.

These proposals are based on provisions of my bill, H.R. 3033, the Job Creation and Economic Revitalization Act of 2001, which provides additional funding for current programs that invest in traditionally overlooked communities, creating jobs and building the economy. The funds allocated to these programs represent a small fraction of the total benefits to communities. For example, over a 2-year period, the CDFI awarded $114 million to organizations who, in turn, made $3.5 billion in community development loans and investments.

Similarly, the section 108 loan program is a very low subsidy program—$15 million in appropriated funds this year will yield $609 million in loans.

I am deeply disappointed that this economic stimulus package was not the product of bipartisan negotiations. This bill represents a failure to put aside petty partisan politics for the greater good. I strongly urge my colleagues to oppose this legislation and support the Democratic substitute.

Mr. BECERRA. Mr. Speaker, it's déjà vu all over again. Nearly 2 months ago, the House narrowly approved a partisan, budget busting economic stimulus package laden with tax cuts for corporations and the affluent that failed to meet the dramatic needs of those suffering the worst effects of the current economic downturn.

Now, here we are again, for a second-go-round with largely the same package of misguided tax cuts and insufficient unemployment and health care assistance for recently laid-off workers. On all counts—tax relief, emergency unemployment benefits, and health care coverage—this bill is inadequate and should be defeated.

The Democratic leadership of the House and Senate have time and time again made good-faith, fiscally responsible offers on the tax, unemployment, and health care provisions in this bill. But, in each and every case, the White House and the Republican congressional leadership have resisted these attempts to reach a middle-ground and instead have insisted on the inclusion of their partisan proposals.

I am extremely disappointed that my colleagues across the aisle are bringing up this legislation today. It is clear to me, and clear to so many of our constituents who desperately need the help promised to them by the President and Congress earlier this fall, that this bill will never become law in its present form. We should not be wasting either the time or the effort on this wholly political enterprise.

House and Senate leaders, Republicans and Democrats alike, should return to the negotiating table and craft a balanced and responsible bill, one that stimulates the economy and deals with the immediate economic and healthcare needs of my constituents in Los Angeles, the citizens of California, and all those suffering throughout the Nation—without threatening the Social Security and Medicare surpluses, without jeopardizing our ability to meet our homeland and national security needs, and without endangering our long-term economic recovery.

While most others may have given up hope that such a consensus, bipartisan agreement can be reached, I continue to believe that it is possible. I say this because broad support exists for a significant number of provisions that could be the basis of such a bipartisan agreement. For example, both Republicans and Democrats have included in their stimulus packages language that provides for bonus depreciation, more generous small business expensing, extended carryback of business losses, and extension of several expiring tax benefits. Beyond these tax items, there are several others that have bipartisan support and would contribute to an economic turnaround, but, regrettably, were never considered for inclusion in the bill before us today.

For instance, I believe the House should have considered a proposal to allow a life insurance company that merges with a nonlife insurance company to file a consolidated tax return. Congress long ago recognized that while an affiliated group of corporations consists of multiple legal entities, it is, in economic reality, a single business enterprise and should be permitted to file a single consolidated tax return so that the income and losses of the entire economic unit may be considered as a whole for tax purposes. However, groups that include life insurance companies—indeed, only such affiliated groups—are unable to take advantage of this common sense tax policy and cannot fully consolidate their income in a single tax return.

These limitations not only add enormous and unjustifiable complexity to the accounting requirements of these companies, but they also hinder their ability to compete with other corporate financial services groups. Even more frustrating, these restrictions will disrupt the economic recovery of an industry so dramatically impacted by the terrorist attacks of September 11 since most corporate groups with life insurance affiliates will be unable to offset their losses against total net income from the current year or carry the losses back to prior years. I hold out hope that we will be able to address these limitations before this Congress adjourns. The time for leveling the playing field for life insurers is long overdue.

In addition, the problem of runaway movie and television productions continues to threaten the well being of many sectors of the American economy. When moviemakers come to town, hotels are filled, restaurants and caterers gain new business, air and ground transportation provides and travel agents experience increased demand for their services. It's no wonder that several foreign governments have adopted tax and other incentives to attract motion picture and television production projects—and the jobs and spending that come with them. Now, more than ever we must counteract these off-shore incentives. The same businesses most affected by runaway production have also been those most dramatically impacted by the aftermath of the terrorist attacks on September 11.

I cannot overemphasize that this is not just about Hollywood or the State of California. Runaway film and television production hurts states and cities across the country—from Illinois to Arkansas, and North Carolina to Washington. We must stop the hemorrhaging of American jobs and businesses to foreign shores. Unfortunately, legislation to keep movie and television production in the United States and generate jobs and revenue in communities throughout the country by providing wage-based tax credits for productions of films, television or cable programming was not considered as a component of the economic stimulus package. Again, I am hopeful that Congress will consider this proposal of such importance to so many Americans in the very near future.

Finally, three pillars—the bull market, unparalleled consumer confidence, and a robust housing market—supported the historic economic growth of the last decade. Over the course of the past year, however, we have seen dramatic declines in both the stock market and in consumer confidence. Of the three, only the housing market has remained unbowed and continues to support a teetering economy. With this in mind, I believe it would have been very constructive to include proposals to ensure the strength and vitality of this sector. We could have stimulated the economy by putting the dream of homeownership within reach of more and more Americans

simply by expanding the existing tax credit for first-time homebuyers. For little cost and tremendous and proven return, we could have updated the low-income housing tax credit to encourage additional private sector development of valuable housing stock. These, too, are issues Congress and the President should address next year.

Mr. Speaker, in closing, I must reiterate my profound disappointment that we have spent so many hours tonight debating for the second time an economic stimulus package that should not have been considered by this House the first time around. Time is short, I know, but there is enough for the bipartisan congressional leadership to go back to the negotiating table and craft a bipartisan, fiscally responsible economic stimulus and worker assistance bill that truly lives up to its name. We need a bill that will give families, workers, businesses, and the whole economy a shot in the arm—and we shouldn't go home until we do.

Mr. LANGEVIN. Mr. Speaker, I rise in strong opposition to this partisan stimulus package, which offers little assistance to those most vulnerable in the current economic climate.

Any economic stimulus package must include continued health coverage and unemployment benefits for workers who have lost their jobs. Unfortunately, this measure includes cosmetic changes from previous proposals, and relies on large, permanent multiyear tax cuts for business and higher-income taxpayers, while providing relatively few benefits for the unemployed.

More than 2 million Americans have already lost their jobs this year, with over 700,000 layoffs since September 11th. Our national Unemployment Rate for November has jumped to 5.7%, the highest level in 6 years. In Rhode Inland, unemployment has risen to 4.1%. Clearly, America's workers need our help now.

For this reason, I support the Democratic substitute that contains substantial unemployment benefits and health coverage for dislocated workers while stimulating the economy with temporary business and individual tax cuts. Unlike the underlying bill, the substitute pays for itself by delaying the top income tax rate cut, which was approved earlier this year and benefits only the nation's wealthiest Americans.

I urge my colleagues to support the Democratic substitute and to reject this ineffective economic stimulus package, which fails to provide the relief and stimulus that America's workers desperately need.

Ms. KILPATRICK. Mr. Speaker, the bill we consider today is a misnomer. It is not as it purports itself to be . . . an ''economic stumulus'' bill. Rather, it is a corporate windfall tax break bill. The bill will do little to turnaround the economy and to assist those working Americans who, through no fault of their own, have lost their jobs. The bill is almost a clone of the tax cut bill we passed in October. I voted against the first bill, and I intend to vote against this one.

Sixty-three percent of the $250 billion in tax breaks contained in this bill go to corporations. Some of the tax loopholes proposed in this bill will allow corporations to shelter interest income from offshore accounts at a cost of $3 billion over three years. The bill cuts the corporate alternative minimum tax by about two-thirds and pays out rebates over a stretched out period of time. The alternative minimum tax was enacted to ensure that America's largest corporations would pay a minimum amount of tax, just as average taxpayers do. The majority on the Ways and Means Committee obviously think otherwise, and it is proposing to virtually eliminate all future minimum corporate tax liability. That means we will return to the days when many corporate entities, who earn millions and billions in profits, will incur a tax liability lower than the average individual wage earner.

The bill will also accelerate the reduction of the 27 percent income tax rate to 25 percent. The main features of this tax bill are easy to figure. For the most part, this is an instant replay of the corporate tax cut bill this House passed in October by the resounding margin of two votes. The majority party in this House is bent on shifting the tax burden away from corporations and individuals of privileged means-income sources that can afford to pay more in taxes—to the average, lunch bucket taxpayer. That doesn't do much for the cause of tax equity nor for the cause of stimulating the economy.

Now this bill is not completely bad. It has some good features that I support. For example, the bill extends unemployment compensation benefits by 13 weeks. As Martha Stewart says: ''That's a good thing.'' I also understand that the bill contains tax relief provisions for those victims who perished in the September 11 terrorist attacks, the anthrax attacks and the 1995 Oklahoma City bombing and to businesses in New York City adversely affected by the terrorist attacks. That, too, is a provision I support. But my support for the bill ends there.

I have consistently voted against industry-specific bailout packages such as the Airline Assistance and the terrorism insurance bills. I did so because this House and the majority leadership of this House were willing to provide assistance to corporate America who suffered from the September 11 tragedy while it ignored victims of those attacks who became jobless in the wake of the economic downturn that ensued. The Leadership gave us assurances that a worker relief package would be crafted during the week of September 24. That week came and went with no worker relief package. More weeks passed without any worker relief package.

It has been almost three months since we received those assurances that the Leadership brings up an economic stimulus package which contains some benefits for the jobless, but falls well short of being regarded as a ''worker relief'' package. The package of benefits contained in this measure is too little and very late.

We are being forced to vote on a bill that no one has read or studied. What we know of the bill's contents comes from the press releases and comments from Chairman Thomas's office. The Members of the other side of the aisle refer to this measure as a compromise. If this bill represents a compromise, it is a compromise only among those who serve in the majority.

The Members who crafted this bill are not sincere in their intention to assist the victims of the current economic downturn. They argue that the tax cuts proposed in this bill will help keep those currently employed on the job. To their credit, there is some merit to that argument. But when it comes to providing the jobless income assistance and affordable health insurance benefits to help them through these tough economic times, they fall short of the mark.

The priorities of the majority are clearly defined. Bail out the airline industry. Bail out the commercial insurance industry. But forget and neglect those working families who have been displaced by the imperfections of a business cycle that went into a tailspin following the September 11th attack on America.

Mr. KIND. Mr. Speaker, I rise today in opposition to the bill, the second economic stimulus bill to be considered this year. While it is necessary to provide an economic stimulus bill to be considered this year. While it is necessary to provide an economic stimulus package to jump start our currently sagging economy, I do not believe this is the time for Congress to use the economic slump and the war against terrorism as an excuse to revisit a previous tax agenda in a budget-busting frenzy. I am disheartened that the House Leadership has, again this year, chosen to give big corporations a tax break without seriously considering relief for the American workers who need immediate help.

The nation's unemployment rate jumped to 5.7 percent last month, the highest level in more than six years. Nearly a half million people joined the ranks of the unemployed in November, bringing the total of 8.2 million. The rapidly increasing unemployment rate is an unfortunate trend. The rise in the number of unemployed has not, however, influenced the House Leadership to bring to the floor a bill providing substantial worker relief. Rather, they have brought an economic stimulus bill to the floor nearly identical to the one passed in October, without appreciating the suffering working families and their need for short-term assistance. They, after all, are the ones who need the money and will spend it thereby stimulating the economy by generating demand. It is critical that an economic stimulus package help those families who have lost their jobs.

Furthermore, the bill will cost nearly $250 billion over five years. I cannot, in good conscience, support this reckless piece of legislation that will put our country back into deficit spending just to ensure that the Leadership secures its priority tax cuts. These tax cuts will not have the desired effect of boosting our economy; rather, they will threaten the fiscal discipline that prompted much of the 1990's economic boom. Instead of finding reasonable offsets to pay for the stimulus bill, it will be paid by taking funds out of the Social Security and Medicare surplus, which nearly everyone here in Congress agreed not to touch. In addition, a return to deficit spending will increase long-term interest rates, and will slow down any foreseeable economic recovery.

This is not the time to pursue our individual agendas, it is the time to pass a fiscally responsible short-term package that pushes our economy forward and provides relief for families in need. I urge my colleagues to oppose this bill. This rush to cut corporate taxes to

stimulate economic recovery is at best a questionable economic prescription and at worst one that could do far more harm than good.

Mr. BENTSEN. Mr. Speaker, for far too many Americans, this economic stimulus package is a ''day late and a dollar short.'' For months, my constituents have shared their concerns about the state of our economy. They knew we were in a recession even before September 11th and the official economic benchmarks reflected as much. The stock market was sagging, corporate investment was declining and consumer confidence was down. The September 11th attacks on New York and Washington sent economic shockwaves throughout the nation and the reverberations are still being felt in my State, especially for those Texans whose livelihoods depended on the aviation and hospitality industries. In Houston, the sudden collapse of the Enron Corporation has dimmed the Holiday spirits of the over 4,500 Enron employees who received word last week that Enron was terminating their employment.

Mr. Speaker, Americans have been courageous during this uncertain time and, all they asked of us, is to do what we can to ensure that the period of unemployment for effected workers is brief and that their families are provided with the income support and health care they need during this difficult time. Regrettably, the Republican Leadership has kept us here at this late hour for a bill that misses the mark on both counts. In its current form, there is little chance that H.R. 3529 will be able to stimulate the economy or meet the emergency income and health care needs of the recently-unemployed.

Mr. Speaker, H.R. 3529 is the Republican Leadership's second stimulus bill in as many months. While this measure is an improvement over its predecessor which offered a broad menu of tax cuts, including a repeal the corporate alternative minimum income tax (AMT) and a substantial cut to capital gains taxes, and did not extend unemployment benefits, it overshoots our short term economic needs for long-term, long-promised corporate tax cuts. Although this bill is supposed to be for short term economic stimulus, it would cost approximately $75 billion in fiscal year 2003 and $55 billion in fiscal year 2004, years when the economy is expected to be in recovery and further stimulus is not expected to be needed. Mr. Speaker, let's not forget that during that same period, the federal unified budget is slated to be in deficit. This $250 billion package is offered with no offsets, which exacerbates our budgetary condition, not to mention, undermines our commitment, to pay down the national debt. The fact that the Treasury Department told us that the nation will need to increase its debt limit to $6.7 trillion is not incidental.

Though I believe that most of the tax provisions in this will do little to stimulate our economy, there are a few features which I believe have merit. Specifically, the $300 supplemental tax rebate for individuals ($600 for couples) who received only a partial tax rebate or no rebate under last spring's tax cut and the provision reducing the recovery period for leasehold improvements, from 39 years to 15 years, stand out as provisions that have a reasonable likelihood of having a stimulative impact.

Mr. Speaker, last Spring, back when we were ''awash in money'' and had off-budget surpluses for ''as far as the eye could see,'' we were told that the President's $1.35 trillion tax cut would provide stimulus to prevent this country from going into a recession. Now that the surpluses have turned to deficits, we are being asked to pass another tax bill, which, according to the Joint Committee on Tax, will cost $250 billion over ten years, adding $150 billion to the national debt.

I am disappointed that this measure fails to take any specific steps to improve Unemployment Insurance (UI) coverage for low wage workers, many of whom entered the workforce through welfare reform in the last 1990s. This population is half as likely to receive unemployment benefits as compared with higher-wage workers. Additionally, H.R. 3529 misses an enormous opportunity to spur consumer spending by failing to increase UI benefits for families who are sure to spend the money quickly. I would note that I am pleased that the drafters of H.R. 3529 have seen fit to include provisions calling for $9.2 billion in Reed Act distributions to the States. Knowing that the State of Texas' needs its Reed Act distribution, approximately $644 million, to meet its present commitments, I spearheaded a bipartisan effort with my colleague, Rep. Pete Sessions, to urge negotiators to include this important provision.

Finally, Mr. Speaker, H.R. 3529's healthcare provisions are truly lacking. The Republican Leadership proposes to create a new program through a temporary 60% refundable tax credit for use in purchasing either COBRA or individual market health insurance policies. The Treasury Department will have to design and create this program, denying assistance for months. Mr. Speaker, in the absence of an employer healthcare subsidy of, on average, 73%, towards the health care premiums of its employees' families, how will the vast majority of the newly unemployed pay for the COBRA premiums that average $7,000 annually for family coverage? Realistically, how much can this tax credit help?

In conclusion, Mr. Speaker, as a senior member of the House budget Committee, I was heartened by the unanimity of opinion among House and Senate Budget leaders, on a bipartisan basis, as well as the President, that any economic stimulus package must be temporary, and designed to create an immediate, short-term impact, without jeopardizing our long-term economic security. As I said before, Mr. Speaker, H.R. 3529 misses the mark on every count.

Mr. CRANE. Mr. Speaker, I am pleased that every version of stimulus legislation—whether originating in the Administration, either body of Congress, Republican or Democrat—has included a provision to allow companies which have incurred losses this year to carry back those losses to offset income taxed more than two years ago. This is a very good concept and would actually provide money to these companies and help stimulate the economy. Taxpayers should be taxed on net income, not on some higher amount. If an accounting period longer than one year more appropriately reflects economic reality, we should not be hesitant to reflect that reality in our income tax laws.

Unfortunately, the legislation before us does not remove the barriers denying some groups of corporations, which include life insurance companies, to net all their losses against the income they earned this year when they compute their federal income tax liability. I understand the constraints we were under in drafting the bill, but many of these corporate groups have incurred unexpectedly large losses this year and would be greatly helped if they were allowed to be taxed on net income, rather than some higher amount.

Along with twenty-five colleagues on the Committee on Ways and Means, I introduced legislation earlier this year to amend the consolidated return provisions of the Internal Revenue Code. The bill, H.R. 909, repeals three separate limitations on the ability to net all losses against income within an affiliated group of corporations if one or more of the group members is a life insurance company. We have received no objections to the bill on tax policy or other grounds, and two of the three provisions were included in the Joint Committee staff recommendations of changes that would significantly reduce the complexity of the tax laws.

But, more importantly, it is simply wrong to impose income tax on more than net income. Not only is it bad tax policy, but it has a major economic impact when events such as those of September 11th occur. I would hope that we will be able to enact legislation early next year to accomplish this. These restrictions should have been repealed long ago. In today's economic environment, we should delay no longer.

Mrs. CAPITO. Mr. Speaker, I rise in strong support of H.R. 3529, the Economic Growth and Security Act.

As we all know, in late November, the National Bureau of Economic Research reported that the United States was in an economic recession. This news only confirmed what many of us already feared—that the American economy is slumping and thousands of American workers are losing their jobs.

Their intuition was not off the mark. As of late November, unemployment is on the rise and is at its highest level in six years.

My Congressional District in West Virginia has been especially hit hard by the economic downturn. In recent weeks, several manufacturing plants in West Virginia have announced plans to lay off workers because of the unfavorable economic climate.

Clearly, Congress must pass an economic stimulus package that boosts the ailing economy, preserves and creates new jobs and aids America's workers and families who are the unfortunate victims of this recession.

This bill accomplishes all of these goals, as it is a positive step towards economic recovery.

With provisions for improved health care and unemployment benefits, this stimulus plan will address the needs of the hard-working men and women of America. At the same time, the plan will secure our long-term economic health by stimulating job creation and economic growth.

Mr. Speaker, over three months have passed since the tragic events of September 11. In October, the House passed a sound economic security plan. Legitimate differences

have prevented our ability to send a final to the President. This past weekend, the President said that if we do not pass an economic security package, an additional 300,000 American jobs could be lost. This is unacceptable.

Today, we return to the floor with a new bill that reflects the spirit of true bipartisanship and compromise. We must send this stimulus package to the President's desk before concluding our work this session.

Mr. CHAMBLISS. Mr. Speaker, people across America, across Georgia are losing their jobs in very alarming numbers. This is a very critical time for our economy; it is very fragile. It is time this Congress act to help the people of this country.

The terrorists who killed thousands of innocent people would like nothing better than also to destroy the American economy. Small businesses and individuals in Georgia, as well as the rest of the country are facing difficult financial situations. The actual loss of jobs or the threat of a loss of jobs is hitting all of us: our families, our neighbors, and our friends. It is time for Congress to respond.

We need an economic stimulus package that is going to lower the tax burden that is impeding our economic growth and create the incentives to bring people back to work. The people who are losing their jobs in Georgia do not want partisan bickering from their representatives up here in Washington—they want results back home.

We need to put people back to work and get our economy back on its feet. Families are hurting, unemployment is rising, and people need help. The American people deserve action on an economic stimulus package now. It is time to put partisanship aside and work together to turn our economy around.

It has been almost two months since my colleagues and I passed the Economic Security and Recovery Act. The House of Representatives worked as quickly as possible to provide our constituents with the complete, comprehensive, and broad-based economic assistance. Since then, the bill has languished; even though stimulating the economy remains one of the highest priorities for Americans, second only to our Nation's fight against terrorism.

This economic package is a major step to regaining a healthy Georgia economy. Each of the components will help stimulate different areas of the economy and promote economic growth and jobs. Our economy has weathered turbulence in the past during times of war and peace times, but a sound, reasoned economic growth package, such as the one we debate today, will significantly help to put America on the right track back to prosperity.

Mr. EVANS. Mr. Speaker, once again the Republicans have presented an economic stimulus bill that falls short in aiding those most affected by the recession and continues to reward the wealthy and traditional Republican party donors. Under a ''compromise'' plan, Republicans offer a bounty of corporate tax giveaways at the behest of layed-off workers and their families who are left out in the cold during this Christmas season.

The Republican economic stimulus continues the long-standing Republican tradition of corporate giveaways that does nothing for the constituents of Western and Central Illinois. Republicans continue to insist on eliminating the corporate alternative minimum tax, which would allow thousands of profitable corporate giants to go untaxed. Republicans also continue to accelerate the Bush tax cut, which has erased the budget surplus and reversed four years of budget surpluses. Economists universally agree that these types of tax cuts will do nothing in the short term to stimulate the economy or aid those most affected by the economic downturn.

Americans who have lost their jobs in this economic downturn need immediate help to ensure that they do not also lose their health insurance. But, the Republican's health tax credit proposal falls dramatically short by only providing a partial tax credit to purchase COBRA or private health insurance. By relying on tax credits, Republicans expect recently layed-off workers to come up with hundreds of dollars for overpriced health insurance, while waiting months for government reimbursement of a partial tax credit.

My congressional district has witnessed thousands of layoffs and cutbacks. I am uncompromising on the issue of helping ordinary Americans and therefore support a compassionate and fiscally responsible Democratic economic stimulus plan that provides immediate assistance to those most affected by the recession. The Democratic plan expands COBRA and provides assistance in purchasing COBRA coverage. Moreover, by providing coverage through COBRA, we can guarantee affordable coverage even for workers with preexisting conditions and make a promise that will not have to wait until April 15th to be realized. The Democratic plan also increases unemployment benefits and ensures recently unemployed low income workers receive fair unemployment benefits.

According to the non-partisan Congressional Budget Office, the Democratic plan would reach almost three times as many displaced workers as the Republican plan. Overall, the Republican stimulus plan would hurt the economy by growing the budget deficit by over $200 billion dollars, including the necessary debt maintenance.

Mr. WATTS of Oklahoma. Mr. Speaker, Christmas is coming and Americans are hurting. The economy is in a recession and employees are losing their jobs.

Markets need a boost so retirement security can once again be secure. John and Sally Doe back home in the heartland need our help.

The House of Representatives passed a good economic security bill in October. It's now December 19th—and the Senate has yet to pass a similar bill to help get our economy back on track. The argument coming from the other body and the other side of the aisle is centered upon more benefits for the unemployed. So, here we are today—with a new bill to give more benefits to the unemployed. We have addressed our critics' concerns and included their suggestions in the legislation before us. If that isn't bipartisanship at its best, I don't know what is.

This bill helps laid-off workers by providing a generous tax credit for Americans who have lost their jobs so they may buy health insurance. It extends unemployment benefits by thirteen weeks. It gives small businesses help so they may create more jobs. And we will give tax rebate checks to lower-income Americans and reduce the income tax for middle-class Americans. There are initiatives that achieve important goals; helping those who need immediate assistance, while creating new jobs and giving a boost to the economy.

The president told the country this past weekend: if Congress doesn't pass an economic security package, 300,000 jobs could be lost. Doing nothing is the same as aiding and abetting a sinking ship. We need to step up to the plate and help get our economy back on track.

Mr. Speaker, this bill is not a Republican proposal, nor is it a Democrat proposal. It is a fair and balanced mix of ideas from both parties and both chambers.

Our constituents back home want relief. They want help. They need jobs. They need us to do something to address the situation we are in. We did not create the problem—but we certainly have the tools to fix it.

So, Mr. Speaker, I ask my colleagues to do the right thing and vote for this bill. It is not the be-all or end-all, but it is a solid package to help folks who are suffering through hard times while looking ahead to the future. If we do nothing, the American people lose. If we pass the economic security bill, we will offer hope for our neighbors looking to have decent health care and good jobs to provide for their families.

Mrs. CHRISTENSEN. Mr. Speaker, I rise in strong opposition to the stimulus bill being brought today by the Republican leadership.

As I have come to the floor on previous occasions to say, we must take care of the people of this country who have lost jobs and health coverage because of September 11th, before we do anything else. Not only is it the right thing to do for them and for our country, but also it is one of the best stimuli we could put in place to begin to get our economy back on track.

We have provided help for Airlines, we have provided help for insurance companies, we have allowed our own cost-of-living increase to go into effect, and now what our leaders would have us do is to provide ill-advised and really unnecessary tax cuts to the largest of corporations, and let hundreds of thousands of working people go without.

Some say there is not enough money to allow the temporary one-year extension of the Unemployment Program and an extra twenty-six weeks of unemployment benefits that the Democrats are asking for. My solution is a simple one! Eliminate or at least delay the tax cut until we know the money will be there to fund it, and do not repeal the alternative minimum tax for corporations, save one year's relief, at most.

I commend my colleagues CHARLES RANGEL, JOHN DINGLE, and DICK GEPHARDT, as well as those in the other body who worked hard to reach a good compromise that helps the most people. They did the very best they could. And I applaud them for not giving in or giving up on the people who are depending on them for relief that they will not get otherwise.

I urge my colleagues on this side of the aisle to hold fast and vote ''no'' on this bill, and I also invite and urge my other colleagues to do what is right for this country, and do the same.

The SPEAKER pro tempore (Mr. THORNBERRY). All time for debate has expired.

Pursuant to House Resolution 320, the bill is considered as read for amendment and the previous question is ordered.

The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. RANGEL. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. RANGEL moves to recommit the bill H.R. 3529 to the Committee on Ways and Means with instructions that the Committee report the same back to the House forthwith with the following amendment.

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Fiscal Stimulus and Worker Relief Act of 2001''.

(b) REFERENCES TO INTERNAL REVENUE CODE OF 1986.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

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

Sec. 1. Short title, etc.

TITLE I—TAX PROVISIONS

Subtitle A—Supplemental Rebate

Sec. 101. Supplemental rebate.

Subtitle B—Depreciation Benefits and Expensing

Sec. 111. Special depreciation allowance for certain property.
Sec. 112. Temporary increase in expensing under section 179.

Subtitle C—Extensions of Certain Expiring Provisions

Sec. 121. Allowance of nonrefundable personal credits against regular and minimum tax liability.
Sec. 122. Credit for qualified electric vehicles.
Sec. 123. Credit for electricity produced from renewable resources.
Sec. 124. Work Opportunity Credit.
Sec. 125. Welfare-to-Work credit.
Sec. 126. Deduction for clean-fuel vehicles and certain refueling property.
Sec. 127. Taxable income limit on percentage depletion for oil and natural gas produced from marginal properties.
Sec. 128. Qualified zone academy bonds.
Sec. 129. Cover over of tax on distilled spirits.
Sec. 130. Parity in the application of certain limits to mental health benefits.
Sec. 131. Delay in effective date of requirement for approved diesel or kerosene terminals.
Sec. 132. Subpart F exemption for active financing.
Sec. 133. 1-year extension of supplemental grant program under the TANF program.
Sec. 134. 1-year extension of contingency fund under the TANF program.

Subtitle D—Other Provisions

Sec. 141. Alternative minimum tax relief with respect to incentive stock options exercised during 2000 or 2001.
Sec. 142. Carryback of certain net operating losses allowed for 5 years.
Sec. 143. Temporary waiver of 90 percent AMT limitations.
Sec. 144. Expansion of incentives for public schools.

TITLE II—WORKER RELIEF

Subtitle A—Temporary Unemployment Compensation

Sec. 201. Short title.
Sec. 202. Federal-State agreements.
Sec. 203. Temporary Supplemental Unemployment Compensation Account.
Sec. 204. Payments to States having agreements under this subtitle.
Sec. 205. Financing provisions.
Sec. 206. Fraud and overpayments.
Sec. 207. Definitions.
Sec. 208. Applicability.
Sec. 209. Special Reed Act transfer in Fiscal Year 2002.

Subtitle B—PREMIUM ASSISTANCE FOR COBRA CONTINUATION COVERAGE

Sec. 211. Premium assistance for COBRA continuation coverage.

Subtitle C—Additional Assistance for Temporary Health Insurance Coverage

Sec. 221. Optional temporary medicaid coverage for certain uninsured employees.
Sec. 222. Optional temporary coverage for unsubsidized portion of COBRA continuation premiums.

Subtitle D—Temporary Increases of Medicaid FMAP For Fiscal Year 2002

Sec. 231. Temporary increases of medicaid FMAP for fiscal year 2002.

TITLE III—TAX RELIEF FOR VICTIMS OF TERRORISM

Subtitle A—Relief Provisions For Victims of Terrorist Attacks

Sec. 301. Income and employment taxes of victims of terrorist attacks.
Sec. 302. Estate tax reduction.
Sec. 303. Payments by charitable organizations treated as exempt payments.
Sec. 304. Exclusion of certain cancellations of indebtedness.
Sec. 305. Treatment of certain structured settlement payments and disability trusts.
Sec. 306. No impact on social security trust fund.

Subtitle B—General Relief for Victims of Disasters and Terroristic or Military Actions

Sec. 311. Exclusion for disaster relief payments.
Sec. 312. Authority to postpone certain deadlines and required actions.
Sec. 313. Internal Revenue Service disaster response team.
Sec. 314. Application of certain provisions to terroristic or military actions.
Sec. 315. Clarification of due date for airline excise tax deposits.
Sec. 316. Coordination with Air Transportation Safety and System Stabilization Act.

Subtitle C—Disclosure of Tax Information in Terrorism and National Security Investigations

Sec. 321. Disclosure of tax information in terrorism and national security investigations.

TITLE IV—NEW YORK RECOVERY FROM TERRORISM

Sec. 401. Expansion of work opportunity tax credit targeted categories to include certain employees in New York City.
Sec. 402. Tax-exempt private activity bonds for rebuilding portion of New York City damaged in the September 11, 2001, terrorist attack.
Sec. 403. Additional advance refunding permitted of certain bonds.
Sec. 404. Gain or loss from property damaged or destroyed in New York Recovery Zone.
Sec. 405. Credit for individuals residing in Lower Manhattan.

TITLE V—FREEZE OF TOP INDIVIDUAL INCOME TAX RATE AND DOMESTIC SECURITY TRUST FUND

Sec. 501. Freeze of top individual income tax rate and Domestic Security Trust Fund.

TITLE I—TAX PROVISIONS

Subtitle A—Supplemental Rebate

SEC. 101. SUPPLEMENTAL REBATE.

(a) IN GENERAL.—Section 6428 (relating to acceleration of 10 percent income tax rate bracket benefit for 2001) is amended by adding at the end the following new subsection:

''(f) SUPPLEMENTAL REBATE.—

''(1) IN GENERAL.—Each individual who was an eligible individual for such individual's first taxable year beginning in 2000 and who, before October 16, 2001—

''(A) filed a return of tax imposed by subtitle A for such taxable year, or

''(B) filed a return of income tax with the government of American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, or the Virgin Islands of the United States,

shall be treated as having made a payment against the tax imposed by chapter 1 for such first taxable year in an amount equal to the supplemental refund amount for such taxable year.

''(2) SUPPLEMENTAL REFUND AMOUNT.—For purposes of this subsection, the supplemental refund amount is an amount equal to the excess (if any) of—

''(A)(i) $600 in the case of taxpayers to whom section 1(a) applies,

''(ii) $500 in the case of taxpayers to whom section 1(b) applies, and

''(iii) $300 in the case of taxpayers to whom subsections (c) or (d) of section 1 applies, over

''(B) the amount of any advance refund amount paid to the taxpayer under subsection (e).

''(3) TIMING OF PAYMENTS.—In the case of any overpayment attributable to this subsection, the Secretary shall, subject to the provisions of this title, refund or credit such overpayment as rapidly as possible.

''(4) NO INTEREST.—No interest shall be allowed on any overpayment attributable to this subsection.

''(5) SPECIAL RULE FOR CERTAIN NONRESIDENTS.—The determination under subsection (c)(2) as to whether an individual who filed a return of tax described in paragraph (1)(B) is a nonresident alien individual

shall, under rules prescribed by the Secretary, be made by reference to the possession or Commonwealth with which the return was filed and not the United States.''.

(b) TECHNICAL CORRECTION.—

(1) IN GENERAL.—Subsection (b) of section 6428 is amended to read as follows:

''(b) CREDIT TREATED AS NONREFUNDABLE PERSONAL CREDIT.—For purposes of this title, the credit allowed under this section shall be treated as a credit allowable under subpart A of part IV of subchapter A of chapter 1.''.

(2) CONFORMING AMENDMENTS.—

(A) Subsection (d) of section 6428 is amended to read as follows:

''(d) COORDINATION WITH ADVANCE REFUNDS OF CREDIT.—

''(1) IN GENERAL.—The amount of credit which would (but for this paragraph) be allowable under this section shall be reduced (but not below zero) by the aggregate refunds and credits made or allowed to the taxpayer under subsection (e). Any failure to so reduce the credit shall be treated as arising out of a mathematical or clerical error and assessed according to section 6213(b)(1).

''(2) JOINT RETURNS.—In the case of a refund or credit made or allowed under subsection (e) with respect to a joint return, half of such refund or credit shall be treated as having been made or allowed to each individual filing such return.''.

(B) Paragraph (2) of section 6428(e) is amended to read as follows:

''(2) ADVANCE REFUND AMOUNT.—For purposes of paragraph (1), the advance refund amount is the amount that would have been allowed as a credit under this section for such first taxable year if—

''(A) this section (other than subsections (b) and (d) and this subsection) had applied to such taxable year, and

''(B) the credit for such taxable year were not allowed to exceed the excess (if any) of—

''(i) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(ii) the sum of the credits allowable under part IV of subchapter A of chapter 1 (other than the credits allowable under subpart C thereof, relating to refundable credits).''.

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 6428(d), as amended by subsection (b), is amended by striking ''subsection (e)'' and inserting ''subsections (e) and (f)''.

(2) Paragraph (2) of section 6428(d), as amended by subsection (b), is amended by striking ''subsection (e)'' and inserting ''subsection (e) or (f)''.

(3) Paragraph (3) of section 6428(e) is amended by striking ''December 31, 2001'' and inserting ''the date of the enactment of the Fiscal Stimulus and Worker Relief Act of 2001''.

(d) REPORTING REQUIREMENT.—For purposes of determining the individuals who are eligible for the supplemental rebate under section 6428(f) of the Internal Revenue Code of 1986, the governments of American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, and the Virgin Islands of the United States shall provide, at such time and in such manner as provided by the Secretary of the Treasury, the names, addresses, and taxpayer identifying numbers (within the meaning of section 6109 of the Internal Revenue Code of 1986) of residents who filed returns of income tax with such governments for 2000.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) TECHNICALS.—The amendments made by subsection (b) shall take effect as if included in the amendment made by section 101(b)(1) of the Economic Growth and Tax Relief Reconciliation Act of 2001.

Subtitle B—Depreciation Benefits and Expensing

SEC. 111. SPECIAL DEPRECIATION ALLOWANCE FOR CERTAIN PROPERTY.

(a) IN GENERAL.—Section 168 (relating to accelerated cost recovery system) is amended by adding at the end the following new subsection:

''(k) SPECIAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE JANUARY 1, 2003.—

''(1) ADDITIONAL ALLOWANCE.—In the case of any qualified property—

''(A) the depreciation deduction provided by section 167(a) for the taxable year in which such property is placed in service shall include an allowance equal to 30 percent of the adjusted basis of the qualified property, and

''(B) the adjusted basis of the qualified property shall be reduced by the amount of such deduction before computing the amount otherwise allowable as a depreciation deduction under this chapter for such taxable year and any subsequent taxable year.

''(2) QUALIFIED PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified property' means property—

''(i)(I) to which this section applies which has an applicable recovery period of 20 years or less or which is water utility property,

''(II) which is computer software (as defined in section 167(f)(1)(B)) for which a deduction is allowable under section 167(a) without regard to this subsection,

''(III) which is qualified leasehold improvement property, or

''(IV) which is eligible for depreciation under section 167(g),

''(ii) the original use of which commences with the taxpayer after September 10, 2001, and

''(iii) which is—

''(I) acquired by the taxpayer during the 1-year period beginning on September 11, 2001, and ending on September 10, 2002, and placed in service during such 1-year period, or

''(II) constructed, reconstructed, or erected by or for the taxpayer on or after the first day of such 1-year period, but only to the extent of the basis thereof attributable to the construction, reconstruction, or erection during such 1-year period.

''(B) EXCEPTIONS.—

''(i) ALTERNATIVE DEPRECIATION PROPERTY.—The term 'qualified property' shall not include any property to which the alternative depreciation system under subsection (g) applies, determined—

''(I) without regard to paragraph (7) of subsection (g) (relating to election to have system apply), and

''(II) after application of section 280F(b) (relating to listed property with limited business use).

''(ii) ELECTION OUT.—If a taxpayer makes an election under this clause with respect to any class of property for any taxable year, this subsection shall not apply to all property in such class placed in service during such taxable year.

''(C) SALE-LEASEBACKS.—For purposes of subparagraph (A)(ii), if property—

''(i) is originally placed in service after September 10, 2001, by a person, and

''(ii) sold and leased back by such person within 3 months after the date such property was originally placed in service,

such property shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback referred to in clause (ii).

''(D) COORDINATION WITH SECTION 280F.—For purposes of section 280F—

''(i) AUTOMOBILES.—In the case of a passenger automobile (as defined in section 280F(d)(5)) which is qualified property, the Secretary shall increase the limitation under section 280F(a)(1)(A)(i) by $1,600.

''(ii) LISTED PROPERTY.—The deduction allowable under paragraph (1) shall be taken into account in computing any recapture amount under section 280F(b)(2).

''(3) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified leasehold improvement property' means any improvement to an interior portion of a building which is nonresidential real property if—

''(i) such improvement is made under or pursuant to a lease (as defined in subsection (h)(7))—

''(I) by the lessee (or any sublessee) of such portion, or

''(II) by the lessor of such portion,

''(ii) such portion is to be occupied exclusively by the lessee (or any sublessee) of such portion, and

''(iii) such improvement is placed in service more than 3 years after the date the building was first placed in service.

''(B) CERTAIN IMPROVEMENTS NOT INCLUDED.—Such term shall not include any improvement for which the expenditure is attributable to—

''(i) the enlargement of the building,

''(ii) any elevator or escalator,

''(iii) any structural component benefiting a common area, and

''(iv) the internal structural framework of the building.

''(C) DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

''(i) BINDING COMMITMENT TO LEASE TREATED AS LEASE.—A binding commitment to enter into a lease shall be treated as a lease, and the parties to such commitment shall be treated as lessor and lessee, respectively.

''(ii) RELATED PERSONS.—A lease between related persons shall not be considered a lease. For purposes of the preceding sentence, the term 'related persons' means—

''(I) members of an affiliated group (as defined in section 1504), and

''(II) persons having a relationship described in subsection (b) of section 267; except that, for purposes of this clause, the phrase '80 percent or more' shall be substituted for the phrase 'more than 50 percent' each place it appears in such subsection.

''(D) IMPROVEMENTS MADE BY LESSOR.—In the case of an improvement made by the person who was the lessor of such improvement when such improvement was placed in service, such improvement shall be qualified leasehold improvement property (if at all) only so long as such improvement is held by such person.''.

(b) ALLOWANCE AGAINST ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—Section 56(a)(1)(A) (relating to depreciation adjustment for alternative minimum tax) is amended by adding at the end the following new clause:

''(iii) ADDITIONAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE JANUARY 1, 2003.—The deduction under section 168(k) shall be allowed.''.

(2) CONFORMING AMENDMENT.—Clause (i) of section 56(a)(1)(A) is amended by striking ''clause (ii)'' both places it appears and inserting ''clauses (ii) and (iii)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after September 10, 2001, in taxable years ending after such date.

SEC. 112. TEMPORARY INCREASE IN EXPENSING UNDER SECTION 179.

(a) IN GENERAL.—The table contained in section 179(b)(1) (relating to dollar limitation) is amended to read as follows:

"If the taxable year begins in:	The applicable amount is:
2001	$24,000
2002	$50,000
2003 or thereafter	25,000.''

(b) TEMPORARY INCREASE IN AMOUNT OF PROPERTY TRIGGERING PHASEOUT OF MAXIMUM BENEFIT.—Paragraph (2) of section 179(b) of such Code is amended by inserting before the period ''($400,000 in the case of taxable years beginning during 2002)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle C—Extensions of Certain Expiring Provisions

SEC. 121. ALLOWANCE OF NONREFUNDABLE PERSONAL CREDITS AGAINST REGULAR AND MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Paragraph (2) of section 26(a) is amended—

(1) by striking ''RULE FOR 2000 AND 2001.—'' and inserting ''RULE FOR 2000, 2001, AND 2002.—'', and

(2) by striking ''during 2000 or 2001,'' and inserting ''during 2000, 2001, or 2002,''.

(b) CONFORMING AMENDMENTS.—

(1) Section 904(h) is amended by striking ''during 2000 or 2001'' and inserting ''during 2000, 2001, or 2002''.

(2) The amendments made by sections 201(b), 202(f), and 618(f) of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to taxable years beginning during 2002.

(c) TECHNICAL CORRECTION.—Section 24(d)(1)(B) is amended by striking ''amount of credit allowed by this section'' and inserting ''aggregate amount of credits allowed by this subpart.''.

(d) EFFECTIVE DATES.—

(1) The amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 2001.

(2) The amendment made by subsection (c) shall apply to taxable years beginning after December 31, 2000.

SEC. 122. CREDIT FOR QUALIFIED ELECTRIC VEHICLES.

(a) IN GENERAL.—Section 30 is amended—

(1) in subsection (b)(2)—

(A) by striking ''December 31, 2001,'' and inserting ''December 31, 2002,'', and

(B) in subparagraphs (A), (B), and (C), by striking ''2002'', ''2003'', and ''2004'', respectively, and inserting ''2003'', ''2004'', and ''2005'', respectively, and

(2) in subsection (e), by striking ''December 31, 2004'' and inserting ''December 31, 2005''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 123. CREDIT FOR ELECTRICITY PRODUCED FROM RENEWABLE RESOURCES.

(a) IN GENERAL.—Subparagraphs (A), (B), and (C) of section 45(c)(3) are each amended by striking ''2002'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 124. WORK OPPORTUNITY CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 51(c)(4) is amended by striking ''2001'' and inserting ''2002''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2001.

SEC. 125. WELFARE-TO-WORK CREDIT.

(a) IN GENERAL.—Subsection (f) of section 51A is amended by striking ''2001'' and inserting ''2002''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2001.

SEC. 126. DEDUCTION FOR CLEAN-FUEL VEHICLES AND CERTAIN REFUELING PROPERTY.

(a) IN GENERAL.—Section 179A is amended—

(1) in subsection (b)(1)(B)—

(A) by striking ''December 31, 2001,'' and inserting ''December 31, 2002,'', and

(B) in clauses (i), (ii), and (iii), by striking ''2002'', ''2003'', and ''2004'', respectively, and inserting ''2003'', ''2004'', and ''2005'', respectively, and

(2) in subsection (f), by striking ''December 31, 2004'' and inserting ''December 31, 2005''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 127. TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR OIL AND NATURAL GAS PRODUCED FROM MARGINAL PROPERTIES.

(a) IN GENERAL.—Subparagraph (H) of section 613A(c)(6) is amended by striking ''2002'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 128. QUALIFIED ZONE ACADEMY BONDS.

(a) IN GENERAL.—Paragraph (1) of section 1397E(e) is amended by striking ''2000, and 2001'' and inserting ''2000, 2001, and 2002''.

(b) EXTENSION OF CARRYOVER OF UNUSED LIMITATION FROM 1998.—Paragraph (4) of section 1397E(e) is amended by striking ''3 years for carryforwards from 1998 or 1999'' and inserting ''4 years for carryforwards from 1998 and 3 years for carryforwards from 1999''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 129. COVER OVER OF TAX ON DISTILLED SPIRITS.

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended by striking ''2002'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 130. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) IN GENERAL.—Subsection (f) of section 9812 is amended by striking ''2001'' and inserting ''2002''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to plan years beginning after December 31, 2001.

SEC. 131. DELAY IN EFFECTIVE DATE OF REQUIREMENT FOR APPROVED DIESEL OR KEROSENE TERMINALS.

Paragraph (2) of section 1032(f) of the Taxpayer Relief Act of 1997 (Public Law 105–34) is amended by striking ''January 1, 2002'' and inserting ''January 1, 2003''.

SEC. 132. SUBPART F EXEMPTION FOR ACTIVE FINANCING.

(a) IN GENERAL.—

(1) Section 953(e)(10) is amended—

(A) by striking ''January 1, 2002'' and inserting ''January 1, 2003'', and

(B) by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(2) Section 954(h)(9) is amended by striking ''January 1, 2002'' and inserting ''January 1, 2003''.

(b) LIFE INSURANCE AND ANNUITY CONTRACTS.—

(1) IN GENERAL.—Subparagraph (B) of section 954(i)(4) is amended to read as follows:

''(B) LIFE INSURANCE AND ANNUITY CONTRACTS.—

''(i) IN GENERAL.—Except as provided in clause (ii), the amount of the reserve of a qualifying insurance company or qualifying insurance company branch for any life insurance or annuity contract shall be equal to the greater of—

''(I) the net surrender value of such contract (as defined in section 807(e)(1)(A)), or

''(II) the reserve determined under paragraph (5).

''(ii) RULING REQUEST.—The amount of the reserve under clause (i) shall be the foreign statement reserve for the contract (less any catastrophe, deficiency, equalization, or similar reserves), if, pursuant to a ruling request submitted by the taxpayer, the Secretary determines that the factors taken into account in determining the foreign statement reserve provide an appropriate means of measuring income.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 133. 1-YEAR EXTENSION OF SUPPLEMENTAL GRANT PROGRAM UNDER THE TANF PROGRAM.

Paragraph (3) of section 403(a) of the Social Security Act (42 U.S.C. 603(a)(3)) is amended by striking ''and 2001'' each place it appears and inserting ''2001, and 2002''.

SEC. 134. 1-YEAR EXTENSION OF CONTINGENCY FUND UNDER THE TANF PROGRAM.

Section 403(b) of the Social Security Act (42 U.S.C. 603(b)) is amended—

(1) in paragraph (2), by striking ''and 2001'' and inserting ''2001, and 2002''; and

(2) in paragraph (3)(C)(ii), by striking ''2001'' and inserting ''2002''.

SEC. 135. INCENTIVES FOR INDIAN EMPLOYMENT AND PROPERTY ON INDIAN RESERVATIONS.

(a) EMPLOYMENT.—Subsection (f) of section 45A is amended by striking ''December 31, 2003'' and inserting ''December 31, 2004''.

(b) PROPERTY.—Paragraph (8) section 168(j) is amended by striking ''December 31, 2003'' and inserting ''December 31, 2004''.

Subtitle D—Other Provisions

SEC. 141. ALTERNATIVE MINIMUM TAX RELIEF WITH RESPECT TO INCENTIVE STOCK OPTIONS EXERCISED DURING 2000 or 2001.

In the case of an incentive stock option (as defined in section 422 of the Internal Revenue Code of 1986) exercised during calendar year 2000 or 2001, the amount taken into account under section 56(b)(3) of such Code by reason of such exercise shall not exceed the amount that would have been taken into account if, on the date of such exercise, the fair market value of the stock acquired pursuant to such option had been—

(1) its fair market value as of—

(A) April 15, 2001, in the case of options exercised during 2000, and

(B) December 31, 2001, in the case of options exercised during 2001, or

(2) if such stock is sold or exchanged on or before the applicable date under paragraph (1), the amount realized on such sale or exchange.

SEC. 142. CARRYBACK OF CERTAIN NET OPERATING LOSSES ALLOWED FOR 5 YEARS.

(a) IN GENERAL.—Paragraph (1) of section 172(b) (relating to years to which loss may be carried) is amended by adding at the end the following new subparagraph:

''(H) In the case of a taxpayer which has a net operating loss for any taxable year ending in 2001, subparagraph (A)(i) shall be applied by substituting '5' for '2' and subparagraph (F) shall not apply.''.

(b) ELECTION TO DISREGARD 5-YEAR CARRYBACK.—Section 172 (relating to net operating loss deduction) is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

''(j) ELECTION TO DISREGARD 5-YEAR CARRYBACK FOR CERTAIN NET OPERATING LOSSES.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(H) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(H). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year.''.

(c) TEMPORARY SUSPENSION OF 90 PERCENT LIMIT ON CERTAIN NOL CARRYBACKS.—Subparagraph (A) of section 56(d)(1) (relating to general rule defining alternative tax net operating loss deduction) is amended to read as follows:

''(A) the amount of such deduction shall not exceed the sum of—

''(i) the lesser of—

''(I) the amount of such deduction attributable to net operating losses (other than the deduction attributable to carrybacks described in clause (ii)(I)), or

''(II) 90 percent of alternative minimum taxable income determined without regard to such deduction, plus

''(ii) the lesser of—

''(I) the amount of such deduction attributable to carrybacks of net operating losses for taxable years ending in 2001, or

''(II) alternative minimum taxable income determined without regard to such deduction reduced by the amount determined under clause (i), and''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to net operating losses for taxable years ending in 2001.

SEC. 143. TEMPORARY WAIVER OF 90 PERCENT AMT LIMITATIONS.

Subparagraph (A) of section 56(b)(1) of the Internal Revenue Code of 1986 and paragraph (2) of section 59(a) of such Code shall not apply in determining alternative minimum tax liability for taxable years beginning in 2002.

SEC. 144. EXPANSION OF INCENTIVES FOR PUBLIC SCHOOLS.

(a) IN GENERAL.—Chapter 1 is amended by adding at the end the following new subchapter:

"Subchapter Y—Public School Modernization Provisions

''Sec. 1400K. Credit to holders of qualified public school modernization bonds.

''Sec. 1400L. Qualified school construction bonds.

''Sec. 1400M. Qualified zone academy bonds.

"SEC. 1400K. CREDIT TO HOLDERS OF QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS.

''(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a qualified public school modernization bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

''(b) AMOUNT OF CREDIT.—

''(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a qualified public school modernization bond is 25 percent of the annual credit determined with respect to such bond.

''(2) ANNUAL CREDIT.—The annual credit determined with respect to any qualified public school modernization bond is the product of—

''(A) the applicable credit rate, multiplied by

''(B) the outstanding face amount of the bond.

''(3) APPLICABLE CREDIT RATE.—For purposes of paragraph (1), the applicable credit rate with respect to an issue is the rate equal to an average market yield (as of the day before the date of issuance of the issue) on outstanding long-term corporate debt obligations (determined under regulations prescribed by the Secretary).

''(4) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

''(c) LIMITATION BASED ON AMOUNT OF TAX.—

''(1) IN GENERAL.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under part IV of subchapter A (other than subpart C thereof, relating to refundable credits).

''(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

''(d) QUALIFIED PUBLIC SCHOOL MODERNIZATION BOND; CREDIT ALLOWANCE DATE.—For purposes of this section—

''(1) QUALIFIED PUBLIC SCHOOL MODERNIZATION BOND.—The term 'qualified public school modernization bond' means—

''(A) a qualified zone academy bond, and

''(B) a qualified school construction bond.

''(2) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means—

''(A) March 15,

''(B) June 15,

''(C) September 15, and

''(D) December 15.

Such term includes the last day on which the bond is outstanding.

''(e) OTHER DEFINITIONS.—For purposes of this subchapter—

''(1) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given to such term by section 14101 of the Elementary and Secondary Education Act of 1965. Such term includes the local educational agency that serves the District of Columbia but does not include any other State agency.

''(2) BOND.—The term 'bond' includes any obligation.

''(3) STATE.—The term 'State' includes the District of Columbia and any possession of the United States.

''(4) PUBLIC SCHOOL FACILITY.—The term 'public school facility' shall not include—

''(A) any stadium or other facility primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public, or

''(B) any facility which is not owned by a State or local government or any agency or instrumentality of a State or local government.

''(f) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

''(g) RECAPTURE OF PORTION OF CREDIT WHERE CESSATION OF COMPLIANCE.—

''(1) IN GENERAL.—If any bond which when issued purported to be a qualified public school modernization bond ceases to be a qualified public school modernization bond, the issuer shall pay to the United States (at the time required by the Secretary) an amount equal to the sum of—

''(A) the aggregate of the credits allowable under this section with respect to such bond (determined without regard to subsection (c)) for taxable years ending during the calendar year in which such cessation occurs and the 2 preceding calendar years, and

''(B) interest at the underpayment rate under section 6621 on the amount determined under subparagraph (A) for each calendar year for the period beginning on the first day of such calendar year.

''(2) FAILURE TO PAY.—If the issuer fails to timely pay the amount required by paragraph (1) with respect to such bond, the tax imposed by this chapter on each holder of any such bond which is part of such issue shall be increased (for the taxable year of the holder in which such cessation occurs) by the aggregate decrease in the credits allowed under this section to such holder for taxable years beginning in such 3 calendar years which would have resulted solely from denying any credit under this section with respect to such issue for such taxable years.

''(3) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (2) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under paragraph (2) shall not be treated as a tax imposed by this chapter for purposes of determining —

''(i) the amount of any credit allowable under this part, or

''(ii) the amount of the tax imposed by section 55.

''(h) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any qualified public school modernization bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed

to shareholders of such company under procedures prescribed by the Secretary.

''(i) CREDITS MAY BE STRIPPED.—Under regulations prescribed by the Secretary—

''(1) IN GENERAL.—There may be a separation (including at issuance) of the ownership of a qualified public school modernization bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

''(2) CERTAIN RULES TO APPLY.—In the case of a separation described in paragraph (1), the rules of section 1286 shall apply to the qualified public school modernization bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.

''(j) TREATMENT FOR ESTIMATED TAX PURPOSES.—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a qualified public school modernization bonds on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

''(k) CREDIT MAY BE TRANSFERRED.—Nothing in any law or rule of law shall be construed to limit the transferability of the credit allowed by this section through sale and repurchase agreements.

''(k) REPORTING.—Issuers of qualified public school modernization bonds shall submit reports similar to the reports required under section 149(e).

''(l) PENALTY ON CONTRACTORS FAILING TO PAY PREVAILING WAGE.—

''(1) IN GENERAL.—If the Secretary of Labor certifies to the Secretary that any contractor on any project funded by any qualified public school modernization bond has failed, during any portion of such contractor's taxable year, to pay prevailing wages as would be required under section 439 of the General Education Provisions Act if such funding were an applicable program under such section, the tax imposed by chapter 1 on such contractor for such taxable year shall be increased by 100 percent of the amount involved in such failure. The preceding sentence shall not apply to the extent the Secretary of Labor determines that such failure is due to reasonable cause and not willful neglect.

''(2) AMOUNT INVOLVED.—For purposes of paragraph (1), the amount involved with respect to any failure is the excess of the amount of wages such contractor would be so required to pay under such section over the amount of wages paid.

''(3) NO CREDITS AGAINST TAX.—The tax imposed by this section shall not be treated as a tax imposed by this chapter for purposes of determining—

''(A) the amount of any credit allowable under this chapter, or

''(B) the amount of the minimum tax imposed by section 55.

''(m) TERMINATION.—This section shall not apply to any bond issued after September 30, 2006.

''SEC. 1400L. QUALIFIED SCHOOL CONSTRUCTION BONDS.

''(a) QUALIFIED SCHOOL CONSTRUCTION BOND.—For purposes of this subchapter, the term 'qualified school construction bond' means any bond issued as part of an issue if—

''(1) 95 percent or more of the proceeds of such issue are to be used for the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the proceeds of such issue,

''(2) the bond is issued by a State or local government within the jurisdiction of which such school is located,

''(3) the issuer designates such bond for purposes of this section, and

''(4) the term of each bond which is part of such issue does not exceed 15 years.

''(b) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) by any issuer shall not exceed the sum of—

''(1) the limitation amount allocated under subsection (d) for such calendar year to such issuer, and

''(2) if such issuer is a large local educational agency (as defined in subsection (e)(4)) or is issuing on behalf of such an agency, the limitation amount allocated under subsection (e) for such calendar year to such agency.

''(c) NATIONAL LIMITATION ON AMOUNT OF BONDS DESIGNATED.—There is a national qualified school construction bond limitation for each calendar year. Such limitation is—

''(1) $11,000,000,000 for 2002, and

''(2) except as provided in subsection (f), zero after 2002.

''(d) 60 PERCENT OF LIMITATION ALLOCATED AMONG STATES.—

''(1) IN GENERAL.—60 percent of the limitation applicable under subsection (c) for any calendar year shall be allocated by the Secretary among the States in proportion to the respective numbers of children in each State who have attained age 5 but not age 18 for the most recent fiscal year ending before such calendar year. The limitation amount allocated to a State under the preceding sentence shall be allocated by the State to issuers within such State.

''(2) MINIMUM ALLOCATIONS TO STATES.—

''(A) IN GENERAL.—The Secretary shall adjust the allocations under this subsection for any calendar year for each State to the extent necessary to ensure that the sum of—

''(i) the amount allocated to such State under this subsection for such year, and

''(ii) the aggregate amounts allocated under subsection (e) to large local educational agencies in such State for such year,

is not less than an amount equal to such State's minimum percentage of the amount to be allocated under paragraph (1) for the calendar year.

''(B) MINIMUM PERCENTAGE.—A State's minimum percentage for any calendar year is the minimum percentage described in section 1124(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6334(d)) for such State for the most recent fiscal year ending before such calendar year.

''(3) ALLOCATIONS TO CERTAIN POSSESSIONS.—The amount to be allocated under paragraph (1) to any possession of the United States other than Puerto Rico shall be the amount which would have been allocated if all allocations under paragraph (1) were made on the basis of respective populations of individuals below the poverty line (as defined by the Office of Management and Budget). In making other allocations, the amount to be allocated under paragraph (1) shall be reduced by the aggregate amount allocated under this paragraph to possessions of the United States.

''(4) ALLOCATIONS FOR INDIAN SCHOOLS.—In addition to the amounts otherwise allocated under this subsection, $200,000,000 for calendar year 2002, and $200,000,000 for calendar year 2003, shall be allocated by the Secretary of the Interior for purposes of the construction, rehabilitation, and repair of schools funded by the Bureau of Indian Affairs. In the case of amounts allocated under the preceding sentence, Indian tribal governments (as defined in section 7871) shall be treated as qualified issuers for purposes of this subchapter.

''(e) 40 PERCENT OF LIMITATION ALLOCATED AMONG LARGEST SCHOOL DISTRICTS.—

''(1) IN GENERAL.—40 percent of the limitation applicable under subsection (c) for any calendar year shall be allocated under paragraph (2) by the Secretary among local educational agencies which are large local educational agencies for such year.

''(2) ALLOCATION FORMULA.—The amount to be allocated under paragraph (1) for any calendar year shall be allocated among large local educational agencies in proportion to the respective amounts each such agency received for Basic Grants under subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) for the most recent fiscal year ending before such calendar year.

''(3) ALLOCATION OF UNUSED LIMITATION TO STATE.—The amount allocated under this subsection to a large local educational agency for any calendar year may be reallocated by such agency to the State in which such agency is located for such calendar year. Any amount reallocated to a State under the preceding sentence may be allocated as provided in subsection (d)(1).

''(4) LARGE LOCAL EDUCATIONAL AGENCY.—For purposes of this section, the term 'large local educational agency' means, with respect to a calendar year, any local educational agency if such agency is—

''(A) among the 100 local educational agencies with the largest numbers of children aged 5 through 17 from families living below the poverty level, as determined by the Secretary using the most recent data available from the Department of Commerce that are satisfactory to the Secretary, or

''(B) 1 of not more than 25 local educational agencies (other than those described in subparagraph (A)) that the Secretary of Education determines (based on the most recent data available satisfactory to the Secretary) are in particular need of assistance, based on a low level of resources for school construction, a high level of enrollment growth, or such other factors as the Secretary deems appropriate.

''(f) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year—

''(1) the amount allocated under subsection (d) to any State, exceeds

''(2) the amount of bonds issued during such year which are designated under subsection (a) pursuant to such allocation,

the limitation amount under such subsection for such State for the following calendar year shall be increased by the amount of such excess. A similar rule shall apply to the amounts allocated under subsection (d)(4) or (e).

''(g) SPECIAL RULES RELATING TO ARBITRAGE.—

''(1) IN GENERAL.—A bond shall not be treated as failing to meet the requirement of subsection (a)(1) solely by reason of the fact that the proceeds of the issue of which such bond is a part are invested for a temporary period (but not more than 36 months) until such proceeds are needed for the purpose for which such issue was issued.

''(2) BINDING COMMITMENT REQUIREMENT.—Paragraph (1) shall apply to an issue only if,

as of the date of issuance, there is a reasonable expectation that—

''(A) at least 10 percent of the proceeds of the issue will be spent within the 6-month period beginning on such date for the purpose for which such issue was issued, and

''(B) the remaining proceeds of the issue will be spent with due diligence for such purpose.

''(3) EARNINGS ON PROCEEDS.—Any earnings on proceeds during the temporary period shall be treated as proceeds of the issue for purposes of applying subsection (a)(1) and paragraph (1) of this subsection.

''SEC. 1400M. QUALIFIED ZONE ACADEMY BONDS.

''(a) QUALIFIED ZONE ACADEMY BOND.—For purposes of this subchapter—

''(1) IN GENERAL.—The term 'qualified zone academy bond' means any bond issued as part of an issue if—

''(A) 95 percent or more of the proceeds of such issue are to be used for a qualified purpose with respect to a qualified zone academy established by a local educational agency,

''(B) the bond is issued by a State or local government within the jurisdiction of which such academy is located,

''(C) the issuer—

''(i) designates such bond for purposes of this section,

''(ii) certifies that it has written assurances that the private business contribution requirement of paragraph (2) will be met with respect to such academy, and

''(iii) certifies that it has the written approval of the local educational agency for such bond issuance, and

''(D) the term of each bond which is part of such issue does not exceed 15 years.

Rules similar to the rules of section 1400L(g) shall apply for purposes of paragraph (1).

''(2) PRIVATE BUSINESS CONTRIBUTION REQUIREMENT.—

''(A) IN GENERAL.—For purposes of paragraph (1), the private business contribution requirement of this paragraph is met with respect to any issue if the local educational agency that established the qualified zone academy has written commitments from private entities to make qualified contributions having a present value (as of the date of issuance of the issue) of not less than 10 percent of the proceeds of the issue.

''(B) QUALIFIED CONTRIBUTIONS.—For purposes of subparagraph (A), the term 'qualified contribution' means any contribution (of a type and quality acceptable to the local educational agency) of—

''(i) equipment for use in the qualified zone academy (including state-of-the-art technology and vocational equipment),

''(ii) technical assistance in developing curriculum or in training teachers in order to promote appropriate market driven technology in the classroom,

''(iii) services of employees as volunteer mentors,

''(iv) internships, field trips, or other educational opportunities outside the academy for students, or

''(v) any other property or service specified by the local educational agency.

''(3) QUALIFIED ZONE ACADEMY.—The term 'qualified zone academy' means any public school (or academic program within a public school) which is established by and operated under the supervision of a local educational agency to provide education or training below the postsecondary level if—

''(A) such public school or program (as the case may be) is designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex workforce,

''(B) students in such public school or program (as the case may be) will be subject to the same academic standards and assessments as other students educated by the local educational agency,

''(C) the comprehensive education plan of such public school or program is approved by the local educational agency, and

''(D)(i) such public school is located in an empowerment zone or enterprise community (including any such zone or community designated after the date of the enactment of this section), or

''(ii) there is a reasonable expectation (as of the date of issuance of the bonds) that at least 35 percent of the students attending such school or participating in such program (as the case may be) will be eligible for free or reduced-cost lunches under the school lunch program established under the National School Lunch Act.

''(4) QUALIFIED PURPOSE.—The term 'qualified purpose' means, with respect to any qualified zone academy—

''(A) constructing, rehabilitating, or repairing the public school facility in which the academy is established,

''(B) acquiring the land on which such facility is to be constructed with part of the proceeds of such issue,

''(C) providing equipment for use at such academy,

''(D) developing course materials for education to be provided at such academy, and

''(E) training teachers and other school personnel in such academy.

''(b) LIMITATIONS ON AMOUNT OF BONDS DESIGNATED.—

''(1) IN GENERAL.—There is a national zone academy bond limitation for each calendar year. Such limitation is—

''(A) $400,000,000 for 1998,

''(B) $400,000,000 for 1999,

''(C) $400,000,000 for 2000,

''(D) $400,000,000 for 2001,

''(E) $1,400,000,000 for 2002, and

''(F) except as provided in paragraph (3), zero after 2002.

''(2) ALLOCATION OF LIMITATION.—

''(A) ALLOCATION AMONG STATES.—

''(i) 1998, 1999, 2000, AND 2001 LIMITATIONS.—The national zone academy bond limitations for calendar years 1998, 1999, 2000, and 2001 shall be allocated by the Secretary among the States on the basis of their respective populations of individuals below the poverty line (as defined by the Office of Management and Budget).

''(ii) LIMITATION AFTER 2001.—The national zone academy bond limitation for any calendar year after 2001 shall be allocated by the Secretary among the States in proportion to the respective amounts each such State received for Basic Grants under subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) for the most recent fiscal year ending before such calendar year.

''(B) ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.—The limitation amount allocated to a State under subparagraph (A) shall be allocated by the State to qualified zone academies within such State.

''(C) DESIGNATION SUBJECT TO LIMITATION AMOUNT.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) with respect to any qualified zone academy shall not exceed the limitation amount allocated to such academy under subparagraph (B) for such calendar year.

''(3) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year—

''(A) the limitation amount under this subsection for any State, exceeds

''(B) the amount of bonds issued during such year which are designated under subsection (a) (or the corresponding provisions of prior law) with respect to qualified zone academies within such State,

the limitation amount under this subsection for such State for the following calendar year shall be increased by the amount of such excess.''

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

''(8) REPORTING OF CREDIT ON QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS.—

''(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 1400K(f) and such amounts shall be treated as paid on the credit allowance date (as defined in section 1400K(d)(2)).

''(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

''(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.''

(c) CONFORMING AMENDMENTS.—

(1) Subchapter U of chapter 1 is amended by striking part IV, by redesignating part V as part IV, and by redesignating section 1397F as section 1397E.

(2) The table of subchapters for chapter 1 is amended by adding at the end the following new item:

''Subchapter Y. Public school modernization provisions.''

(3) The table of parts of subchapter U of chapter 1 is amended by striking the last 2 items and inserting the following item:

''Part IV. Regulations.''

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to obligations issued after December 31, 2001.

(2) REPEAL OF RESTRICTION ON ZONE ACADEMY BOND HOLDERS.—In the case of bonds to which section 1397E of the Internal Revenue Code of 1986 (as in effect before the date of the enactment of this Act) applies, the limitation of such section to eligible taxpayers (as defined in subsection (d)(6) of such section) shall not apply after the date of the enactment of this Act.

TITLE II—WORKER RELIEF

Subtitle A—Temporary Unemployment Compensation

SEC. 201. SHORT TITLE.

This subtitle may be cited as the ''Temporary Unemployment Compensation Act of 2001''.

SEC. 202. FEDERAL-STATE AGREEMENTS.

(a) IN GENERAL.—Any State which desires to do so may enter into and participate in an agreement under this subtitle with the Secretary of Labor (hereinafter in this subtitle referred to as the ''Secretary''). Any State which is a party to an agreement under this subtitle may, upon providing 30 days' written notice to the Secretary, terminate such agreement.

(b) PROVISIONS OF AGREEMENT.—

(1) IN GENERAL.—Any agreement under subsection (a) shall provide that the State agency of the State will make—

(A) payments of regular compensation to individuals in amounts and to the extent that they would be determined if the State law were applied with the modifications described in paragraph (2), and

(B) payments of temporary supplemental unemployment compensation to individuals who—

(i) have exhausted all rights to regular compensation under the State law,

(ii) do not, with respect to a week, have any rights to compensation (excluding extended compensation) under the State law of any other State (whether one that has entered into an agreement under this subtitle or otherwise) nor compensation under any other Federal law (other than under the Federal-State Extended Unemployment Compensation Act of 1970), and are not paid or entitled to be paid any additional compensation under any State or Federal law, and

(iii) are not receiving compensation with respect to such week under the unemployment compensation law of Canada.

(2) MODIFICATIONS DESCRIBED.—The modifications described in this paragraph are as follows:

(A) An individual shall be eligible for regular compensation if the individual would be so eligible, determined by applying—

(i) the base period that would otherwise apply under the State law if this subtitle had not been enacted, or

(ii) a base period ending at the close of the calendar quarter most recently completed before the date of the individual's application for benefits,

whichever results in the greater amount.

(B) An individual shall not be denied regular compensation under the State law's provisions relating to availability for work, active search for work, or refusal to accept work, solely by virtue of the fact that such individual is seeking, or available for, only part-time (and not full-time) work.

(C)(i) Subject to clause (ii), the amount of regular compensation (including dependents' allowances) payable for any week shall be equal to the amount determined under the State law (before the application of this subparagraph), plus an additional—

(I) 25 percent, or

(II) $65,

whichever is greater.

(ii) In no event may the total amount determined under clause (i) with respect to any individual exceed the average weekly insured wages of that individual in that calendar quarter of the base period in which such individual's insured wages were the highest (or one such quarter if his wages were the same for more than one such quarter).

(c) NONREDUCTION RULE.—Under the agreement, subsection (b)(2)(C) shall not apply (or shall cease to apply) with respect to a State upon a determination by the Secretary that the method governing the computation of regular compensation under the State law of that State has been modified in a way such that—

(1) the average weekly amount of regular compensation which will be payable during the period of the agreement (determined disregarding the modifications described in subsection (b)(2)) will be less than

(2) the average weekly amount of regular compensation which would otherwise have been payable during such period under the State law, as in effect on September 11, 2001.

(d) COORDINATION RULES.—

(1) REGULAR COMPENSATION PAYABLE UNDER A FEDERAL LAW.—The modifications described in subsection (b)(2) shall also apply in determining the amount of benefits payable under any Federal law to the extent that those benefits are determined by reference to regular compensation payable under the State law of the State involved.

(2) TSUC TO SERVE AS SECOND-TIER BENEFITS.—Notwithstanding any other provision of law, extended benefits shall not be payable to any individual for any week for which temporary supplemental unemployment compensation is payable to such individual.

(e) EXHAUSTION OF BENEFITS.—For purposes of subsection (b)(1)(B)(i), an individual shall be considered to have exhausted such individual's rights to regular compensation under a State law when—

(1) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to such individual based on employment or wages during such individual's base period, or

(2) such individual's rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(f) WEEKLY BENEFIT AMOUNT, TERMS AND CONDITIONS, ETC. RELATING TO TSUC.—For purposes of any agreement under this subtitle—

(1) the amount of temporary supplemental unemployment compensation which shall be payable to an individual for any week of total unemployment shall be equal to the amount of regular compensation (including dependents' allowances) payable to such individual under the State law for a week for total unemployment during such individual's benefit year,

(2) the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof shall apply to claims for temporary supplemental unemployment compensation and the payment thereof, except where inconsistent with the provisions of this subtitle or with the regulations or operating instructions of the Secretary promulgated to carry out this subtitle, and

(3) the maximum amount of temporary supplemental unemployment compensation payable to any individual for whom a temporary supplemental unemployment compensation account is established under section 203 shall not exceed the amount established in such account for such individual.

SEC. 203. TEMPORARY SUPPLEMENTAL UNEMPLOYMENT COMPENSATION ACCOUNT.

(a) IN GENERAL.—Any agreement under this subtitle shall provide that the State will establish, for each eligible individual who files an application for temporary supplemental unemployment compensation, a temporary supplemental unemployment compensation account.

(b) AMOUNT IN ACCOUNT.—

(1) IN GENERAL.—The amount established in an account under subsection (a) shall be equal to the product obtained by multiplying an individual's weekly benefit amount by the applicable factor under paragraph (3).

(2) WEEKLY BENEFIT AMOUNT.—For purposes of this subsection, an individual's weekly benefit amount for any week is the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for a week of total unemployment in such individual's benefit year.

(3) APPLICABLE FACTOR.—

(A) GENERAL RULE.—The applicable factor under this paragraph is 13, unless the individual's benefit year begins or ends during a period of high unemployment within such individual's State, in which case the applicable factor is 26.

(B) PERIOD OF HIGH UNEMPLOYMENT.—For purposes of this paragraph, a period of high unemployment within a State shall begin and end, if at all, in a way (to be set forth in the State's agreement under this subtitle) similar to the way in which an extended benefit period would under section 203 of the Federal-State Extended Unemployment Compensation Act of 1970, subject to the following:

(i) To determine if there is a State ''on'' or ''off'' indicator, apply section 203(f) of such Act, but—

(I) substitute ''5 percent'' for ''6.5 percent'' in paragraph (1)(A)(i) thereof, and

(II) disregard paragraph (1)(A)(ii) thereof and the last sentence of paragraph (1) thereof.

(ii) To determine the beginning and ending dates of a period of high unemployment within a State, apply section 203(a) and (b) of such Act, except that—

(I) in applying such section 203(a), deem paragraphs (1) and (2) thereof to be amended by striking ''the third week after'', and

(II) in applying such section 203(b), deem paragraph (1)(A) thereof amended by striking ''thirteen'' and inserting ''twenty-six'' and paragraph (1)(B) thereof amended by striking ''fourteenth'' and inserting ''twenty-seventh''.

(4) RULE OF CONSTRUCTION.—For purposes of any computation under paragraph (1) (and any determination of amount under section 202(f)(1)), the modification described in section 202(b)(2)(C) (relating to increased benefits) shall be deemed to have been in effect with respect to the entirety of the benefit year involved.

(c) ELIGIBILITY PERIOD.—An individual whose applicable factor under subsection (b)(3) is 26 shall be eligible for temporary supplemental unemployment compensation for each week of total unemployment in his benefit year which begins in the State's period of high unemployment and, if his benefit year ends within such period, any such weeks thereafter which begin in such period of high unemployment, not to exceed a total of 26 weeks.

SEC. 204. PAYMENTS TO STATES HAVING AGREEMENTS UNDER THIS SUBTITLE.

(a) GENERAL RULE.—There shall be paid to each State which has entered into an agreement under this subtitle an amount equal to—

(1) 100 percent of any regular compensation made payable to individuals by such State by virtue of the modifications which are described in section 202(b)(2) and deemed to be in effect with respect to such State pursuant to section 202(b)(1)(A),

(2) 100 percent of any regular compensation—

(A) which is paid to individuals by such State by reason of the fact that its State law contains provisions comparable to the modifications described in section 202(b)(2)(A)–(B), but only

(B) to the extent that those amounts would, if such amounts were instead payable by virtue of the State law's being deemed to be so modified pursuant to section 202(b)(1)(A), have been reimbursable under paragraph (1), and

(3) 100 percent of the temporary supplemental unemployment compensation paid to individuals by the State pursuant to such agreement.

(b) DETERMINATION OF AMOUNT.—Sums under subsection (a) payable to any State by reason of such State having an agreement under this subtitle shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this subtitle for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that the Secretary's estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

(c) ADMINISTRATIVE EXPENSES, ETC.—There is hereby appropriated out of the employment security administration account of the Unemployment Trust Fund (as established by section 901(a) of the Social Security Act) $500,000,000 to reimburse States for the costs of the administration of agreements under this subtitle (including any improvements in technology in connection therewith) and to provide reemployment services to unemployment compensation claimants in States having agreements under this subtitle. Each State's share of the amount appropriated by the preceding sentence shall be determined by the Secretary according to the factors described in section 302(a) of the Social Security Act and certified by the Secretary to the Secretary of the Treasury.

SEC. 205. FINANCING PROVISIONS.

(a) IN GENERAL.—Funds in the extended unemployment compensation account (as established by section 905(a) of the Social Security Act), and the Federal unemployment account (as established by section 904(g) of the Social Security Act), of the Unemployment Trust Fund shall be used, in accordance with subsection (b), for the making of payments (described in section 204(a)) to States having agreements entered into under this subtitle.

(b) CERTIFICATION.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums described in section 204(a) which are payable to such State under this subtitle. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification by transfers from the extended unemployment compensation account (or, to the extent that there are insufficient funds in that account, from the Federal unemployment account) to the account of such State in the Unemployment Trust Fund.

SEC. 206. FRAUD AND OVERPAYMENTS.

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

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

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

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

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

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

(c) RECOVERY BY STATE AGENCY.—

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

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

(d) REVIEW.—Any determination by a State agency under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.

SEC. 207. DEFINITIONS.

For purposes of this subtitle:

(1) IN GENERAL.—The terms ''compensation'', ''regular compensation'', ''extended compensation'', ''additional compensation'', ''benefit year'', ''base period'', ''State'', ''State agency'', ''State law'', and ''week'' have the respective meanings given such terms under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970, subject to paragraph (2).

(2) STATE LAW AND REGULAR COMPENSATION.—In the case of a State entering into an agreement under this subtitle—

(A) ''State law'' shall be considered to refer to the State law of such State, applied in conformance with the modifications described in section 202(b)(2), subject to section 202(c), and

(B) ''regular compensation'' shall be considered to refer to such compensation, determined under its State law (applied in the manner described in subparagraph (A)),

except as otherwise provided or where the context clearly indicates otherwise.

SEC. 208. APPLICABILITY.

(a) IN GENERAL.—An agreement entered into under this subtitle shall apply to weeks of unemployment—

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

(2) ending before January 1, 2003.

(b) SPECIFIC RULES.—Under such an agreement—

(1) the modification described in section 202(b)(2)(A) (relating to alternative base periods) shall not apply except in the case of initial claims filed after September 11, 2001,

(2) the modifications described in section 202(b)(2)(B)–(C) (relating to part-time employment and increased benefits, respectively) shall apply to weeks of unemployment (described in subsection (a)), irrespective of the date on which an individual's claim for benefits is filed, and

(3) the payments described in section 202(b)(1)(B) (relating to temporary supplemental unemployment compensation) shall not apply except in the case of individuals exhausting their rights to regular compensation (as described in clause (i) thereof) after September 11, 2001.

SEC. 209. SPECIAL REED ACT TRANSFER IN FISCAL YEAR 2002.

(a) IN GENERAL.—Section 903 of the Social Security Act is amended by adding at the end the following:

''Special Transfer in Fiscal Year 2002

''(d)(1) In the case of each State which enters into an agreement under the Temporary Unemployment Compensation Act of 2001, the Secretary of the Treasury shall transfer from the Federal unemployment account to the account of such State in the Unemployment Trust Fund the amount determined with respect to such State under paragraph (2).

''(2) The amount to be transferred under this subsection to a State account shall be equal to the amount which the Secretary of Labor estimates would otherwise be transferred under this section to such State account as of the beginning of fiscal year 2003 (determined disregarding this subsection and sections 202–208 of the Temporary Unemployment Compensation Act of 2001, and assuming that the conditions triggering the application of subsection (b) do not apply).

''(3) A transfer under this subsection to a State account shall be made as soon as practicable once such State has entered into an agreement referred to in paragraph (1).

''(4) Amounts transferred to a State account under this subsection shall not be subject to the last sentence of subsection (c)(2).''

(b) LIMITATIONS ON TRANSFERS.—Section 903(b) of the Social Security Act shall apply to transfers under section 903(d) of such Act (as amended by this section). For purposes of the preceding sentence, such section 903(b) shall be deemed to be amended as follows:

(1) By substituting ''the transfer date described in subsection (d)(3)'' for ''October 1 of any fiscal year''.

(2) By substituting ''remain in the Federal unemployment account'' for ''be transferred to the Federal unemployment account as of the beginning of such October 1''.

(3) By substituting ''fiscal year 2002 (after the transfer date described in subsection (d)(3))'' for ''the fiscal year beginning on such October 1''.

(4) By substituting ''under subsection (d)'' for ''as of October 1 of such fiscal year''.

(5) By substituting ''(as of the close of fiscal year 2002)'' for ''(as of the close of such fiscal year)''.

(c) TECHNICAL AMENDMENT.—Section 903(c) of the Social Security Act is amended by striking ''subsections (a) and (b)'' each place it appears and inserting ''subsections (a), (b), and (d)''.

(d) REGULATIONS.—The Secretary of Labor may prescribe any operating instructions or regulations necessary to carry out this section and the amendments made by this section.

Subtitle B—PREMIUM ASSISTANCE FOR COBRA CONTINUATION COVERAGE

SEC. 211. PREMIUM ASSISTANCE FOR COBRA CONTINUATION COVERAGE.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Secretary of the Treasury, in consultation with the Secretary of Labor, shall establish a program under which premium assistance for COBRA continuation coverage shall be provided for qualified individuals under this section.

(2) QUALIFIED INDIVIDUALS.—For purposes of this section, a qualified individual is an individual who—

(A) establishes that the individual—

(i) on or after July 1, 2001, and before the end of the 1-year period beginning on the date of the enactment of this Act, became entitled to elect COBRA continuation coverage; and

(ii) has elected such coverage; and

(B) enrolls in the premium assistance program under this section by not later than the end of such 1-year period.

(b) LIMITATION OF PERIOD OF PREMIUM ASSISTANCE.—Premium assistance provided under this subsection shall end with respect to an individual on the earlier of—

(1) the date the individual is no longer covered under COBRA continuation coverage; or

(2) 12 months after the date the individual is first enrolled in the premium assistance program established under this section.

(c) PAYMENT, AND CREDITING OF ASSISTANCE.—

(1) AMOUNT OF ASSISTANCE.—Premium assistance provided under this section shall be equal to 75 percent of the amount of the premium required for the COBRA continuation coverage.

(2) PROVISION OF ASSISTANCE.—Premium assistance provided under this section shall be provided through the establishment of direct payment arrangements with the administrator of the group health plan (or other entity) that provides or administers the COBRA continuation coverage. It shall be a fiduciary duty of such administrator (or other entity) to enter into such arrangements under this section.

(3) PREMIUMS PAYABLE BY QUALIFIED INDIVIDUAL REDUCED BY AMOUNT OF ASSISTANCE.—Premium assistance provided under this section shall be credited by such administrator (or other entity) against the premium otherwise owed by the individual involved for such coverage.

(d) CHANGE IN COBRA NOTICE.—

(1) GENERAL NOTICE.—

(A) IN GENERAL.—In the case of notices provided under section 4980B(f)(6) of the Internal Revenue Code of 1986 with respect to individuals who, on or after July 1, 2001, and before the end of the 1-year period beginning on the date of the enactment of this Act, become entitled to elect COBRA continuation coverage, such notices shall include an additional notification to the recipient of the availability of premium assistance for such coverage under this section.

(B) ALTERNATIVE NOTICE.—In the case of COBRA continuation coverage to which the notice provision under section 4980B(f)(6) of the Internal Revenue Code of 1986 does not apply, the Secretary of the Treasury shall, in coordination with administrators of the group health plans (or other entities) that provide or administer the COBRA continuation coverage involved, assure provision of such notice.

(C) FORM.—The requirement of the additional notification under this paragraph may be met by amendment of existing notice forms or by inclusion of a separate document with the notice otherwise required.

(2) SPECIFIC REQUIREMENTS.—Each additional notification under paragraph (1) shall include—

(A) the forms necessary for establishing eligibility under subsection (a)(2)(A) and enrollment under subsection (a)(2)(B) in connection with the coverage with respect to each covered employee or other qualified beneficiary;

(B) the name, address, and telephone number necessary to contact the plan administrator and any other person maintaining relevant information in connection with the premium assistance; and

(C) the following statement displayed in a prominent manner:

''You may be eligible to receive assistance with payment of 75 percent of your COBRA continuation coverage premiums for a duration of not to exceed 12 months.''.

(3) NOTICE RELATING TO RETROACTIVE COVERAGE.—In the case of such notices previously transmitted before the date of the enactment of this Act in the case of an individual described in paragraph (1) who has elected (or is still eligible to elect) COBRA continuation coverage as of the date of the enactment of this Act, the administrator of the group health plan (or other entity) involved or the Secretary of the Treasury (in the case described in the paragraph (1)(B)) shall provide (within 60 days after the date of the enactment of this Act) for the additional notification required to be provided under paragraph (1).

(4) MODEL NOTICES.—The Secretary shall prescribe models for the additional notification required under this subsection.

(f) OBLIGATION OF FUNDS.—This section constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide for the payment of premium assistance under this section.

(g) PROMPT ISSUANCE OF GUIDANCE.—The Secretary of the Treasury, in consultation with the Secretary of Labor, shall issue guidance under this section not later than 30 days after the date of the enactment of this Act.

(h) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term ''administrator'' has the meaning given such term in section 3(16) of the Employee Retirement Income Security Act of 1974.

(2) COBRA CONTINUATION COVERAGE.—The term ''COBRA continuation coverage'' means continuation coverage provided pursuant to title XXII of the Public Health Service Act, section 4980B of the Internal Revenue Code of 1986 (other than subsection (f)(1) of such section insofar as it relates to pediatric vaccines), part 6 of of title I of the Employee Retirement Income Security Act of 1974 (other than under section 609), section 8905a of title 5, United States Code, or under a State program that provides continuation coverage comparable to such continuation coverage.

(3) GROUP HEALTH PLAN.—The term ''group health plan'' has the meaning given such term in section 9832(a) of the Internal Revenue Code of 1986.

(4) STATE.—The term ''State'' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Subtitle C—Additional Assistance for Temporary Health Insurance Coverage

SEC. 221. OPTIONAL TEMPORARY MEDICAID COVERAGE FOR CERTAIN UNINSURED EMPLOYEES.

(a) IN GENERAL.—Notwithstanding any other provision of law, with respect to any month before the ending month, a State may elect to provide, under its medicaid program under title XIX of the Social Security Act, medical assistance in the case of an individual—

(1)(A) who has become totally or partially separated from employment on or after July 1, 2001, and before the end of such ending month; or

(B) whose hours of employment have been reduced on or after July 1, 2001, and before the end of such ending month;

(2) who is not eligible for COBRA continuation coverage; and

(3) who is uninsured.

(b) LIMITATION OF PERIOD OF COVERAGE.—Assistance under this section shall end with respect to an individual on the earlier of—

(1) the date the individual is no longer uninsured; or

(2) 12 months after the date the individual is first determined to be eligible for medical assistance under this section.

(c) SPECIAL RULES.—In the case of medical assistance provided under this section—

(1) the Federal medical assistance percentage under section 1905(b) of the Social Security Act shall be the enhanced FMAP (as defined in section 2105(b) of such Act);

(2) a State may elect to apply alternative income, asset, and resource limitations and the provisions of section 1916(g) of such Act, except that in no case shall a State cover individuals with higher family income without covering individuals with a lower family income;

(3) such medical assistance shall not be provided for periods before the date the individual becomes uninsured;

(4) a State may elect to make eligible for such assistance a spouse or children of an individual eligible for medical assistance under paragraph (1), if such spouse or children are uninsured;

(5) individuals eligible for medical assistance under this section shall be deemed to be described in the list of individuals described in the matter preceding paragraph (1) of section 1905(a) of such Act;

(6) a State may elect to provide such medical assistance without regard to any limitation under sections 401(a), 402(b), 403, and 421 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(a), 1612(b), 1613, and 1631) and no debt shall accrue under an affidavit of support against any sponsor of an individual who is an alien who is provided such assistance, and the cost of such assistance shall not be considered as an unreimbursed cost; and

(7) the Secretary of Health and Human Services shall not count, for purposes of section 1108(f) of the Social Security Act, such amount of payments under this section as bears a reasonable relationship to the average national proportion of payments made under this section for the 50 States and the District of Columbia to the payments otherwise made under title XIX for such States and District.

(d) DEFINITIONS.—For purposes of this subtitle:

(1) UNINSURED.—The term ''uninsured'' means, with respect to an individual, that the individual is not covered under—

(A) a group health plan (as defined in section 2791(a) of the Public Health Service Act),

(B) health insurance coverage (as defined in section 2791(b)(1) of the Public Health Service Act), or

(C) a program under title XVIII, XIX, or XXI of the Social Security Act, other than under such title XIX pursuant to this section.

For purposes of this paragraph, such coverage under subparagraph (A) or (B) shall not include coverage consisting solely of coverage of excepted benefits (as defined in section 2791(c) of the Public Health Service Act).

(2) COBRA CONTINUATION COVERAGE.—The term ''COBRA continuation coverage'' means coverage under a group health plan provided by an employer pursuant to title XXII of the Public Health Service Act, section 4980B of the Internal Revenue Code of 1986, part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974, or section 8905a of title 5, United States Code.

(3) STATE.—The term ''State'' has the meaning given such term for purposes of title XIX of the Social Security Act.

(4) ENDING MONTH.—The term ''ending month'' means the last month that begins before the date that is 1 year after the date of the enactment of this Act.

(e) EFFECTIVE DATE.—This section shall take effect upon its enactment, whether or not regulations implementing this section are issued.

(f) LIMITATION ON ELECTION.—A State may not elect to provide coverage under this section unless the State elects to provide coverage under section 222.

SEC. 222. OPTIONAL TEMPORARY COVERAGE FOR UNSUBSIDIZED PORTION OF COBRA CONTINUATION PREMIUMS.

(a) IN GENERAL.—Notwithstanding any other provision of law, with respect to COBRA continuation coverage provided for any month through the ending month, a State may elect to provide payment of the unsubsidized portion of the premium for COBRA continuation coverage in the case of any individual—

(1)(A) who has become totally or partially separated from employment on or after July 1, 2001, and before the end of the ending month; or

(B) whose hours of employment have been reduced on or after July 1, 2001, and before the end of such ending month; and

(2) who is eligible for, and has elected coverage under, COBRA continuation coverage.

(b) LIMITATION OF PERIOD OF COVERAGE.—Premium assistance under this section shall end with respect to an individual on the earlier of—

(1) the date the individual is no longer covered under COBRA continuation coverage; or

(2) 12 months after the date the individual is first determined to be eligible for premium assistance under this section.

(c) FINANCIAL PAYMENT TO STATES.—A State providing premium assistance under this section shall be entitled to payment under section 1903(a) of the Social Security Act with respect to such assistance (and administrative expenses relating to such assistance) in the same manner as such State is entitled to payment with respect to medical assistance (and such administrative expenses) under such section, except that, for purposes of this subsection, any reference to the Federal medical assistance percentage shall be deemed a reference to the enhanced FMAP (as defined in section 2105(b) of such Act). The provisions of subsections (c)(6) and (c)(7) of section 221 shall apply with respect to this section in the same manner as it applies under such section.

(d) UNSUBSIDIZED PORTION OF PREMIUM FOR COBRA CONTINUATION COVERAGE.—For purposes of this section, the term 'unsubsidized portion of premium for COBRA continuation coverage' means that portion of the premium for COBRA continuation coverage for which there is no financial assistance available under 211.

(e) EFFECTIVE DATE.—This section shall take effect upon its enactment, whether or not regulations implementing this section are issued.

(f) LIMITATION ON ELECTION.—A State may not elect to provide coverage under this section unless the State elects to provide coverage under section 221.

Subtitle D—Temporary Increases of Medicaid FMAP For Fiscal Year 2002

SEC. 231. TEMPORARY INCREASES OF MEDICAID FMAP FOR FISCAL YEAR 2002.

(a) PERMITTING MAINTENANCE OF FISCAL YEAR 2001 FMAP.—Notwithstanding any other provision of law, but subject to subsection (d), if the FMAP determined without regard to this section for a State for fiscal year 2002 is less than the FMAP as so determined for fiscal year 2001, the FMAP for the State for fiscal year 2001 shall be substituted for the State's FMAP for fiscal year 2002, before the application of this section.

(b) GENERAL 1.5 PERCENTAGE POINT INCREASE.—Notwithstanding any other provision of law, but subject to subsections (d) and (e), for each State for each calendar quarter in fiscal year 2002, the FMAP (taking into account the application of subsection (a)) shall be increased by 1.5 percentage points.

(c) FURTHER INCREASE FOR STATES WITH HIGH UNEMPLOYMENT RATES.—

(1) IN GENERAL.—Notwithstanding any other provision of law, but subject to subsections (d) and (e), if a State is a high unemployment State for a calendar quarter in fiscal year 2002, then the FMAP for that State for that calendar quarter and for any subsequent calendar quarter in such fiscal year regardless of whether the State continues to be high unemployment State for that subsequent calendar quarter shall be increased (after the application of subsections (a) and (b)) by 1.5 percentage points.

(2) HIGH UNEMPLOYMENT STATE.—For purposes of this subsection, a State is a high unemployment State for a calendar quarter if, for any 3 consecutive month period beginning on or after June 2001 and ending with the second month before the beginning of the calendar quarter, the State has an average seasonally adjusted unemployment rate that exceeds the average weighted unemployment rate during such period. Such unemployment rates for such months shall be determined based on publications of the Bureau of Labor Statistics of the Department of Labor.

(3) AVERAGE WEIGHTED UNEMPLOYMENT RATE DEFINED.—For purposes of paragraph (2), the ''average weighted unemployment rate'' for a period is—

(A) the sum of the seasonally adjusted number of unemployed civilians in each State and the District of Columbia for the period, divided by

(B) the sum of the civilian labor force in each State and the District of Columbia for the period.

(d) SCOPE OF APPLICATION.—The increases in the FMAP for a State under this section shall apply only for purposes of title XIX of the Social Security Act and shall not apply with respect to—

(1) disproportionate share hospital payments described in section 1923 of such Act; and

(2) payments under titles IV and XXI of such Act.

(e) STATE ELIGIBILITY.—A State is eligible for an increase in its FMAP under subsection (b) or (c) or an increase in a cap amount under subsection (f) only if the eligibility under its State plan under title XIX of the Social Security Act (including any waiver under such title or under section 1115 of such Act) is no more restrictive than the eligibility under such plan (or waiver) as in effect on October 1, 2001.

(f) ONE-YEAR INCREASE IN CAP ON MEDICAID PAYMENTS TO TERRITORIES.—Notwithstanding any other provision of law, but subject to section (e), with respect to fiscal year 2002, the amounts otherwise determined for Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa under subsections (f) and (g)(2) of section 1108 of the Social Security Act (42 U.S.C 1308) shall each be increased by 9 percent of such amounts.

(g) DEFINITIONS.—For purposes of this section:

(1) FMAP.—The term ''FMAP'' means the Federal medical assistance percentage, as defined in section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)).

(2) STATE.—The term ''State'' has the meaning given such term for purposes of title XIX of the Social Security Act.

Subtitle E—Other Medicaid Changes

SEC. 241. PERMANENT APPLICATION OF BBA MEDICAID DSH TRANSITION PAYMENT RULE TO PUBLIC HOSPITALS IN ALL STATES.

(a) IN GENERAL.—Section 701(c) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (114 Stat. 2763A–571) (as enacted into law by section 1(a)(6) of Public Law 106–554) is amended—

(1) in paragraph (1), by striking ''During the period described in paragraph (3), with respect to a State,'' and inserting ''Beginning, with respect to a State, on the first day of the first State fiscal year that begins after September 30, 2002,'';

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the enactment of section 701(c) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (114 Stat. 2763A–571) (as enacted into law by section 1(a)(6) of Public Law 106–554).

SEC. 242. SUPPLEMENTAL PAYMENT PLANS.

(a) IN GENERAL.—With respect to a State described in subsection (b), the aggregate upper payment limits applied under sections 447.272, 447.304, and 447.321 of title 42, Code of Federal Regulations (and any other applicable section of part 447 of title 42, Code of Federal Regulations) shall be no less than those limits specified in the final rule issued January 12, 2001, pursuant to section 705(a) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (114 Stat. 2763A–575) (as enacted into law by section 1(a)(6) of Public Law 106–554).

(b) STATE DESCRIBED.—A State described in this subsection is a State that had a State medicaid plan payment provision or methodology (including a payment provision or methodology approved under a waiver of the State medicaid plan) which—

(1) provided for payments (other than those payments required under section 1902(a)(13)(A)(iv) of the Social Security Act (42 U.S.C. 1396a(a)(13)(A)(iv)) to hospitals for services provided to recipients of medical assistance under the State medicaid plan that

are supplemental to payments otherwise payable to the hospitals for such services; and

(2) was approved, had been deemed approved, or was in effect on or before October 1, 1992.

(c) APPLICABILITY.—The provisions of this section shall continue to apply to a State described in subsection (b) regardless of any subsequent amendments or modifications to the payment provision or methodology described in that subsection.

SEC. 243. DELAY IN MEDICAID UPL CHANGES FOR NON-STATE GOVERNMENT-OWNED OR OPERATED HOSPITALS.

(a) MORATORIUM ON UPL CHANGES.—Any change in the upper limits on payment under title XIX of the Social Security Act for services of non-State government-owned or operated hospitals that are specified in sections 447.272 and 447.321 of title 42, Code of Federal Regulations as such sections were in effect on March 13, 2001, whether based on the proposed rule published on November 23, 2001, or otherwise —

(1) may not be published in final form before January 1, 2003; and

(2) may not apply for any period beginning before January 1, 2003.

(b) MITIGATION PLAN.—The Secretary of Health and Human Services shall submit to the Congress, at least 3 months before publishing a final regulation described in subsection (a), a report that contains a plan for mitigating the loss of funding to non-State government-owned or operated hospitals as a result of such regulation. Such report shall also include such recommendations for legislative action as the Secretary deems appropriates.

TITLE III—TAX RELIEF FOR VICTIMS OF TERRORISM

Subtitle A—Relief Provisions For Victims of Terrorist Attacks

SEC. 301. INCOME AND EMPLOYMENT TAXES OF VICTIMS OF TERRORIST ATTACKS.

(a) IN GENERAL.—Section 692 (relating to income taxes of members of Armed Forces on death) is amended by adding at the end the following new subsection:

''(d) INDIVIDUALS DYING AS A RESULT OF CERTAIN TERRORIST ATTACKS.—

''(1) IN GENERAL.—In the case of any individual who dies as a result of wounds or injury incurred as a result of the terrorist attacks against the United States on April 19, 1995, or September 11, 2001, or who dies as a result of illness incurred as a result of a terrorist attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002, any tax imposed by this subtitle shall not apply—

''(A) with respect to the taxable year in which falls the date of such individual's death, and

''(B) with respect to any prior taxable year in the period beginning with the last taxable year ending before the taxable year in which the wounds, injury, or illness were incurred.

''(2) EXCEPTIONS.—

''(A) TAXATION OF CERTAIN BENEFITS.—Subject to such rules as the Secretary may prescribe, paragraph (1) shall not apply to the amount of any tax imposed by this subtitle which would be computed by only taking into account the items of income, gain, or other amounts attributable to—

''(i) amounts payable in the taxable year by reason of the death of an individual described in paragraph (1) which would have been payable in such taxable year if the death had occurred by reason of an event other than an event described in paragraph (1), or

''(ii) amounts payable in the taxable year which would not have been payable in such taxable year but for an action taken after the date of the applicable terrorist attack.

''(B) NO RELIEF FOR PERPETRATORS.—Paragraph (1) shall not apply with respect to any individual identified by the Attorney General to have been a participant or conspirator in any event described in paragraph (1), or a representative of such individual.''.

(b) REFUND OF OTHER TAXES PAID.—Section 692, as amended by subsection (a), is amended by adding at the end the following new subsection:

''(e) REFUND OF OTHER TAXES PAID.—In determining the amount of tax under this section to be credited or refunded as an overpayment with respect to any individual for any period, such amount shall be increased by an amount equal to the amount of taxes imposed and collected under chapter 21 and sections 3201(a), 3211(a)(1), and 3221(a) with respect to such individual for such period.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 5(b)(1) is amended by inserting ''and victims of certain terrorist attacks'' before ''on death''.

(2) Section 6013(f)(2)(B) is amended by inserting ''and victims of certain terrorist attacks'' before ''on death''.

(d) CLERICAL AMENDMENTS.—

(1) The heading of section 692 is amended to read as follows:

''SEC. 692. INCOME AND EMPLOYMENT TAXES OF MEMBERS OF ARMED FORCES AND VICTIMS OF CERTAIN TERRORIST ATTACKS ON DEATH.''.

(2) The item relating to section 692 in the table of sections for part II of subchapter J of chapter 1 is amended to read as follows:

''Sec. 692. Income and employment taxes of members of Armed Forces and victims of certain terrorist attacks on death.''.

(e) EFFECTIVE DATE; WAIVER OF LIMITATIONS.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending before, on, or after September 11, 2001.

(2) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SEC. 302. ESTATE TAX REDUCTION.

(a) IN GENERAL.—Section 2201 is amended to read as follows:

''SEC. 2201. COMBAT ZONE-RELATED DEATHS OF MEMBERS OF THE ARMED FORCES AND DEATHS OF VICTIMS OF CERTAIN TERRORIST ATTACKS.

''(a) IN GENERAL.—Unless the executor elects not to have this section apply, in applying section 2001 to the estate of a qualified decedent, the rate schedule set forth in subsection (c) shall be deemed to be the rate schedule set forth in section 2001(c).

''(b) QUALIFIED DECEDENT.—For purposes of this section, the term 'qualified decedent' means—

''(1) any citizen or resident of the United States dying while in active service of the Armed Forces of the United States, if such decedent—

''(A) was killed in action while serving in a combat zone, as determined under section 112(c), or

''(B) died as a result of wounds, disease, or injury suffered while serving in a combat zone (as determined under section 112(c)), and while in the line of duty, by reason of a hazard to which such decedent was subjected as an incident of such service, or

''(2) any individual who died as a result of wounds or injury incurred as a result of the terrorist attacks against the United States on April 19, 1995, or September 11, 2001, or who died as a result of illness incurred as a result of a terrorist attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002.

Paragraph (2) shall not apply with respect to any individual identified by the Attorney General to have been a participant or conspirator in any such terrorist attack, or a representative of such individual.

''(c) RATE SCHEDULE.—

"If the amount with respect to which the tentative tax to be computed is:	**The tentative tax is:**
Not over $150,000	1 percent of the amount by which such amount exceeds $100,000.
Over $150,000 but not over $200,000.	$500 plus 2 percent of the excess over $150,000.
Over $200,000 but not over $300,000.	$1,500 plus 3 percent of the excess over $200,000.
Over $300,000 but not over $500,000.	$4,500 plus 4 percent of the excess over $300,000.
Over $500,000 but not over $700,000.	$12,500 plus 5 percent of the excess over $500,000.
Over $700,000 but not over $900,000.	$22,500 plus 6 percent of the excess over $700,000.
Over $900,000 but not over $1,100,000.	$34,500 plus 7 percent of the excess over $900,000.
Over $1,100,000 but not over $1,600,000.	$48,500 plus 8 percent of the excess over $1,100,000.
Over $1,600,000 but not over $2,100,000.	$88,500 plus 9 percent of the excess over $1,600,000.
Over $2,100,000 but not over $2,600,000.	$133,500 plus 10 percent of the excess over $2,100,000.
Over $2,600,000 but not over $3,100,000.	$183,500 plus 11 percent of the excess over $2,600,000.
Over $3,100,000 but not over $3,600,000.	$238,500 plus 12 percent of the excess over $3,100,000.
Over $3,600,000 but not over $4,100,000.	$298,500 plus 13 percent of the excess over $3,600,000.
Over $4,100,000 but not over $5,100,000.	$363,500 plus 14 percent of the excess over $4,100,000.
Over $5,100,000 but not over $6,100,000.	$503,500 plus 15 percent of the excess over $5,100,000.
Over $6,100,000 but not over $7,100,000.	$653,500 plus 16 percent of the excess over $6,100,000.
Over $7,100,000 but not over $8,100,000.	$813,500 plus 17 percent of the excess over $7,100,000.
Over $8,100,000 but not over $9,100,000.	$983,500 plus 18 percent of the excess over $8,100,000.
Over $9,100,000 but not over $10,100,000.	$1,163,500 plus 19 percent of the excess over $9,100,000.
Over $10,100,000	$1,353,500 plus 20 percent of the excess over $10,100,000.

''(d) DETERMINATION OF UNIFIED CREDIT.—In the case of an estate to which this section applies, subsection (a) shall not apply in determining the credit under section 2010.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 2011 is amended by striking subsection (d) and by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(2) Section 2053(d)(3)(B) is amended by striking ''section 2011(e)'' and inserting ''section 2011(d)''.

(3) Paragraph (9) of section 532(c) of the Economic Growth and Tax Relief Reconciliation Act of 2001 is repealed.

(c) CLERICAL AMENDMENT.—The item relating to section 2201 in the table of sections for subchapter C of chapter 11 is amended to read as follows:

''Sec. 2201. Combat zone-related deaths of members of the Armed Forces and deaths of victims of certain terrorist attacks.''.

(d) EFFECTIVE DATE; WAIVER OF LIMITATIONS.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents—

(A) dying on or after September 11, 2001, and

(B) in the case of individuals dying as a result of the April 19, 1995, terrorist attack, dying on or after April 19, 1995.

(2) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SEC. 303. PAYMENTS BY CHARITABLE ORGANIZATIONS TREATED AS EXEMPT PAYMENTS.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986—

(1) payments made by an organization described in section 501(c)(3) of such Code by reason of the death, injury, wounding, or illness of an individual incurred as the result of the terrorist attacks against the United States on September 11, 2001, or a terrorist attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002, shall be treated as related to the purpose or function constituting the basis for such organization's exemption under section 501 of such Code if such payments are made using an objective formula which is consistently applied, and

(2) in the case of a private foundation (as defined in section 509 of such Code), any payment described in paragraph (1) shall not be treated as made to a disqualified person for purposes of section 4941 of such Code.

(b) EFFECTIVE DATE.—This section shall apply to payments made on or after September 11, 2001.

SEC. 304. EXCLUSION OF CERTAIN CANCELLATIONS OF INDEBTEDNESS.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986—

(1) gross income shall not include any amount which (but for this section) would be includible in gross income by reason of the discharge (in whole or in part) of indebtedness of any taxpayer if the discharge is by reason of the death of an individual incurred as the result of the terrorist attacks against the United States on September 11, 2001, or a terrorist attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002, and

(2) return requirements under section 6050P of such Code shall not apply to any discharge described in paragraph (1).

(b) EFFECTIVE DATE.—This section shall apply to discharges made on or after September 11, 2001, and before January 1, 2002.

SEC. 305. TREATMENT OF CERTAIN STRUCTURED SETTLEMENT PAYMENTS AND DISABILITY TRUSTS.

(a) IMPOSITION OF EXCISE TAX ON PERSONS WHO ACQUIRE CERTAIN STRUCTURED SETTLEMENT PAYMENTS IN FACTORING TRANSACTIONS.—

(1) IN GENERAL.—Subtitle E is amended by adding at the end the following new chapter:

''CHAPTER 55—STRUCTURED SETTLEMENT FACTORING TRANSACTIONS

''Sec. 5891. Structured settlement factoring transactions for certain victims of terrorism.

''SEC. 5891. STRUCTURED SETTLEMENT FACTORING TRANSACTIONS FOR CERTAIN VICTIMS OF TERRORISM.

''(a) IMPOSITION OF TAX.—There is hereby imposed on any person who acquires directly or indirectly structured settlement payment rights in a structured settlement factoring transaction a tax equal to 40 percent of the factoring discount as determined under subsection (c)(4) with respect to such factoring transaction.

''(b) EXCEPTION FOR CERTAIN APPROVED TRANSACTIONS.—

''(1) IN GENERAL.—The tax under subsection (a) shall not apply in the case of a structured settlement factoring transaction in which the transfer of structured settlement payment rights is approved in advance in a qualified order.

''(2) QUALIFIED ORDER.—For purposes of this section, the term 'qualified order' means a final order, judgment, or decree which—

''(A) finds that the transfer described in paragraph (1)—

''(i) does not contravene any Federal or State statute or the order of any court or responsible administrative authority, and

''(ii) is in the best interest of the payee, taking into account the welfare and support of the payee's dependents, and

''(B) is issued—

''(i) under the authority of an applicable State statute by an applicable State court, or

''(ii) by the responsible administrative authority (if any) which has exclusive jurisdiction over the underlying action or proceeding which was resolved by means of the structured settlement.

''(3) APPLICABLE STATE STATUTE.—For purposes of this section, the term 'applicable State statute' means a statute providing for the entry of an order, judgment, or decree described in paragraph (2)(A) which is enacted by—

''(A) the State in which the payee of the structured settlement is domiciled, or

''(B) if there is no statute described in subparagraph (A), the State in which either the party to the structured settlement (including an assignee under a qualified assignment under section 130) or the person issuing the funding asset for the structured settlement is domiciled or has its principal place of business.

''(4) APPLICABLE STATE COURT.—For purposes of this section—

''(A) IN GENERAL.—The term 'applicable State court' means, with respect to any applicable State statute, a court of the State which enacted such statute.

''(B) SPECIAL RULE.—In the case of an applicable State statute described in paragraph (3)(B), such term also includes a court of the State in which the payee of the structured settlement is domiciled.

''(5) QUALIFIED ORDER DISPOSITIVE.—A qualified order shall be treated as dispositive for purposes of the exception under this subsection.

''(c) DEFINITIONS.—For purposes of this section—

''(1) STRUCTURED SETTLEMENT.—The term 'structured settlement' means an arrangement—

''(A) which is established by—

''(i) suit or agreement for the periodic payment of damages excludable from the gross income of the recipient under section 104(a)(2), or

''(ii) agreement for the periodic payment of compensation under any workers' compensation law excludable from the gross income of the recipient under section 104(a)(1), and

''(B) under which the periodic payments are—

''(i) of the character described in subparagraphs (A) and (B) of section 130(c)(2), and

''(ii) payable by a person who is a party to the suit or agreement or to the workers' compensation claim or by a person who has assumed the liability for such periodic payments under a qualified assignment in accordance with section 130.

''(2) STRUCTURED SETTLEMENT PAYMENT RIGHTS.—The term 'structured settlement payment rights' means rights to receive payments under a structured settlement relating to claims for death, wounding, injury, or illness as a result of the terrorist attacks against the United States on September 11, 2001, or a terrorist attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002.

''(3) STRUCTURED SETTLEMENT FACTORING TRANSACTION.—

''(A) IN GENERAL.—The term 'structured settlement factoring transaction' means a transfer of structured settlement payment rights (including portions of structured settlement payments) made for consideration by means of sale, assignment, pledge, or other form of encumbrance or alienation for consideration.

''(B) EXCEPTION.—Such term shall not include—

''(i) the creation or perfection of a security interest in structured settlement payment rights under a blanket security agreement entered into with an insured depository institution in the absence of any action to redirect the structured settlement payments to such institution (or agent or successor thereof) or otherwise to enforce such blanket security interest as against the structured settlement payment rights, or

''(ii) a subsequent transfer of structured settlement payment rights acquired in a structured settlement factoring transaction.

''(4) FACTORING DISCOUNT.—The term 'factoring discount' means an amount equal to the excess of—

''(A) the aggregate undiscounted amount of structured settlement payments being acquired in the structured settlement factoring transaction, over

''(B) the total amount actually paid by the acquirer to the person from whom such structured settlement payments are acquired.

''(5) RESPONSIBLE ADMINISTRATIVE AUTHORITY.—The term 'responsible administrative authority' means the administrative authority which had jurisdiction over the underlying action or proceeding which was resolved by means of the structured settlement.

''(6) STATE.—The term 'State' includes the Commonwealth of Puerto Rico and any possession of the United States.

''(d) COORDINATION WITH OTHER PROVISIONS.—

''(1) IN GENERAL.—If the applicable requirements of sections 72, 104(a)(1), 104(a)(2), 130, and 461(h) were satisfied at the time the structured settlement involving structured settlement payment rights was entered into, the subsequent occurrence of a structured settlement factoring transaction shall not affect the application of the provisions of such sections to the parties to the structured settlement (including an assignee under a qualified assignment under section 130) in any taxable year.

''(2) NO WITHHOLDING OF TAX.—The provisions of section 3405 regarding withholding of tax shall not apply to the person making the payments in the event of a structured settlement factoring transaction.

''(3) NO INFERENCE.—No inference shall be drawn from the application of this subsection to only those payment rights described in subsection (c)(2).''.

(2) CLERICAL AMENDMENT.—The table of chapters for subtitle E is amended by adding at the end the following new item:

''Chapter 55. Structured settlement factoring transactions.''.

(3) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendments made by this subsection (other than the provisions of section 5891(d) of the Internal Revenue Code of 1986, as added by this subsection) shall apply to structured settlement factoring transactions (as defined in section 5891(c) of such Code (as so added)) entered into on or after the 30th day following the date of the enactment of this Act.

(B) CLARIFICATION OF EXISTING LAW.—Section 5891(d) of such Code (as so added) shall apply to structured settlement factoring transactions (as defined in section 5891(c) of such Code (as so added)) entered into on or after such 30th day.

(C) TRANSITION RULE.—In the case of a structured settlement factoring transaction entered into during the period beginning on the 30th day following the date of the enactment of this Act and ending on July 1, 2002, no tax shall be imposed under section 5891(a) of such Code if—

(i) the structured settlement payee is domiciled in a State (or possession of the United States) which has not enacted a statute providing that the structured settlement factoring transaction is ineffective unless the transaction has been approved by an order, judgment, or decree of a court (or where applicable, a responsible administrative authority) which finds that such transaction—

(I) does not contravene any Federal or State statute or the order of any court (or responsible administrative authority), and

(II) is in the best interest of the structured settlement payee or is appropriate in light of a hardship faced by the payee, and

(ii) the person acquiring the structured settlement payment rights discloses to the structured settlement payee in advance of the structured settlement factoring transaction the amounts and due dates of the payments to be transferred, the aggregate amount to be transferred, the consideration to be received by the structured settlement payee for the transferred payments, the discounted present value of the transferred payments (including the present value as determined in the manner described in section 7520 of such Code), and the expenses required under the terms of the structured settlement factoring transaction to be paid by the structured settlement payee or deducted from the proceeds of such transaction.

(b) PERSONAL EXEMPTION DEDUCTION FOR CERTAIN DISABILITY TRUSTS.—

(1) IN GENERAL.—Section 642(b) (relating to deduction for personal exemption) is amended—

(A) by striking ''An estate'' and inserting: ''(1) IN GENERAL.—An estate'', and

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

''(2) FULL PERSONAL EXEMPTION AMOUNT FOR CERTAIN DISABILITY TRUSTS.—Paragraph (1) shall not apply, and the deduction under section 151 shall apply, to any disability trust described in subsection (c)(2)(B)(iv), (d)(4)(A), or (d)(4)(C) of section 1917 of the Social Security Act (42 U.S.C. 1396p) for a beneficiary disabled as the result of a wounding, injury, or illness as a result of the terrorist attacks against the United States on April 19, 1995, or September 11, 2001, or a terrorist attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002.''.

(2) EFFECTIVE DATE; WAIVER OF LIMITATIONS.—

(A) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending before, on, or after September 11, 2001.

(B) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendments made by this subsection is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SEC. 306. NO IMPACT ON SOCIAL SECURITY TRUST FUND.

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

(b) TRANSFERS.—

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

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

Subtitle B—General Relief for Victims of Disasters and Terroristic or Military Actions

SEC. 311. EXCLUSION FOR DISASTER RELIEF PAYMENTS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 139 as section 140 and inserting after section 138 the following new section:

''SEC. 139. DISASTER RELIEF PAYMENTS.

''(a) GENERAL RULE.—Gross income shall not include—

''(1) any amount received as payment under section 406 of the Air Transportation Safety and System Stabilization Act, or

''(2) any amount received by an individual as a qualified disaster relief payment.

''(b) QUALIFIED DISASTER RELIEF PAYMENT DEFINED.—For purposes of this section, the term 'qualified disaster relief payment' means any amount paid to or for the benefit of an individual—

''(1) to reimburse or pay reasonable and necessary personal, family, living, or funeral expenses incurred as a result of a qualified disaster,

''(2) to reimburse or pay reasonable and necessary expenses incurred for the repair or rehabilitation of a personal residence or repair or replacement of its contents to the extent that the need for such repair, rehabilitation, or replacement is attributable to a qualified disaster,

''(3) by a person engaged in the furnishing or sale of transportation as a common carrier by reason of the death or personal physical injuries incurred as a result of a qualified disaster, or

''(4) if such amount is paid by a Federal, State, or local government, or agency or instrumentality thereof, in connection with a qualified disaster in order to promote the general welfare,

but only to the extent any expense compensated by such payment is not otherwise compensated for by insurance or otherwise.

''(c) QUALIFIED DISASTER DEFINED.—For purposes of this section, the term 'qualified disaster' means—

''(1) a disaster which results from a terroristic or military action (as defined in section 692(c)(2)),

''(2) a Presidentially declared disaster (as defined in section 1033(h)(3)),

''(3) a disaster which results from an accident involving a common carrier, or from any other event, which is determined by the Secretary to be of a catastrophic nature, or

''(4) with respect to amounts described in subsection (b)(4), a disaster which is determined by an applicable Federal, State, or local authority (as determined by the Secretary) to warrant assistance from the Federal, State, or local government or agency or instrumentality thereof.

''(d) COORDINATION WITH EMPLOYMENT TAXES.—For purposes of chapter 2 and subtitle C, a qualified disaster relief payment shall not be treated as net earnings from self-employment, wages, or compensation subject to tax.

''(e) NO RELIEF FOR CERTAIN INDIVIDUALS.—Subsection (a) shall not apply with respect to any individual identified by the Attorney General to have been a participant or conspirator in a terroristic action (as so defined), or a representative of such individual.''.

(b) CONFORMING AMENDMENTS.—The table of sections for part III of subchapter B of chapter 1 is amended by striking the item relating to section 139 and inserting the following new items:

''Sec. 139. Disaster relief payments.

''Sec. 140. Cross references to other Acts.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after September 11, 2001.

SEC. 312. AUTHORITY TO POSTPONE CERTAIN DEADLINES AND REQUIRED ACTIONS.

(a) EXPANSION OF AUTHORITY RELATING TO DISASTERS AND TERRORISTIC OR MILITARY ACTIONS.—Section 7508A is amended to read as follows:

''SEC. 7508A. AUTHORITY TO POSTPONE CERTAIN DEADLINES BY REASON OF PRESIDENTIALLY DECLARED DISASTER OR TERRORISTIC OR MILITARY ACTIONS.

''(a) IN GENERAL.—In the case of a taxpayer determined by the Secretary to be affected by a Presidentially declared disaster (as defined in section 1033(h)(3)) or a terroristic or military action (as defined in section 692(c)(2)), the Secretary may specify a period of up to one year that may be disregarded in determining, under the internal revenue laws, in respect of any tax liability of such taxpayer—

''(1) whether any of the acts described in paragraph (1) of section 7508(a) were performed within the time prescribed therefor (determined without regard to extension under any other provision of this subtitle for periods after the date (determined by the Secretary) of such disaster or action),

''(2) the amount of any interest, penalty, additional amount, or addition to the tax for periods after such date, and

''(3) the amount of any credit or refund.

''(b) SPECIAL RULES REGARDING PENSIONS, ETC.—In the case of a pension or other employee benefit plan, or any sponsor, administrator, participant, beneficiary, or other person with respect to such plan, affected by a disaster or action described in subsection (a), the Secretary may specify a period of up to one year which may be disregarded in determining the date by which any action is required or permitted to be completed under this title. No plan shall be treated as failing to be operated in accordance with the terms of the plan solely as the result of disregarding any period by reason of the preceding sentence.

''(c) SPECIAL RULES FOR OVERPAYMENTS.—The rules of section 7508(b) shall apply for purposes of this section.''.

(b) CLARIFICATION OF SCOPE OF ACTS SECRETARY MAY POSTPONE.—Section 7508(a)(1)(K) (relating to time to be disregarded) is amended by striking ''in regulations prescribed under this section''.

(c) CONFORMING AMENDMENTS TO ERISA.—

(1) Part 5 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1131 et seq.) is amended by adding at the end the following new section:

''SEC. 518. AUTHORITY TO POSTPONE CERTAIN DEADLINES BY REASON OF PRESIDENTIALLY DECLARED DISASTER OR TERRORISTIC OR MILITARY ACTIONS.

''In the case of a pension or other employee benefit plan, or any sponsor, administrator, participant, beneficiary, or other person with respect to such plan, affected by a Presidentially declared disaster (as defined in section 1033(h)(3) of the Internal Revenue Code of 1986) or a terroristic or military action (as defined in section 692(c)(2) of such Code), the Secretary may, notwithstanding any other provision of law, prescribe, by notice or otherwise, a period of up to one year which may be disregarded in determining the date by which any action is required or permitted to be completed under this Act. No plan shall be treated as failing to be operated in accordance with the terms of the plan solely as the result of disregarding any period by reason of the preceding sentence.''.

(2) Section 4002 of Employee Retirement Income Security Act of 1974 (29 U.S.C. 1302) is amended by adding at the end the following new subsection:

''(i) SPECIAL RULES REGARDING DISASTERS, ETC.—In the case of a pension or other employee benefit plan, or any sponsor, administrator, participant, beneficiary, or other person with respect to such plan, affected by a Presidentially declared disaster (as defined in section 1033(h)(3) of the Internal Revenue Code of 1986) or a terroristic or military action (as defined in section 692(c)(2) of such Code), the corporation may, notwithstanding any other provision of law, prescribe, by notice or otherwise, a period of up to one year which may be disregarded in determining the date by which any action is required or permitted to be completed under this Act. No plan shall be treated as failing to be operated in accordance with the terms of the plan solely as the result of disregarding any period by reason of the preceding sentence.''.

(d) ADDITIONAL CONFORMING AMENDMENTS.—

(1) Section 6404 is amended—

(A) by striking subsection (h),

(B) by redesignating subsection (i) as subsection (h), and

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

''(i) CROSS REFERENCE.—

''For authority of the Secretary to abate certain amounts by reason of Presidentially declared disaster or terroristic or military action, see section 7508A.''.

(2) Section 6081(c) is amended to read as follows:

''(c) CROSS REFERENCES.—

''For time for performing certain acts postponed by reason of war, see section 7508, and by reason of Presidentially declared disaster or terroristic or military action, see section 7508A.''.

(3) Section 6161(d) is amended by adding at the end the following new paragraph:

''(3) POSTPONEMENT OF CERTAIN ACTS.—

''For time for performing certain acts postponed by reason of war, see section 7508, and by reason of Presidentially declared disaster or terroristic or military action, see section 7508A.''.

(d) CLERICAL AMENDMENTS.—

(1) The item relating to section 7508A in the table of sections for chapter 77 is amended to read as follows:

''Sec. 7508A. Authority to postpone certain deadlines by reason of Presidentially declared disaster or terroristic or military actions.''.

(2) The table of contents for the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 517 the following new item:

''Sec. 518. Authority to postpone certain deadlines by reason of Presidentially declared disaster or terroristic or military actions.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to disasters and terroristic or military actions occurring on or after September 11, 2001, with respect to any action of the Secretary of the Treasury, the Secretary of Labor, or the Pension Benefit Guaranty Corporation occurring on or after the date of the enactment of this Act.

SEC. 313. INTERNAL REVENUE SERVICE DISASTER RESPONSE TEAM.

(a) IN GENERAL.—Section 7508A, as amended by section 202(a), is amended by adding at the end the following new subsection:

''(d) DUTIES OF DISASTER RESPONSE TEAM.—The Secretary shall establish as a permanent office in the national office of the Internal Revenue Service a disaster response team which, in coordination with the Federal Emergency Management Agency, shall assist taxpayers in clarifying and resolving Federal tax matters associated with or resulting from any Presidentially declared disaster (as defined in section 1033(h)(3)) or a terroristic or military action (as defined in section 692(c)(2)).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 314. APPLICATION OF CERTAIN PROVISIONS TO TERRORISTIC OR MILITARY ACTIONS.

(a) EXCLUSION FOR DEATH BENEFITS.—Section 101 (relating to certain death benefits) is amended by adding at the end the following new subsection:

''(i) CERTAIN EMPLOYEE DEATH BENEFITS PAYABLE BY REASON OF DEATH FROM TERRORISTIC OR MILITARY ACTIONS.—

''(1) IN GENERAL.—Gross income does not include amounts which are received (whether in a single sum or otherwise) if such amounts are paid by an employer by reason of the death of an employee incurred as a result of a terroristic or military action (as defined in section 692(c)(2)).

''(2) NO RELIEF FOR CERTAIN INDIVIDUALS.—Paragraph (1) shall not apply with respect to any individual identified by the Attorney General to have been a participant or conspirator in a terroristic action (as so defined), or a representative of such individual.

''(3) TREATMENT OF SELF-EMPLOYED INDIVIDUALS.—For purposes of this subsection, the term 'employee' includes a self-employed person (as described in section 401(c)(1)).''.

(b) DISABILITY INCOME.—Section 104(a)(5) (relating to compensation for injuries or sickness) is amended by striking ''a violent attack'' and all that follows through the period and inserting ''a terroristic or military action (as defined in section 692(c)(2)).''.

(c) EXEMPTION FROM INCOME TAX FOR CERTAIN MILITARY OR CIVILIAN EMPLOYEES.—Section 692(c) is amended—

(1) by striking ''outside the United States'' in paragraph (1), and

(2) by striking ''SUSTAINED OVERSEAS'' in the heading.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after September 11, 2001.

SEC. 315. CLARIFICATION OF DUE DATE FOR AIRLINE EXCISE TAX DEPOSITS.

(a) IN GENERAL.—Paragraph (3) of section 301(a) of the Air Transportation Safety and System Stabilization Act (Public Law 107–42) is amended to read as follows:

''(3) AIRLINE-RELATED DEPOSIT.—For purposes of this subsection, the term 'airline-related deposit' means any deposit of taxes imposed by subchapter C of chapter 33 of such Code (relating to transportation by air).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in section 301 of the Air Transportation Safety and System Stabilization Act (Public Law 107–42).

SEC. 316. COORDINATION WITH AIR TRANSPORTATION SAFETY AND SYSTEM STABILIZATION ACT.

No reduction in Federal tax liability by reason of any provision of, or amendment made by, this Act shall be considered as being received from a collateral source for purposes of section 402(4) of the Air Transportation Safety and System Stabilization Act (Public Law 107–42).

Subtitle C—Disclosure of Tax Information in Terrorism and National Security Investigations

SEC. 321. DISCLOSURE OF TAX INFORMATION IN TERRORISM AND NATIONAL SECURITY INVESTIGATIONS.

(a) DISCLOSURE WITHOUT A REQUEST OF INFORMATION RELATING TO TERRORIST ACTIVITIES, ETC.—Paragraph (3) of section 6103(i) (relating to disclosure of return information to apprise appropriate officials of criminal activities or emergency circumstances) is amended by adding at the end the following new subparagraph:

''(C) TERRORIST ACTIVITIES, ETC.—

''(i) IN GENERAL.—Except as provided in paragraph (6), the Secretary may disclose in writing return information (other than taxpayer return information) that may be related to a terrorist incident, threat, or activity to the extent necessary to apprise the head of the appropriate Federal law enforcement agency responsible for investigating or responding to such terrorist incident, threat, or activity. The head of the agency may disclose such return information to officers and employees of such agency to the extent necessary to investigate or respond to such terrorist incident, threat, or activity.

''(ii) DISCLOSURE TO THE DEPARTMENT OF JUSTICE.—Returns and taxpayer return information may also be disclosed to the Attorney General under clause (i) to the extent necessary for, and solely for use in preparing, an application under paragraph (7)(D).

''(iii) TAXPAYER IDENTITY.—For purposes of this subparagraph, a taxpayer's identity shall not be treated as taxpayer return information.

''(iv) TERMINATION.—No disclosure may be made under this subparagraph after December 31, 2003.''.

(b) DISCLOSURE UPON REQUEST OF INFORMATION RELATING TO TERRORIST ACTIVITIES, ETC.—Subsection (i) of section 6103 (relating to disclosure to Federal officers or employees for administration of Federal laws not relating to tax administration) is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

''(7) DISCLOSURE UPON REQUEST OF INFORMATION RELATING TO TERRORIST ACTIVITIES, ETC.—

''(A) DISCLOSURE TO LAW ENFORCEMENT AGENCIES.—

''(i) IN GENERAL.—Except as provided in paragraph (6), upon receipt by the Secretary of a written request which meets the requirements of clause (iii), the Secretary may disclose return information (other than taxpayer return information) to officers and employees of any Federal law enforcement agency who are personally and directly engaged in the response to or investigation of any terrorist incident, threat, or activity.

''(ii) DISCLOSURE TO STATE AND LOCAL LAW ENFORCEMENT AGENCIES.—The head of any Federal law enforcement agency may disclose return information obtained under clause (i) to officers and employees of any State or local law enforcement agency but only if such agency is part of a team with the Federal law enforcement agency in such response or investigation and such information is disclosed only to officers and employees who are personally and directly engaged in such response or investigation.

''(iii) REQUIREMENTS.—A request meets the requirements of this clause if—

''(I) the request is made by the head of any Federal law enforcement agency (or his delegate) involved in the response to or investigation of any terrorist incident, threat, or activity, and

''(II) the request sets forth the specific reason or reasons why such disclosure may be relevant to a terrorist incident, threat, or activity.

''(iv) LIMITATION ON USE OF INFORMATION.—Information disclosed under this subparagraph shall be solely for the use of the officers and employees to whom such information is disclosed in such response or investigation.

''(B) DISCLOSURE TO INTELLIGENCE AGENCIES.—

''(i) IN GENERAL.—Except as provided in paragraph (6), upon receipt by the Secretary of a written request which meets the requirements of clause (ii), the Secretary may disclose return information (other than taxpayer return information) to those officers and employees of the Department of Justice, the Department of the Treasury, and other Federal intelligence agencies who are personally and directly engaged in the collection or analysis of intelligence and counterintelligence information or investigation concerning any terrorist incident, threat, or activity. For purposes of the preceding sentence, the information disclosed under the preceding sentence shall be solely for the use of such officers and employees in such investigation, collection, or analysis.

''(ii) REQUIREMENTS.—A request meets the requirements of this subparagraph if the request—

''(I) is made by an individual described in clause (iii), and

''(II) sets forth the specific reason or reasons why such disclosure may be relevant to a terrorist incident, threat, or activity.

''(iii) REQUESTING INDIVIDUALS.—An individual described in this subparagraph is an individual—

''(I) who is an officer or employee of the Department of Justice or the Department of the Treasury who is appointed by the President with the advice and consent of the Senate or who is the Director of the United States Secret Service, and

''(II) who is responsible for the collection and analysis of intelligence and counterintelligence information concerning any terrorist incident, threat, or activity.

''(iv) TAXPAYER IDENTITY.—For purposes of this subparagraph, a taxpayer's identity shall not be treated as taxpayer return information.

''(C) DISCLOSURE UNDER EX PARTE ORDERS.—

''(i) IN GENERAL.—Except as provided in paragraph (6), any return or return information with respect to any specified taxable period or periods shall, pursuant to and upon the grant of an ex parte order by a Federal district court judge or magistrate under clause (ii), be open (but only to the extent necessary as provided in such order) to inspection by, or disclosure to, officers and employees of any Federal law enforcement agency or Federal intelligence agency who are personally and directly engaged in any investigation, response to, or analysis of intelligence and counterintelligence information concerning any terrorist incident, threat, or activity. Return or return information opened pursuant to the preceding sentence shall be solely for the use of such officers and employees in the investigation, response, or analysis, and in any judicial, administrative, or grand jury proceedings, pertaining to such terrorist incident, threat, or activity.

''(ii) APPLICATION FOR ORDER.—The Attorney General, the Deputy Attorney General, the Associate Attorney General, any Assistant Attorney General, or any United States attorney may authorize an application to a Federal district court judge or magistrate for the order referred to in clause (i). Upon such application, such judge or magistrate may grant such order if he determines on the basis of the facts submitted by the applicant that—

''(I) there is reasonable cause to believe, based upon information believed to be reliable, that the return or return information may be relevant to a matter relating to such terrorist incident, threat, or activity, and

''(II) the return or return information is sought exclusively for use in a Federal investigation, analysis, or proceeding concerning any terrorist incident, threat, or activity.

''(D) SPECIAL RULE FOR EX PARTE DISCLOSURE BY THE IRS.—

''(i) IN GENERAL.—Except as provided in paragraph (6), the Secretary may authorize an application to a Federal district court judge or magistrate for the order referred to in subparagraph (C)(i). Upon such application, such judge or magistrate may grant such order if he determines on the basis of the facts submitted by the applicant that the requirements of subparagraph (C)(ii)(I) are met.

''(ii) LIMITATION ON USE OF INFORMATION.—Information disclosed under clause (i)—

''(I) may be disclosed only to the extent necessary to apprise the head of the appropriate Federal law enforcement agency responsible for investigating or responding to a terrorist incident, threat, or activity, and

''(II) shall be solely for use in a Federal investigation, analysis, or proceeding concerning any terrorist incident, threat, or activity.

The head of such Federal agency may disclose such information to officers and employees of such agency to the extent necessary to investigate or respond to such terrorist incident, threat, or activity.

''(E) TERMINATION.—No disclosure may be made under this paragraph after December 31, 2003.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 6103(a)(2) is amended by inserting ''any local law enforcement agency receiving information under subsection (i)(7)(A),'' after ''State,''.

(2) Section 6103(b) is amended by adding at the end the following new paragraph:

''(11) TERRORIST INCIDENT, THREAT, OR ACTIVITY.—The term 'terrorist incident, threat, or activity' means an incident, threat, or activity involving an act of domestic terrorism (as defined in section 2331(5) of title 18, United States Code) or international terrorism (as defined in section 2331(1) of such title).''.

(3) The heading of section 6103(i)(3) is amended by inserting ''OR TERRORIST'' after ''CRIMINAL''.

(4) Paragraph (4) of section 6103(i) is amended—

(A) in subparagraph (A) by inserting ''or (7)(C)'' after ''paragraph (1)'', and

(B) in subparagraph (B) by striking ''or (3)(A)'' and inserting ''(3)(A) or (C), or (7)''.

(5) Paragraph (6) of section 6103(i) is amended—

(A) by striking ''(3)(A)'' and inserting ''(3)(A) or (C)'', and

(B) by striking ''or (7)'' and inserting ''(7), or (8)''.

(6) Section 6103(p)(3) is amended—

(A) in subparagraph (A) by striking ''(7)(A)(ii)'' and inserting ''(8)(A)(ii)'', and

(B) in subparagraph (C) by striking ''(i)(3)(B)(i)'' and inserting ''(i)(3)(B)(i) or (7)(A)(ii)''.

(7) Section 6103(p)(4) is amended—

(A) in the matter preceding subparagraph (A)—

(i) by striking ''or (5),'' the first place it appears and inserting ''(5), or (7),'', and

(ii) by striking ''(i)(3)(B)(i),'' and inserting ''(i)(3)(B)(i) or (7)(A)(ii),'', and

(B) in subparagraph (F)(ii) by striking ''or (5),'' the first place it appears and inserting ''(5) or (7),''.

(8) Section 6103(p)(6)(B)(i) is amended by striking ''(i)(7)(A)(ii)'' and inserting ''(i)(8)(A)(ii)''.

(9) Section 6105(b) is amended—

(A) by striking ''or'' at the end of paragraph (2),

(B) by striking ''paragraphs (1) or (2)'' in paragraph (3) and inserting ''paragraph (1), (2), or (3)'',

(C) by redesignating paragraph (3) as paragraph (4), and

(D) by inserting after paragraph (2) the following new paragraph:

''(3) to the disclosure of tax convention information on the same terms as return information may be disclosed under paragraph (3)(C) or (7) of section 6103(i), except that in the case of tax convention information provided by a foreign government, no disclosure

may be made under this paragraph without the written consent of the foreign government, or''.

(10) Section 7213(a)(2) is amended by striking ''(i)(3)(B)(i),'' and inserting ''(i)(3)(B)(i) or (7)(A)(ii),''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures made on or after the date of the enactment of this Act.

TITLE IV—NEW YORK RECOVERY FROM TERRORISM

SEC. 401. EXPANSION OF WORK OPPORTUNITY TAX CREDIT TARGETED CATEGORIES TO INCLUDE CERTAIN EMPLOYEES IN NEW YORK CITY.

(a) IN GENERAL.—For purposes of section 51 of the Internal Revenue Code of 1986 (relating to work opportunity credit), a New York Recovery Zone business employee shall be treated as a member of a targeted group.

(b) NEW YORK RECOVERY ZONE BUSINESS EMPLOYEE.—For purposes of this section—

(1) IN GENERAL.—The term ''New York Recovery Zone business employee'' means, with respect to the period beginning after September 10, 2001, and ending before January 1, 2005, any employee of a New York Recovery Zone business if—

(A) substantially all the services performed during such period by such employee for such business are performed in a trade or business of such business located in an area described in paragraph (2), and

(B) with respect to any employee of such business described in paragraph (2)(B), such employee is certified by the New York State Department of Labor as not exceeding, when added to all other employees previously certified with respect to such period as New York Recovery Zone business employees with respect to such business, the number of employees of such business on September 11, 2001, in the New York Recovery Zone.

(2) NEW YORK RECOVERY ZONE BUSINESS.—The term ''New York Recovery Zone business'' means any business establishment which is—

(A) located in the New York Recovery Zone, or

(B) located in the City of New York, New York, outside the New York Recovery Zone, as the result of the destruction or damage of such establishment by the September 11, 2001, terrorist attack.

(3) NEW YORK RECOVERY ZONE.—The term ''New York Recovery Zone'' means the area located on or south of Canal Street, East Broadway (east of its intersection with Canal Street), or Grand Street (east of its intersection with East Broadway) in the Borough of Manhattan in the City of New York, New York.

(4) SPECIAL RULES FOR DETERMINING AMOUNT OF CREDIT.—For purposes of applying subpart E of part IV of subchapter B of chapter 1 of the Internal Revenue Code of 1986 to wages paid or incurred to any New York Recovery Zone business employee—

(A) section 51(a) of such Code shall be applied by substituting ''qualified wages'' for ''qualified first-year wages'',

(B) section 51(d)(12)(A)(i) of such Code shall be applied to the certification of individuals employed by a New York Recovery Zone business before April 1, 2002, by substituting ''on or before May 1, 2002'' for ''on or before the day on which such individual begins work for the employer'',

(C) subsections (c)(4) and (i)(2) of section 51 of such Code shall not apply, and

(D) in determining qualified wages, the following shall apply in lieu of section 51(b) of such Code:

(i) QUALIFIED WAGES.—The term ''qualified wages'' means the wages paid or incurred by the employer for work performed during the period beginning on September 11, 2001, and ending on December 31, 2004, to individuals who are New York Recovery Zone business employees of such employer.

(ii) ONLY FIRST $6,000 OF WAGES PER TAXABLE YEAR TAKEN INTO ACCOUNT.—The amount of the qualified wages which may be taken into account with respect to any individual shall not exceed $6,000 per taxable year of the employer.

(c) CREDIT ALLOWED AGAINST REGULAR AND MINIMUM TAX.—

(1) IN GENERAL.—Subsection (c) of section 38 (relating to limitation based on amount of tax) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) SPECIAL RULES FOR NEW YORK RECOVERY ZONE BUSINESS EMPLOYEE CREDIT.—

''(A) IN GENERAL.—In the case of the New York Recovery Zone business employee credit—

''(i) this section and section 39 shall be applied separately with respect to such credit, and

''(ii) in applying paragraph (1) to such credit—

''(I) the tentative minimum tax shall be treated as being zero, and

''(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the New York Recovery Zone business employee credit).

''(B) NEW YORK RECOVERY ZONE BUSINESS EMPLOYEE CREDIT.—For purposes of this subsection, the term 'New York Recovery Zone business employee credit' means the portion of work opportunity credit under section 51 determined under section 401 of the Fiscal Stimulus and Worker Relief Act of 2001.''.

(2) CONFORMING AMENDMENT.—Subclause (II) of section 38(c)(2)(A)(ii) is amended by inserting ''or the New York Recovery Zone business employee credit'' after ''employment credit''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after September 11, 2001.

SEC. 402. TAX-EXEMPT PRIVATE ACTIVITY BONDS FOR REBUILDING PORTION OF NEW YORK CITY DAMAGED IN THE SEPTEMBER 11, 2001, TERRORIST ATTACK.

(a) TREATMENT AS QUALIFIED BONDS.—For purposes of the Internal Revenue Code of 1986, any qualified NYC recovery bond shall be treated as an exempt facility bond under section 141(e) of such Code.

(b) QUALIFIED NYC RECOVERY BOND.—For purposes of this section, the term ''qualified NYC recovery bond'' means any bond which—

(1) is issued by the State of New York or any political subdivision thereof (or any agency, instrumentality or constituted authority on behalf thereof), and

(2) meets the requirements of subsections (c) through (f).

(c) DESIGNATION REQUIREMENTS.—A bond meets the requirements of this subsection if it is issued as part of an issue designated as a qualified NYC recovery bond by the Mayor of the City of New York, New York, or an individual specifically appointed to make such designation.

(d) ISSUANCE AND VOLUME REQUIREMENTS.—

(1) IN GENERAL.—Except as provided in paragraph (3), a bond issued as part of an issue meets the requirements of this subsection if such bond is issued during 2002 (or during the period elected under paragraph (2)) and the aggregate face amount of the bonds issued pursuant to such issue, when added to the aggregate face amount of qualified NYC recovery bonds previously issued, does not exceed $12,500,000,000.

(2) ELECTIVE CARRYFORWARD OF UNUSED LIMITATION.—If the volume cap under paragraph (1) exceeds the aggregate amount of qualified NYC recovery bonds issued during 2002, the issuing authority under subsection (b) may elect to carry forward such excess volume cap for an additional 3-year period under rules similar to the rules of section 146(f) of the Internal Revenue Code of 1986 (other than paragraph (2) thereof).

(3) CERTAIN CURRENT REFUNDINGS NOT COUNTED.—For purposes of paragraph (1), there shall not be taken into account any current refunding bond the proceeds of which are used to refund any bond described in paragraph (1) to the extent the face amount of such current refunding bond does not exceed the outstanding face amount of the refunded bond.

(e) QUALIFIED PROJECT REQUIREMENTS.—

(1) IN GENERAL.—A bond meets the requirements of this subsection if it is issued as part of an issue at least 95 percent of the net proceeds of which are to be used for qualified project costs.

(2) QUALIFIED PROJECT COSTS.—For purposes of this subsection—

(A) IN GENERAL.—The term ''qualified project costs'' means—

(i) with respect to a qualified project described in paragraph (3)(A)(i), the costs of acquisition, construction, reconstruction, and renovation of commercial real property and residential rental real property, including—

(I) buildings and their structural components,

(II) fixed tenant improvements, and

(III) public utility property, and

(ii) with respect to a qualified project described in paragraph (3)(A)(ii), the costs of acquisition, construction, reconstruction, and renovation of commercial real property, including—

(I) buildings and their structural components, and

(II) fixed tenant improvements.

(B) LIMITATIONS.—

(i) RESIDENTIAL RENTAL REAL PROPERTY.—Such term shall not include costs with respect to residential rental real property to the extent such costs for all such property exceed 20 percent of the aggregate face amount of the bonds issued under this section.

(ii) RETAIL SALES PROPERTY.—Such term shall not include costs with respect to property used for retail sales of tangible property and functionally related and subordinate property to the extent such costs for all such property exceeds 10 percent of the aggregate face amount of the bonds issued under this section.

(iii) MOVABLE FIXTURES AND EQUIPMENT.—Such term shall not include costs with respect to movable fixtures and equipment.

(3) QUALIFIED PROJECTS.—For purposes of this subsection—

(A) IN GENERAL.—The term ''qualified project'' means any project—

(i) located within the New York Recovery Zone, or

(ii) located within the City of New York, New York, but outside of the New York Recovery Zone, but only if—

(I) such project consists of at least 100,000 square feet of usable office or other commercial space located in a single building or multiple adjacent buildings, and

(II) the aggregate face amount of the bonds issued to finance such project, when added to

the aggregate face amount of all bonds issued to finance all other projects described in this clause, does not exceed $7,000,000,000.

(B) NEW YORK RECOVERY ZONE.—The term ''New York Recovery Zone'' means the area located on or south of Canal Street, East Broadway (east of its intersection with Canal Street), or Grand Street (east of its intersection with East Broadway) in the Borough of Manhattan in the City of New York, New York.

(f) GENERAL REQUIREMENTS.—A bond meets the requirements of this subsection if it is issued as part of an issue which meets the requirements of part IV of subchapter B of chapter 1 of the Internal Revenue Code of 1986 applicable to an exempt facility bond, except as follows:

(1) Sections 142(d) and 150(b)(2) (relating to qualified residential rental project), and section 146 (relating to volume cap) of such Code shall not apply to bonds issued under this section.

(2) The application of section 147(c) of such Code (relating to limitation on use for land acquisition) shall be determined by reference to the aggregate authorized face amount of all bonds issued under this section rather than the net proceeds of each issue.

(3) Section 147(d) of such Code (relating to acquisition of existing property not permitted) shall be applied by substituting ''50 percent'' for ''15 percent'' each place it appears.

(4) Section 148(f)(4)(C) of such Code (relating to exception from rebate for certain proceeds to be used to finance construction expenditures) shall apply to construction proceeds of bonds issued under this section.

(5) Rules similar to the rules of section 143(a)(2)(A)(iv) of such Code (relating to use of loan repayments) shall apply to bonds issued under this section.

(g) BOND INTEREST NOT AN AMT PREFERENCE ITEM.—For purposes of section 57(a)(5) of the Internal Revenue Code of 1986, a qualified NYC recovery bond shall not be treated as a specified private activity bond.

(h) SEPARATE ISSUE TREATMENT OF PORTIONS OF AN ISSUE.—This section shall not apply to the portion of the proceeds of an issue which (if issued as a separate issue) would be treated as a qualified bond or as a bond that is not a private activity bond (determined without regard to subsection (a)), if the issuer elects to so treat such portion.

(i) NET PROCEEDS.—For purposes of this section, the term ''net proceeds'' has the meaning given such term by section 150(a)(3) of the Internal Revenue Code of 1986.

(j) INTEREST ON DEBT USED TO PURCHASE OR CARRY QUALIFIED NYC RECOVERY BONDS.—

(1) IN GENERAL.—Clause (i) of section 265(b)(3)(B) (defining qualified tax-exempt obligation) is amended by adding at the end the following new flush sentence:

''Such term includes a tax-exempt obligation issued pursuant to section 402 of the Fiscal Stimulus and Worker Relief Act of 2001.''

(2) REFUNDINGS.—Subparagraph (D) of section 265(b)(3) is by adding at the end the following new clause:

''(iv) REFUNDINGS OF CERTAIN OBLIGATIONS.—In the case of a refunding (or a series of refundings) of a qualified tax-exempt obligation that is an obligation issued pursuant to section 402 of the Fiscal Stimulus and Worker Relief Act of 2001, the refunding obligation shall be treated as a qualified tax-exempt obligation if the refunding obligation meets the requirements of such section.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending on or after the date of the enactment of this Act.

SEC. 403. ADDITIONAL ADVANCE REFUNDING PERMITTED OF CERTAIN BONDS.

Paragraph (3) of section 149(d) of the Internal Revenue Code of 1986 shall not apply to the first advance refunding after the date of the enactment of this Act of any issue if—

(1) the original bond was issued by—

(A) the City of New York,

(B) the Port Authority of New York and New Jersey,

(C) the Metropolitan Transit Authority of the City of New York,

(D) the New York City Municipal Water Authority, or

(E) any hospital which is located in the City of New York, described in section 501(c)(3) of such Code, and exempt from tax under section 501(a) of such Code,

(2) no bond (issued as part of the refunding issue) is issued to advance refund a private activity bond (other than a qualified hospital bond which is a qualified 501(c)(3) bond, as such terms are defined in section 145 of such Code), and

(3) other than the bonds being refunded by such refunding issue, the original bonds and all prior refundings of such bonds have been redeemed as of the date of the enactment of this Act.

The preceding sentence shall apply only if the refunding bonds meet the requirements of clauses (iii), (iv), and (v) of section 149(d)(3)(A) of such Code.

SEC. 404. GAIN OR LOSS FROM PROPERTY DAMAGED OR DESTROYED IN NEW YORK RECOVERY ZONE.

(a) GENERAL RULE.—For purposes of the Internal Revenue Code of 1986, if a taxpayer elects the application of this section with respect to any eligible property, then any gain or loss on the disposition of the property shall be determined without regard to any compensation (by insurance or otherwise) received by the taxpayer for damages sustained to the property as a result of the terrorist attacks occurring on September 11, 2001. Such election shall be made at such time and in such manner as the Secretary of the Treasury may prescribe, and, once made, is irrevocable.

(b) LIMITATION BASED ON PURCHASE OF REPLACEMENT PROPERTY.—

(1) IN GENERAL.—Subsection (a) shall apply to compensation received with respect to eligible property only to the extent of the cost of any qualified replacement property purchased by the taxpayer.

(2) ALLOCATION.—If the aggregate compensation received by a taxpayer with respect to all eligible property exceeds the aggregate cost of all qualified replacement property purchased by the taxpayer, such cost shall be allocated to such eligible property in accordance with rules prescribed by the Secretary.

(3) SPECIAL RULE FOR CONSOLIDATED GROUPS.—For purposes of paragraph (1), an affiliated group filing a consolidated return may elect to treat any qualified replacement property purchased by a member of the group as purchased by another member of the group.

(c) ELIGIBLE PROPERTY.—For purposes of this section, the term ''eligible property'' means any tangible property—

(1) which is section 1245 property (as defined in section 1245(a)(3) of the Internal Revenue Code of 1986) or qualified leasehold improvement property (as defined in section 168(k)(3) of such Code),

(2) substantially all of the use of which as of September 11, 2001, was in a business establishment of the taxpayer located in the New York Recovery Zone, and

(3) which was damaged or destroyed in the terrorist attacks of September 11, 2001.

(d) QUALIFIED REPLACEMENT PROPERTY.—For purposes of this section—

(1) IN GENERAL.—The term ''qualified replacement property'' means tangible property—

(A) which is described in subsection (c)(1),

(B) which is purchased by the taxpayer on or after September 11, 2001, and placed in service in the City of New York, New York, before January 1, 2007,

(C) the original use of which in such city begins with the taxpayer, and

(D) substantially all of the use of which is reasonably expected to be in connection with a business establishment of the taxpayer located in such city.

(2) RECAPTURE.—The Secretary shall, by regulations, provide for the recapture of any Federal tax benefit provided by this section in cases where a taxpayer ceases to use property as qualified replacement property and such recapture is necessary to prevent the avoidance of the purposes of this section.

(e) COORDINATION WITH OTHER PROVISIONS OF CODE.—For purposes of the Internal Revenue Code of 1986—

(1) SPECIAL RULE FOR TREATMENT OF UNRECOGNIZED GAIN IN ELIGIBLE PROPERTY.—Sections 1245 and 1250 of such Code shall not apply to any gain on the disposition of eligible property not recognized by reason of this section.

(2) LOSS ELECTION NOT TO APPLY TO ELIGIBLE PROPERTY.—If a taxpayer elects the application of this section with respect to any eligible property, the taxpayer may not make an election under section 165(i) of such Code with respect to any loss attributable to the property.

(3) BASIS ADJUSTMENTS OF QUALIFIED REPLACEMENT PROPERTY.—

(A) IN GENERAL.—The basis of any qualified replacement property shall be reduced by the amount of any compensation disregarded by reason of subsection (a).

(B) SPECIAL RULES FOR RECAPTURE.—For purposes of sections 1245 and 1250 of such Code, any reduction under subparagraph (A) shall be treated as a deduction allowed for depreciation, except that for purposes of section 1250(b) of such Code, the determination of what would have been the depreciation adjustments under the straight line method shall be made as if there had been no reduction under subparagraph (A).

(4) SPECIAL RULES FOR APPLYING SECTION 1033.—For purposes of applying section 1033 of such Code to converted property which is eligible property with respect to which an election under subsection (a) has been made—

(A) the amount realized from the eligible property shall not include any compensation received by the taxpayer which is disregarded by reason of subsection (a), and

(B) any qualified replacement property shall be disregarded in determining whether property was acquired for the purposes of replacing the converted property.

(f) OTHER DEFINITIONS AND RULES.—For purposes of this section—

(1) NEW YORK RECOVERY ZONE.—The term ''New York Recovery Zone'' means the area located on or south of Canal Street, East Broadway (east of its intersection with Canal Street), or Grand Street (east of its intersection with East Broadway) in the Borough of Manhattan in the City of New York, New York.

(2) TIME FOR ASSESSMENT.—Rules similar to the rules of subparagraphs (C) and (D) of section 1033(a)(2) of such Code shall apply for purposes of this section.

(3) RELATED PARTY LIMITATION.—Section 1033(i) of such Code shall apply for purposes of this section.

SEC. 405. CREDIT FOR INDIVIDUALS RESIDING IN LOWER MANHATTAN.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits) is amended by inserting after section 25B the following:

"SEC. 25C. CREDIT FOR RESIDENTS OF LOWER MANHATTAN.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual who is a qualified resident with respect to the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to $5,000.

''(b) LIMITATIONS.—

''(1) LIMITATION BASED ON ADJUSTED GROSS INCOME.—

''(A) IN GENERAL.—The amount of the credit allowed under subsection (a) shall be reduced (but not below zero) by $50 for each $1,000 (or fraction thereof) by which the taxpayer's modified adjusted gross income exceeds $150,000.

''(B) MODIFIED ADJUSTED GROSS INCOME.—For purposes of subparagraph (A), the term 'modified adjusted gross income' means adjusted gross income determined without regard to sections 911, 931, or 933.

''(2) MAXIMUM CREDIT PER RESIDENCE AND PER QUALIFIED RESIDENT.—

''(A) PER RESIDENCE.—As provided by the Secretary, the credit under subsection (a) shall not be allowed with respect to more than 1 individual with respect to a principal residence for the taxable year.

''(B) PER QUALIFIED RESIDENT.—The aggregate credit allowed under subsection (a) with respect to any individual for all taxable years shall not exceed $5,000 and no such credit shall be allowed for a taxable year if the credit was so allowed for a preceding taxable year.

''(c) QUALIFIED RESIDENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified resident' means an individual who—

''(A) maintains a principal residence—

''(i) which is located on or south of Canal Street, East Broadway (east of its intersection with Canal Street), or Grand Street (east of its intersection with East Broadway) in the Borough of Manhattan in the City of New York, New York, and

''(ii) for at least 6 consecutive months during calendar year 2002 or 2003,

''(B) makes more than half of the aggregate rental, mortgage, or any similar payment with respect to the residence during the period described in subparagraph (A)(ii), and

''(C) is certified under paragraph (5).

''(2) MULTIPLE RESIDENTS AGREEMENT.—For purposes of paragraph (1)(B), an individual shall be treated as making more than half of the aggregate rental, mortgage, or similar payments for the period with respect to the residence if—

''(A) no one person with respect to the period makes over half of such payments,

''(B) over half of such aggregate payments are made by persons each of whom, but for the fact that such person did not make over half of such payments, would have been a qualified resident with respect to the residence,

''(C) the taxpayer contributed over 10 percent of such payments, and

''(D) each person described in subparagraph (B) (other than the taxpayer) who contributed over 10 percent of such payments files a written declaration (in such manner and form as the Secretary may prescribe) that such person will not claim a credit with respect to such residence.

''(3) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when used in section 121, except that no ownership requirement shall be imposed.

''(4) YEAR CREDIT ALLOWED.—The credit allowed under subsection (a) shall be allowed for the taxable year in which the period described in paragraph (1)(A)(ii) ends.

''(5) CERTIFICATION.—For purposes of paragraph (1)(C), the appropriate State or local authority shall—

''(A) certify whether an individual, requesting such certification, meets the requirements of subparagraphs (A) and (B) of paragraph (1),

''(B) issue a certification to such individual meeting such requirements which—

''(i) contains a written statement showing the name and address of the person making such certification and the phone number of the information contact for such person, and

''(ii) is furnished on or before March 1 of the year following the calendar year in which the credit under subsection (a) is allowed, and

''(C) not certify more than 32,000 individuals in any calendar year as being qualified residents for purposes of this section.

''(d) VERIFICATION.—No credit shall be allowed under subsection (a) to a taxpayer unless the taxpayer includes, on the return of tax for the taxable year—

''(1) proof of the certification received under subsection (c)(5), and

''(2) such other information as the Secretary determines necessary.

''(e) INFORMATION REPORTING.—

''(1) IN GENERAL.—Any State or local authority which issues the certification required under subsection (c)(5) shall make the return described in paragraph (2) (at such time as the Secretary may prescribe) with respect to each individual to whom such certification is provided.

''(2) FORM AND MANNER OF RETURNS.—A return is described in this subsection if such return—

''(A) is in such form as the Secretary may prescribe, and

''(B) contains—

''(i) the name, address, and TIN of the individual to whom such certification is provided, and

''(ii) such other information as the Secretary may reasonably prescribe.''.

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25B the following:

''Sec. 25C. Credit for residents of lower Manhattan.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

TITLE V—FREEZE OF TOP INDIVIDUAL INCOME TAX RATE AND DOMESTIC SECURITY TRUST FUND

SEC. 501. FREEZE OF TOP INDIVIDUAL INCOME TAX RATE AND DOMESTIC SECURITY TRUST FUND.

(a) FREEZE OF TOP INDIVIDUAL INCOME TAX RATE.—Paragraph (2) of section 1(i) (relating to reductions in rates after June 30, 2001) is amended—

(1) by striking ''37.6'' and inserting ''38.6'', and

(2) by striking ''35.0'' and inserting ''38.6''.

(b) DOMESTIC SECURITY TRUST FUND.—Subchapter A of chapter 98 (relating to trust fund code) is amended by adding at the end the following new section:

"SEC. 9511. DOMESTIC SECURITY TRUST FUND.

''(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Domestic Security Trust Fund', consisting of such amounts as may be transferred or credited to the Trust Fund as provided in this section and section 9602(b).

''(b) TRANSFERS TO FUND.—There are hereby transferred from the General Fund of the Treasury to the Domestic Security Trust Fund so much of the additional amounts received in the Treasury by reason of the amendment made by section 501(a) of the Fiscal Stimulus and Worker Relief Act of 2001 (relating to freeze in top individual income tax rate) as does not exceed the sum of—

''(1) the expenditures authorized to be made out of the funds.

''(2) the amount determined by the Secretary to be necessary to pay the interest on any repayable advance made to the Trust Fund.

''(c) EXPENDITURES.—Amounts in the Domestic Security Trust Fund shall be available, as provided by appropriation Acts, for purposes of making expenditures for domestic economic development programs for steel industry loan guarantees to the extent such expenditures are hereafter authorized by law.

''(d) REPAYABLE ADVANCES.—

''(1) IN GENERAL.—If amounts in the Trust Fund are not sufficient for the purposes of subsection (c), the Secretary shall transfer from the General Fund of the Treasury to the Trust Fund such additional amounts as may be necessary for such purposes. Such amounts shall be transferred as repayable advances.

''(2) REPAYMENT OF ADVANCES.—

''(A) IN GENERAL.—Advances made to the Trust Fund shall be repaid, and interest on such advances shall be paid, to the General Fund of the Treasury when the Secretary determines that moneys are available for such purposes in the Trust Fund.

''(B) RATE OF INTEREST.—Interest on advances made to the Trust Fund shall be at a rate determined by the Secretary of the Treasury (as of the close of the calendar month preceding the month in which the advance is made) to be equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the anticipated period during which the advance will be outstanding and shall be compounded annually.''.

(c) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 is amended by adding at the end the following new item:

''Sec. 9511. Domestic security trust fund.''.

(d) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

TITLE VII—SOCIAL SECURITY HELD HARMLESS

SEC. 701. NO IMPACT ON SOCIAL SECURITY TRUST FUNDS.

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

(b) TRANSFERS.—

(1) ESTIMATE OF SECRETARY.—The Secretary of the Treasury shall annually estimate the impact that the enactment of this

Act has on the income and balances of the trust funds established under section 201 of the Social Security Act (42 U.S.C. 401).

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

SEC. 702. EMERGENCY DESIGNATION.

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

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

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

Mr. RANGEL (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. RANGEL) is recognized for 5 minutes in support of his motion to recommit.

Mr. RANGEL. Mr. Speaker, I was moved by the remarks of the Speaker. I do not think anyone tried harder in this House in working with the minority leader, the gentleman from Missouri (Mr. GEPHARDT) in trying to bring a solution to the problem that is before this House.

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I think it is safe to say that the one thing that they tried to do was to try to bring some resolve to the question of providing health care to people who are unemployed.

We provided over $70 billion in our substitute for tax incentives, corporate and individual taxes; and we did this because we seriously believe that we do have to do certain things in order to create capital, in order to create investments, in order to allow people to be able to invest. But we truly believe that we should have had an opportunity to come before you today and say that the people who are left out of this bill, or the people who are left to the governors to do what they have to do, or the people that may be left up to the Secretary of the Treasury, that we just do not have a provision here that I can explain or that you can explain to the people who have been left out.

We know tonight that we had a missed opportunity to give and to take on this side of the aisle and the other side, on this side of the House and the other side. We missed that opportunity because certain people were convinced that the present health delivery system does not work and they wanted to change it for the future. It is almost unbelievable how you would not give us an opportunity to share with you our views. But to hold us in such disrespect that we could not bring it up in committee; that we did not have a chance to bring it up in conference; that we could not bring it up on the floor, and yet, as we conclude, you know that this bill is not going anywhere in the Senate.

As I look and see the distinguished former chairman of the Committee on the Budget, or maybe the chairman of the former Committee on the Budget, or maybe the chairman that used to be concerned as to what we did with the Social Security Trust Fund and the Medicare Trust Fund, who said we were not going to invade it, who said we would put it in a lockbox, who said so many things, but at the end of the day, this tax cut bill is not paid for, as the substitute was and as the motion to recommit asks you to do.

People have screamed that what we are doing is raising taxes. All we are saying is that the President did not know when he gave the $1.3 trillion tax cut that we were going to go into a recession. He did not know that we would be at war. And all we are saying is that as we look and see and try to bring some balance to the budget, if not now then in the future, at least have it using the language of people on the Committee on the Budget and have a set-aside. But we do not have even that.

So as we plunge into deficit spending, we do it using the payments that people are making for what? For tax cuts? No. To pay for the war? No. For health care? No. For unemployment? No. They are using this for their Social Security. The payroll tax is what is keeping us going, and we are operating on fumes.

I just want you to know that we want to give to the Speaker the sense of bipartisanship that we have given since the war has begun. But partnership means two sides. You first have to talk with people. You have to get people's views. And somewhere down the line we have to get back to the idea that things that are important enough for tax policy and trade policy and unemployment policy and health policy to have hearings and witnesses and markups, and to bring it to the floor in a bipartisan way.

We do not have to win. We are in the minority. We can count. But we demand the respect to be heard, because we do feel a compassionate concern not only that business be allowed to prosper so it can create the wealth and the jobs, but those people who are not in the system, that have been dislocated, they cannot wait until the other body does something. They should have been taken care of by this Congress at this time.

I ask you to support the motion to recommit to give us an opportunity to come back and to put some meat on the bones. Do not leave it to the Secretary of the Treasury to get us out of this. Do not leave it to the President. Leave it to the people that have the experience and the jurisdiction in our committees to do something about it. I hope you will consider that on the motion to recommit.

Mr. THOMAS. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from California (Mr. THOMAS) is recognized for 5 minutes.

Mr. THOMAS. Mr. Speaker, I am sure that there was significant labor on the part of my friends to put this package together. The package is, and all my colleagues should know, to strike all after the enacting clause and insert the following. The following is a bill. And if you would take the copy that was provided to me, and as you turn through the pages you come to a section, and as in the case nowadays, you know when you send things over faxes that at the top you have a heading and it tells you where it came from? I may not be completely familiar, but this says this is from the USWA Legislative Public Affairs. I believe that is United Steelworkers of America Legislative Public Affairs. So a portion of this bill, obviously, has been generated through the fax machine from folks who I do not believe are under the employment of Congress.

However, most of the debate on my friend's side has been focusing on page 100 of our bill, and there he refers to the fact that we say that this new plan that we want to put into effect of providing health insurance to our colleagues is not there in detail; that what it has is an enablement to the Secretary of the Treasury to develop the regulations necessary to carry out the plan. Now, one of the dirty little secrets inside the bill is they do not have a plan either. Because currently COBRA is not subsidized, it is paid for by individuals out of their pocket. They propose to set up a plan which will subsidize COBRA. They are going to have to create a plan, just like they accuse us of doing.

And when you turn to page 44, lo and behold, ''not later than 60 days after the date of enactment of this act, the Secretary of the Treasury, in consultation with the Secretary of Labor, shall establish a program.'' So, in other

words, both of us have to establish programs. But what we have got is one that supports folk on the kind of insurance they have. If it be COBRA, fine; if it is something else, fine. What they have is only a plan to set up COBRA. And if you get your insurance from somewhere else, you are simply left out.

Now, I will tell my colleagues that I will shorten this and yield back the balance of my time, because you only have to refer to one more page in this bill. It happens to be on page 96. It says ''title V: Freeze of the top individual income tax rate.'' And guess what? They believe a stimulus is to deny the most entrepreneurial area of the system, in terms of allowing people to keep marginally a little bit more of their own wealth. That is what they call stimulus.

I invite my colleagues to support or reject that kind of a program and ask you to vote ''no'' on the motion to recommit.

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

The SPEAKER pro tempore (Mr. THORNBERRY). Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—yeas 177, nays 238, not voting 20, as follows:

[Roll No. 508]

YEAS—177

Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clyburn
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dingell
Doggett
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Filner
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Harman
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moore
Moran (VA)
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pomeroy
Price (NC)
Rangel
Reyes
Rivers
Rodriguez
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Shows
Slaughter
Solis
Spratt
Stenholm
Strickland
Stupak
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Woolsey
Wynn

NAYS—238

Abercrombie
Aderholt
Akin
Armey
Bachus
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Condit
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Dooley
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Herger
Hill
Hobson
Hoekstra
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Israel
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kerns
Kind (WI)
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Mollohan
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reynolds
Riley
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sanchez
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Young (FL)

NOT VOTING—20

Baker
Clement
Cubin
Dicks
Fattah
Ford
Gutierrez
Hall (OH)
Hastings (FL)
Hefley
Hilleary
Luther
Meek (FL)
Owens
Oxley
Stark
Stearns
Taylor (MS)
Wexler
Young (AK)

□ 0346

Mr. HOOLEY of Oregon and Messrs. REYNOLDS, RAMSTAD, HILL, GILLMOR and ISRAEL changed their vote from ''yea'' to ''nay.''

Mr. SANDLIN and Mr. RUSH changed their vote from ''nay'' to ''yea.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. THORNBERRY). The question is on the passage of the bill.

Pursuant to House Resolution 320, the yeas and nays are ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 224, nays 193, not voting 18, as follows:

[Roll No. 509]

YEAS—224

Aderholt
Akin
Armey
Bachus
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Cramer
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Israel
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller

Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (FL)

NAYS—193

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clyburn
Condit
Conyers
Costello
Coyne
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Filner
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stenholm
Strickland
Stupak
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Woolsey
Wu
Wynn

NOT VOTING—18

Baker
Clement
Cubin
Dicks
Fattah
Ford
Hall (OH)
Hastings (FL)
Hefley
Luther
Meek (FL)
Owens
Oxley
Stark
Stearns
Taylor (MS)
Wexler
Young (AK)

□ 0354

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. STEARNS. Mr. Speaker, on rollcall Nos. 507 and 509, I was inadvertently detained. I would have voted "yes".

On rollcall No. 508, the motion to recommit, I would have voted "no."

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the H.R. 3529, the bill just passed.

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

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF JOINT RESOLUTION APPOINTING DAY FOR CONVENING FOR SECOND SESSION OF 107TH CONGRESS

Mr. DREIER, from the Committee on Rules, submitted a privileged report (Rept. No. 107–351) on the resolution (H. Res. 322) providing for consideration of a joint resolution appointing the day for the convening of the second session of the 107th Congress, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H. J. RES. 79, FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 2002

Mr. DREIER, from the Committee on Rules, submitted a privileged report (Rept. No. 107–352) on the resolution (H. Res. 323) providing for consideration of the joint resolution (H. J. Res. 79) making further continuing appropriations for the fiscal year 2002, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 3338, DEPARTMENT OF DEFENSE APPROPRIATIONS

Mr. DREIER, from the Committee on Rules, submitted a privileged report (Rept. No. 107–353) on the resolution (H. Res. 324) waiving points of order against the conference report to accompany the bill (H.R. 3338) making appropriations for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ANNOUNCEMENT REGARDING LEGISLATION TO BE CONSIDERED UNDER SUSPENSION OF THE RULES TODAY

Mr. DREIER. Mr. Speaker, pursuant to the notice requirements of House Resolution 314, I announce that the following measures will be considered under suspension of the rules on Wednesday, December 19, 2001: H.R. 2869 and S. 1741.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The Speaker pro tempore (Mr. SHIMKUS). Pursuant to clause 8 of rule XX and notwithstanding the Chair's prior announcement, votes on the motions to suspend the rules postponed earlier will be taken tomorrow as will any vote, if ordered, on additional motions to suspend the rules considered later today.

ESTABLISHING FIXED INTEREST RATES FOR STUDENT AND PARENT BORROWERS

Mr. BOEHNER. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1762) to amend the Higher Education Act of 1965 to establish fixed interest rates for student and parent borrowers, to extend current law with respect to special allowances for lenders, and for other purposes.

The Clerk read as follows:

S. 1762

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

SECTION 1. INTEREST RATE PROVISIONS.

(a) FFEL FIXED INTEREST RATES.—

(1) AMENDMENT.—Section 427A of the Higher Education Act of 1965 (20 U.S.C. 1077a) is amended—

(A) by redesignating subsections (*l*) and (m) as subsections (m) and (n), respectively; and

(B) by inserting after subsection (k) the following new subsection:

''(*l*) INTEREST RATES FOR NEW LOANS ON OR AFTER JULY 1, 2006.—

''(1) IN GENERAL.—Notwithstanding subsection (h), with respect to any loan made, insured, or guaranteed under this part (other than a loan made pursuant to section 428B or 428C) for which the first disbursement is made on or after July 1, 2006, the applicable rate of interest shall be 6.8 percent on the unpaid principal balance of the loan.

''(2) PLUS LOANS.—Notwithstanding subsection (h), with respect to any loan under section 428B for which the first disbursement is made on or after July 1, 2006, the applicable rate of interest shall be 7.9 percent on the unpaid principal balance of the loan.

''(3) CONSOLIDATION LOANS.—With respect to any consolidation loan under section 428C for which the application is received by an eligible lender on or after July 1, 2006, the applicable rate of interest shall be at an annual rate on the unpaid principal balance of the loan that is equal to the lesser of—

''(A) the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of 1 percent; or

''(B) 8.25 percent.''.

(2) CONFORMING AMENDMENT.—Section 428C(c)(1)(A) of such Act (20 U.S.C. 1078–3(c)(1)(A)) is amended to read as follows:

''(1) INTEREST RATE.—(A) Notwithstanding subparagraphs (B) and (C), with respect to any loan made under this section for which the application is received by an eligible lender—

''(i) on or after October 1, 1998, and before July 1, 2006, the applicable interest rate shall be determined under section 427A(k)(4); or

''(ii) on or after July 1, 2006, the applicable interest rate shall be determined under section 427A(*l*)(3).''.

(b) DIRECT LOANS FIXED INTEREST RATES.—

(1) TECHNICAL CORRECTION.—Paragraph (6) of section 455(b) of the Higher Education Act of 1965 (20 U.S.C. 1087e(b)), as redesignated by section 8301(c)(1) of the Transportation Equity Act for the 21st Century (Public Law 105–178; 112 Stat. 498) is redesignated as paragraph (9) and is transferred to follow paragraph (7) of section 455(b) of the Higher Education Act of 1965.

(2) AMENDMENTS.—Section 455(b) of the Higher Education Act of 1965 (20 U.S.C. 1087e(b)) is amended—

(A) by redesignating paragraph (7) as paragraph (8); and

(B) by inserting after paragraph (6) the following new paragraph:

''(7) INTEREST RATE PROVISION FOR NEW LOANS ON OR AFTER JULY 1, 2006.—

''(A) RATES FOR FDSL AND FDUSL.—Notwithstanding the preceding paragraphs of this subsection, for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans for which the first disbursement is made on or after July 1, 2006, the applicable rate of interest shall be 6.8 percent on the unpaid principal balance of the loan.

''(B) PLUS LOANS.—Notwithstanding the preceding paragraphs of this subsection, with respect to any Federal Direct PLUS loan for which the first disbursement is made on or after July 1, 2006, the applicable rate of interest shall be 7.9 percent on the unpaid principal balance of the loan.

''(C) CONSOLIDATION LOANS.—Notwithstanding the preceding paragraphs of this subsection, any Federal Direct Consolidation loan for which the application is received on or after July 1, 2006, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the lesser of—

''(i) the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of one percent; or

''(ii) 8.25 percent.''.

(c) EXTENSION OF CURRENT INTEREST RATE PROVISIONS FOR THREE YEARS.—Sections 427A(k) and 455(b)(6) of the Higher Education Act of 1965 (20 U.S.C. 1077a(k), 1087e(b)(6)) are each amended—

(1) by striking ''2003'' in the heading and inserting ''2006''; and

(2) by striking ''July 1, 2003,'' each place it appears and inserting ''July 1, 2006,''.

SEC. 2. EXTENSION OF SPECIAL ALLOWANCE PROVISION.

Section 438(b)(2)(I) of the Higher Education Act of 1965 (20 U.S.C. 1087–1(b)(2)(I)) is amended—

(1) by striking '', AND BEFORE JULY 1, 2003'' in the heading;

(2) by striking ''and before July 1, 2003,'' each place it appears, other than in clauses (ii) and (v);

(3) by striking clause (ii) and inserting the following:

''(ii) IN SCHOOL AND GRACE PERIOD.—In the case of any loan—

''(I) for which the first disbursement is made on or after January 1, 2000, and before July 1, 2006, and for which the applicable rate of interest is described in section 427A(k)(2); or

''(II) for which the first disbursement is made on or after July 1, 2006, and for which the applicable rate of interest is described in section 427A(*l*)(1), but only with respect to (aa) periods prior to the beginning of the repayment period of the loan; or (bb) during the periods in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 427(a)(2)(C) or 428(b)(1)(M);

clause (i)(III) of this subparagraph shall be applied by substituting '1.74 percent' for '2.34 percent'.'';

(4) in clause (iii), by inserting ''or (*l*)(2)'' after ''427A(k)(3)'';

(5) in clause (iv), by inserting ''or (*l*)(3)'' after ''427A(k)(4)'';

(6) in clause (v)—

(A) in the heading, by inserting ''BEFORE JULY 1, 2006'' after ''PLUS LOANS''; and

(B) by striking ''July 1, 2003,'' and inserting ''July 1, 2006,'';

(7) in clause (vi)—

(A) by inserting ''or (*l*)(3)'' after ''427A(k)(4)'' the first place it appears; and

(B) by inserting ''or (*l*)(3), whichever is applicable'' after ''427A(k)(4)'' the second place it appears; and

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

''(vii) LIMITATION ON SPECIAL ALLOWANCES FOR PLUS LOANS ON OR AFTER JULY 1, 2006.—In the case of PLUS loans made under section 428B and first disbursed on or after July 1, 2006, for which the interest rate is determined under section 427A(*l*)(2), a special allowance shall not be paid for such loan during any 12-month period beginning on July 1 and ending on June 30 unless—

''(I) the average of the bond equivalent rates of the quotes of the 3-month commercial paper (financial), as published by the Board of Governors of the Federal Reserve System in Publication H–15 (or its successor), for the last calendar week ending on or before such July 1; plus

''(II) 2.64 percent,

exceeds 9.0 percent.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California, (Mr. GEORGE MILLER) each will control 20 minutes.

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

GENERAL LEAVE

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 1762.

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

There was not objection.

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

Mr. Speaker, I rise tonight in support of S. 1762. This legislation provides for the continued uninterrupted availability of student loan funds to students and their families. The legislation addresses a longstanding problem in the Federal student loan program as to how student loan interest rates are to be calculated. The problem first come to light several years ago when it was clear that a provision within the Higher Education Act would dramatically alter how interest rates would be determined. The interest rate formula set to take effect back in 1998 would have forced many of the leaders now participating in the Federal Family Education Loan Program to reduce or eliminate their participation.

□ 0400

Mr. Speaker, in 1998, the gentleman from California (Mr. MCKEON) and the gentleman from Michigan (Mr. KILDEE) worked diligently to craft a solution to a problem that virtually everyone agreed would be an unintended result of previous legislation. The compromise resulted in the lowest interest rates in the Stafford Loan Program's history. Service was uninterrupted to students and their families and student loan borrowers are now paying the historically low interested rate of 5.99 percent in repayment.

Unfortunately, the compromise reached in 1998 was not made permanent when enacted and is scheduled to expire in 2003, and the unworkable index from the previous legislation is set to go in effect again. It is clear the problem must be corrected to ensure the availability of capital within the student loan program. Lenders in the FFELP program will not be able to finance student loans under the index set to take effect in 2003.

By taking action now and passing S. 1762, we can insure the continued availability of student loan funds to student nationwide. This legislation also extends the current special allowance formula for student loan providers, again, allowing them to continue uninterrupted service to the Nation's students and their families.

Some have asked why do this now. It really does not take effect until 2003. I think the answer is simple: Fixing the problem now will allow us to insure that proper attention is given to improving programs and services during

the upcoming reauthorization. This issue consumed the last reauthorization process in 1998 and took away precious time and resources that could have been used more productively. We also have the availability of funds necessary to correct the problem now.

We have agreement on both sides of the aisle and both sides of the Capitol that the time to do this is now, and it should be done now, and, therefore, I urge my colleagues to vote yes tonight on S. 1762.

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

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, the gentleman from Ohio has properly explained this bill and what it would do for both the lenders and the student loan program and for the students, and he quite correctly reports to us that this is a work product of a lot of work on a bipartisan basis to approve this legislation to extend the loan rates for the lenders to make sure they can continue to make a profit and to insure student loan availability to the students.

Let me talk about a bill that we will not be able to bring up tonight, and one of the reasons that I believe S. 1762 will not pass tomorrow. The gentlewoman from New York (Mrs. McCARTHY) and the gentleman from California (Mr. McKEON) have introduced legislation which would have provided loan forgiveness to those individuals who lost their spouses on September 11 to make sure that they in fact have this ability to get their lives back in order after this tragic loss of their spouses, in many cases of the major bread winner for the family. It also provided loans to the parents who had a child that might die in that tragedy. Currently they cannot forgive those loans. It also provided for those loans that have been consolidated, because they would not be forgiven under the current law if they had been consolidated by the spouse that died.

This is an effort to try to help these families. We have paid a great deal of attention to this since September 11, recognizing the hardship, recognizing the tragedy that has befallen these families. We have tried to do everything we can to help them get their economic life in order. To have these student loans hanging out there when they have been beset by this tragedy, the victims of terrorism, is just unconscionable.

The bill we are discussing here, the interest rate fix for 2003, need not be done until 2003. The urgency of these families we cannot deny. Already these cases have started to be brought to the attention of the department, and I think it is time for Congress to recognize it.

This is legislation that is not partisan. I think it has every Member of the New York delegation supporting it from both parties, recognizing the needs of these families from the New York metropolitan area and the surrounding states, and we ask that this legislation be passed. But, for whatever reason, we will not be able to consider that. So I think unless we can try and provide the kind of urgency that these families need as they struggle, and we read day-to-day as they try to work their way through all of the bureaucracy that is now springing up over the various funds that have been put in place for them, trying to qualify for funds that have been created with public dollars, with private dollars, with charitable dollars, and at the same time deal with their families, with their children, with the holidays and the rest of it, it is not a big burden.

This has been scored to be essentially de minimis in terms of the cost to the government by CBO. It is one of the things we can do to lighten that burden of these families who have lost individuals in those vicious attacks of September 11.

So, with that, I will say that while this other bill is ready to be passed. I would hope that my colleagues would not support that legislation until such time as we can get consideration of H.R. 3163, offered by the gentlewoman from New York (Mrs. McCARTHY) and the gentleman from California (Mr. McKEON) from the other side.

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

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

Mr. Speaker, I appreciate the remarks of my colleague from California. The committee has worked diligently with the gentlewoman from New York (Mrs. McCARTHY) and her cosponsor, the gentleman from California (Mr. McKEON), over the bill that that was outlined by the gentleman from California (Mr. GEORGE MILLER).

While there were some policy concerns, and we have tried to work through many of them, unfortunately, the scheduling of that bill is way above my pay grade. We have worked for the last several weeks to try to bring some resolution to this matter, and we are going to continue to try to do what we can to bring it to a successful resolution.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. McKEON).

Mr. McKEON. Mr. Speaker, I want to thank the chairman for yielding me time and let you know that I rise in strong support of S. 1762. This very important legislation ensures the availability of higher education financing to the students embarking on a very important time in their lives. I do not believe there is a better way to serve the students of this Nation than to ensure a stable source of higher education funding for those who need it.

This legislation provides for the uninterrupted continuation of the Federal Family Education Loan Program, known as FFELP, and provides certainty of interest rates for all borrowers in later years.

As many of my colleagues will remember, in 1998 the gentleman from Michigan (Mr. KILDEE) and I worked diligently on correcting the problem in the Higher Education Act dealing with student loan interest rate calculations. The success of our bipartisan efforts is evidenced by current student loan interest rates. Students in repayment now pay 5.99 percent, the lowest Stafford rates in the program's history.

This low rate, coupled with the discount programs available to students with excellent repayment histories and expanded tax benefits signed into law earlier this year by President Bush, provides students with a low cost means of financing their education, while maintaining a strong and stable student loan program.

However, the agreement we reached in 1998 is running up against the clock. The interest rate formula resulting in new loan rates while maintaining the viability of the FFELP is set to expire on July 1, 2003. If that occurs, students and parents will be unable to obtain these low cost loans from lenders across the country and lenders that make these low cost loans will not be able to finance student loans under the new rate.

Unfortunately, in 1998 we knew we were only providing a temporary fix to the problem and we would need to address it again in order to permanently correct the problem. By taking this action now, there will be no interruption in the availability of student loan funds and Congress will be able to concentrate fully on the many issues that will confront us during the next reauthorization of the Higher Education Act, including grant aid eligibility, distance education, access, and the high cost of higher education, to name a few.

This legislation also takes one additional step for students and their families. It provides assurances as to what interest rates will be in the future. It provides for both student loans and parent loans to be at a fixed interest rate beginning in 2006. Supporters of this provision feel this will allow families to plan future expenses, knowing clearly what the interest rates on their education loans will be. We can make the continued availability of low cost student loans one less thing students pursuing their dream of higher education need to worry about.

Mr. Speaker, we have worked all year on trying to reach this compromise and work out this solution to this problem. We have worked both sides of the aisle and we have worked with the other body. Sometimes there comes a point where you either do it, or you lose that opportunity forever. I think we all know that we are at that point right now.

I really feel sorry about the thing that has happened with my good friend from New York on not being able to bring her bill up today. But, as the chairman has said, that is above all of our pay ranks on determining that. But it seems to me that hearing the gentleman from California (Mr. GEORGE MILLER) talk about taking this bill down when we have the final vote tomorrow, to inflict the pain of those who have suffered greatly in New York and now to expand that across all the students that will be coming for loans, does not seem to be just to me.

It does not seem to be right where we should inflict somebody's pain or somebody else. I think we would be better off trying to find some other kind of different solution for the problem of the gentlewoman from New York (Mrs. MCCARTHY). I would pledge to help her, as we have in the past, to solve this problem.

I think there are other ways to do that, rather than to inflict punishment on all of the students that may want to attend school and have to have this financial aid to achieve their dream, their part of the American dream.

With that, Mr. Speaker, I urge my colleagues to vote yes on this bill, to let the students, the young people of this country, have the opportunity to further their education.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just want to say that I had suggested that the gentleman from California (Mr. MCKEON) was coauthor of the McCarthy bill. He is not. But he has been very, very helpful with her in the drafting of that legislation, and the chairman has been very cooperative in this.

But we have now been trying to get this bill scheduled for a month or more and just have not received any assurances that it will be scheduled. The practical effect of holding back on S. 1762 is that we have 18 months in which this solution can be put into effect, and status of the current law will continue to exist.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Mrs. MCCARTHY).

Mrs. MCCARTHY of New York. Mr. Speaker, I thank my chairman, and I really do. I know that he has worked extremely hard to try and bring this bill up on the floor. He gave a promise to me, and, as far as I am concerned, he really kept his end of the deal. I am not upset with him at all.

As far as trying to inflict pain on someone else, on all the work that he has done, that is not my style, and he knows that, and I would not do that. But, being in the minority, I do not have to many recourses on trying to do something.

I believe in this bill very, very closely. These are victims that have suffered tremendously. Not only have they suffered tremendously, I do not think we are setting a good example on how we treat our victims that die because of war.

You know, we talk about compassion here. Well, I have to deal with these victims in my district. I have to go to too many memorial services, which we are still going to. So every little thing that I can do for these victims, I am going to do it. And I do not like doing what I have to do tonight, and I have spent and the gentleman from California (Mr. GEORGE MILLER) has spent the evening. We have the votes, unfortunately, to bring this other bill down. But, as I said, we are in the minority, and I have tried every diplomatic way possible to find out what was wrong. We worked with the committee. We made many changes to satisfy our committee.

So, with that, again, I apologize, because I do not like doing this. But it is also my job to protect the victims that are in my district, in Connecticut and throughout this country, and future victims.

With that, Mr. Speaker, I will be certainly on the floor first thing in a couple hours and have my colleagues to vote against this. I am hoping between now and then something can be worked out. I truly mean that.

But, again, I thank my chairman. He has worked well with us on every single thing this whole year. I have been proud to work with the gentleman. I thank the gentleman from California (Mr. GEORGE MILLER) for everything he has done. Believe me, we do not want to be here at a quarter after 4 in the morning having this kind of debate.

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But I believe in it strongly and I am going to fight for this one.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, the legislation before us has great merit. It would stabilize the student loan program, and I intend to work as hard as I can to see that it is enacted.

However, another piece of legislation that has great merit and bipartisan support is, in my judgment, being arbitrarily withheld from the floor. The gentlewoman from New York (Mrs. MCCARTHY) has worked very hard on this. She has had the active cooperation of the chairman of our committee and the subcommittee chairman, for which I commend them both.

However, as she said just a moment ago, the minority has only certain rights. She and the gentleman from California (Mr. GEORGE MILLER) have worked diligently throughout the day and, frankly, in days prior to this, to try to bring this legislation before the body. In my judgment, an arbitrary and unreasonable decision has precluded them from doing so.

In the few hours that remain before this vote is scheduled for floor consideration, there is an opportunity to do something about that. I would urge the Speaker and the leadership of the majority party to take that under advisement so we can move forward two pieces of meritorious bipartisan legislation.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Just in closing, Mr. Speaker, I would say that I want to make it very clear to the Members of the House that we have tried with all due diligence to get this legislation scheduled. We were informed at one point today that it would be scheduled, and then that changed in the last couple of hours, that it would not be. I do not know what the objection would be, and it is not clear to us what the objection would be to help out these families to provide this student loan forgiveness to those spouses that may have loans that have lost their spouse in the tragedy of September 11; but that has been articulated to us.

As has been pointed out by the author of the bill and Members of the minority, extensive negotiations have gone on with respect to this legislation to try and make it workable, to try and make it deliver the benefit that is intended. That has all been worked out. Simply, what we now have is a determination about the scheduling of this.

One could argue, one could argue that we could put this off until next year, but I think as we see these families trying to come to closure, both emotionally and economically, we would do this Congress proud to extend this benefit. We have made several provisions for the forgiveness of student loans. In this instance we simply have overlooked the spouses of those who were killed in the terrorist attack. That can be remedied by the quick passage of this legislation. We really do not know the opposition to it, since we are simply told that it will not be allowed to come to the floor; but we have not had those people come forward and express opposition.

So for that reason, we will be asking Members to withhold their support from the bill under current consideration, S. 1762, for the loan rate fix on student loans. As I said before, there is 18 months before this has to be dealt with. We would like to deal with it now. A lot of work has gone into it. But clearly, we do not have the ability to set the agenda here and we have to use those leverages that are available to us.

I would ask my colleagues to reject this bill so that we can get on with helping these families who are the victims of the terrorist attack on September 11.

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

Mr. BOEHNER. Mr. Speaker, before I yield back the balance of my time, let me just say that I hope we will get this issue resolved sometime tomorrow before we take up the votes on this suspension.

Mr. GEORGE MILLER of California. Mr. Speaker, if the gentleman will yield, I would say to the gentleman, that is today.

Mr. BOEHNER. Well, reclaiming my time, it will be tomorrow's legislative day. The gentleman might think it is today, but it really is tomorrow.

But be that as it may, the underlying bill really will fix a very serious problem that will impact the ability of private lenders to offer student loans. The concern is that once we get into the spring and early summer, it will have a devastating impact on the ability of these private lenders to offer student loans across the Nation.

While I understand the concerns of the gentleman from California (Mr. GEORGE MILLER) and the gentlewoman from New York (Mrs. MCCARTHY), we have to make sure that we do not do anything here that would inhibit the ability of any young person or, for that matter, someone who would like to continue their education from getting the financing necessary in order to do so.

Mr. Speaker, I urge my colleagues to vote for the bill.

Mr. HINOJOSA. Mr. Speaker, I rise today in support of S. 1762, a bill to amend the Higher Education Act of 1965 to establish fixed interest rates for student and parent borrowers, to extend current law with respect to special allowances for lenders, and for other purposes.

This legislation proposes to settle the annual issue of student loan interest rate. The issue was temporarily resolved in 1998. S. 1762 incorporates a permanent compromise agreed to by postsecondary student financial aid associations, student groups and lender organizations. Under the bill's provisions, the current variable interest rate formulas for Federal Family Education Loan Program education loans will remain in place until 2006, when the formula for borrowers will revert permanently to fixed rates of 6.8 percent for student borrowers and 7.9 percent for parent borrowers. The only way many Hispanic students can enter postsecondary education and complete their degrees is through the availability to grants and loans. This bill is very important to all Hispanic students nationwide and especially for my state of Texas. I appreciate the support of the Texas Guaranteed Student Loan Corporation, the Texas Association of Student Financial Aid Administrators, and the Association of Texas Lenders for Education for their support.

Finally, Mr. Speaker, I want to thank Ranking Member MILLER and Chairman MCKEON of the 21st Century Competitiveness Subcommittee, for helping to bring the legislation before the House. I also want to fully recognize our Senate colleagues for all their work on this critical issue. I urge all my colleagues in the House to support this bill.

Mr. TOM DAVIS of Virginia. Mr. Speaker, I rise in support of S. 1762, a bill that will ensure the long-term availability of higher education loans for students and their families. Our nation's higher education loan system under the Federal Family Education Loan Program (FFELP) is an example of government at its best. By working in partnership with students, parents, colleges and universities and private sector loan providers, the federal government has made the dream of college a reality for more than 50 million Americans through the education loan program since 1965.

As families come together during this holiday season, those with children heading off to college next fall will be talking about not only where to attend college, but how to pay for it. For high school students and their families gathered around their kitchen tables, today's action means that the only question they have to ask is "where is their high school senior going to attend college," not whether they can afford it.

For the past 35 years, education loans have been critical to the ability of America's families to be able to afford the rising cost of college tuition. By passing this legislation today, we will maintain our national investment in well-educated, well-trained young people who can compete with workers anywhere in the world. In short, this legislation is good for students, families, schools, taxpayers and the economy.

Finally, Mr. Speaker, I want to commend Chairman BOEHNER, Ranking Member MILLER and Chairman MCKEON for their leadership in assuring the continued availability of education loans for future generations of students. This is important legislation for out nation and I urge my colleagues to support it.

Mr. BOEHNER. I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the motion offered by the gentleman from Ohio (Mr. BOEHNER) that the House suspend the rules and pass Senate bill, S. 1762.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. GEORGE MILLER of California. 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. Pursuant to clause 8, rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

HIGHER EDUCATION RELIEF OPPORTUNITIES FOR STUDENTS ACT OF 2001

Mr. MCKEON. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1793) to provide the Secretary of Education with specific waiver authority to respond to conditions in the national emergency declared by the President on September 14, 2001.

The Clerk read as follows:

S. 1793

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Higher Education Relief Opportunities for Students Act of 2001".

SEC. 2. WAIVER AUTHORITY FOR RESPONSE TO NATIONAL EMERGENCY.

(a) WAIVERS AND MODIFICATIONS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, unless enacted with specific reference to this section, the Secretary of Education (referred to in this Act as the "Secretary") may waive or modify any statutory or regulatory provision applicable to the student financial aid programs under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) as the Secretary deems necessary in connection with the national emergency to provide the waivers or modifications authorized by paragraph (2).

(2) ACTIONS AUTHORIZED.—The Secretary is authorized to waive or modify any provision described in paragraph (1) as may be necessary to ensure that—

(A) borrowers of Federal student loans who are affected individuals are not placed in a worse position financially in relation to those loans because of their status as affected individuals;

(B) administrative requirements placed on affected individuals who are borrowers of Federal student loans are minimized, to the extent possible without impairing the integrity of the student loan programs, to ease the burden on such borrowers and avoid inadvertent, technical violations or defaults;

(C) the calculation of "annual adjusted family income" and "available income", as used in the determination of need for student financial assistance under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) for any such affected individual (and the determination of such need for his or her spouse and dependents, if applicable), may be modified to mean the sums received in the first calendar year of the award year for which such determination is made, in order to reflect more accurately the financial condition of such affected individual and his or her family; and

(D) institutions of higher education, eligible lenders, guaranty agencies, and other entities participating in the student assistance programs under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) that are located in, or whose operations are directly affected by, areas that are declared disaster areas by any Federal, State, or local official in connection with the national emergency may be granted temporary relief from requirements that are rendered infeasible or unreasonable by the national emergency, including due diligence requirements and reporting deadlines.

(b) NOTICE OF WAIVERS OR MODIFICATIONS.—

(1) IN GENERAL.—Notwithstanding section 437 of the General Education Provisions Act (20 U.S.C. 1232) and section 553 of title 5, United States Code, the Secretary shall, by notice in the Federal Register, publish the waivers or modifications of statutory and regulatory provisions the Secretary deems necessary to achieve the purposes of this section.

(2) TERMS AND CONDITIONS.—The notice under paragraph (1) shall include the terms and conditions to be applied in lieu of such statutory and regulatory provisions.

(3) CASE-BY-CASE BASIS.—The Secretary is not required to exercise the waiver or modification authority under this section on a case-by-case basis.

(c) IMPACT REPORT.—The Secretary shall, not later than 15 months after first exercising any authority to issue a waiver or modification under subsection (a), report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor and Pensions of the Senate on the impact of any waivers or modifications issued pursuant to subsection (a) on affected individuals and the programs under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), and the basis for such determination, and include in such report the Secretary's recommendations for changes to the statutory or regulatory provisions that were the subject of such waiver or modification.

(d) NO DELAY IN WAIVERS AND MODIFICATIONS.—Sections 482(c) and 492 of the Higher Education Act of 1965 (20 U.S.C. 1089(c), 1098a) shall not apply to the waivers and modifications authorized or required by this Act.

SEC. 3. TUITION REFUNDS OR CREDITS FOR MEMBERS OF ARMED FORCES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) all institutions offering postsecondary education should provide a full refund to students who are members of the Armed Forces serving on active duty during the national emergency, for that portion of a period of instruction such student was unable to complete, or for which such individual did not receive academic credit, because he or she was called up for such service; and

(2) if affected individuals withdraw from a course of study as a result of such service, such institutions should make every effort to minimize deferral of enrollment or reapplication requirements and should provide the greatest flexibility possible with administrative deadlines related to those applications.

(b) DEFINITION OF FULL REFUND.—For purposes of this section, a full refund includes a refund of required tuition and fees, or a credit in a comparable amount against future tuition and fees.

SEC. 4. USE OF PROFESSIONAL JUDGMENT.

At the time of publishing any waivers or modifications pursuant to section 2(b), the Secretary shall publish examples of measures that institutions may take in the appropriate exercise of discretion under section 479A of the Higher Education Act of 1965 (20 U.S.C. 1087tt) to adjust financial need and aid eligibility determinations for affected individuals.

SEC. 5. DEFINITIONS.

In this Act:

(1) ACTIVE DUTY.—The term ''active duty'' has the meaning given such term in section 101(d)(1) of title 10, United States Code, except that such term does not include active duty for training or attendance at a service school.

(2) AFFECTED INDIVIDUAL.—The term ''affected individual'' means an individual who—

(A) is serving on active duty during the national emergency;

(B) is serving on National Guard duty during the national emergency;

(C) resides or is employed in an area that is declared a disaster area by any Federal, State, or local official in connection with the national emergency; or

(D) suffered direct economic hardship as a direct result of the national emergency, as determined under a waiver or modification issued under this Act.

(3) FEDERAL STUDENT LOAN.—The term ''Federal student loan'' means a loan made, insured, or guaranteed under part B, D, or E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq., 20 U.S.C. 1087a et seq., and 20 U.S.C. 1087aa et seq.).

(4) NATIONAL EMERGENCY.—The term ''national emergency'' means the national emergency by reason of certain terrorist attacks declared by the President on September 14, 2001, or subsequent national emergencies declared by the President by reason of terrorist attacks.

(5) SERVING ON ACTIVE DUTY DURING THE NATIONAL EMERGENCY.—The term ''serving on active duty during the national emergency'' shall include service by an individual who is—

(A) a Reserve of an Armed Force ordered to active duty under section 12301(a), 12301(g), 12302, 12304, or 12306 of title 10, United States Code, or any retired member of an Armed Force ordered to active duty under section 688 of such title, for service in connection with such emergency or subsequent actions or conditions, regardless of the location at which such active duty service is performed; and

(B) any other member of an Armed Force on active duty in connection with such emergency or subsequent actions or conditions who has been assigned to a duty station at a location other than the location at which such member is normally assigned.

(6) SERVING ON NATIONAL GUARD DUTY DURING THE NATIONAL EMERGENCY.—The term ''serving on National Guard duty during the national emergency'' shall include performing training or other duty authorized by section 502(f) of title 32, United States Code, as a member of the National Guard, at the request of the President, for or in support of an operation during the national emergency.

SEC. 6. TERMINATION OF AUTHORITY.

The provisions of this Act shall cease to be effective on September 30, 2003.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. MCKEON) and the gentleman from California (Mr. GEORGE MILLER) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. MCKEON).

GENERAL LEAVE

Mr. MCKEON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the Senate bill, S. 1793.

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

There was no objection.

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

Mr. Speaker, I rise in support of S. 1793, the Higher Education Relief Opportunities for Students Act. This legislation is extremely important and will serve students in a number of ways. First, as my colleagues know, the House overwhelmingly passed H.R. 3086, its version of the bill, on October 23 by a vote of 415 to zero. We showed our commitment to those directly affected by the attacks of September 11, and now our colleagues in the Senate have shown that same commitment.

It is important to ensure that the Secretary of Education has the ability to address the needs of students, their families, institutions of higher education, and loan providers as they relate to the events of September 11.

The legislation before us is almost identical to the bill that this body passed previously, with one exception. This version of the HEROES legislation, as passed by our colleagues in the other body, makes clear that those individuals called to active duty in the National Guard in response to the national emergency called by the President would be included in those individuals eligible to participate in the regulatory relief provided by the Secretary of Education.

As my colleagues know, under the bipartisan HEROES bill, the Education Secretary can grant waivers so that reservists leaving their jobs and families may be relieved from making student loan payments for a time. Victims' families may be relieved from receiving collection calls from lenders, and consecutive requirements for loan forgiveness programs may be considered uninterrupted.

This legislation will provide relief for the men and women of our military who are defending the freedoms of this great Nation. As families send loved ones into harm's way, the Higher Education Relief Opportunities for Students Act will allow the Secretary of Education to reduce some of the effects of that disruption here at home.

This bill is an indication of the Congress's commitment to our military and to our students and families, as well as to those on the front lines who make higher education accessible.

I urge my colleagues to vote ''yes'' on this bill, renew the commitment they put forward just 2 short months ago, and let us move forward with the goal of assisting those affected by the tragedy of September 11.

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

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to support the Higher Education Relief Opportunities Student Act of 2001, and I thank the gentleman from California (Mr. MCKEON) for his hard work and the bipartisan spirit which he brought to this important bill.

This act will give the Secretary of Education the authority to adjust the laws governing student aid programs, if necessary, in response to the September 11 attacks. It will allow the Secretary to ensure that members of the armed services and students are not punished financially by the attacks.

We obviously support this legislation. I find it ironic that we are doing this piece of legislation, but we are not going to do the previous legislation under discussion to help these families who have been devastated by these attacks.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. MCKEON) that the House suspend the rules and pass the Senate bill, S. 1793.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. GEORGE MILLER of California. 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. Pursuant to clause 8, rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

AUTHORIZING SPEAKER TO ENTERTAIN MOTION TO SUSPEND THE RULES ON H.R. 2869

Mr. GILLMOR. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to entertain a motion to suspend the rules relating to H.R. 2869, as amended.

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

Mr. GEORGE MILLER of California. Mr. Speaker, reserving the right to object. I would also like to ask unanimous consent to add H.R. 3163 to the Suspension Calendar to provide student loan relief to surviving spouses of victims to the September 11 tragedies. I do not believe anybody would oppose this.

The SPEAKER pro tempore. Under the additional request by the gentleman from California (Mr. GEORGE MILLER) and under the guidelines consistently issued by successive speaker, as recorded in section 956 of the House Rules Manual, the Chair is constrained not to entertain the gentleman's request until it has been cleared by the bipartisan floor and committee leadership.

Is there objection to the original request of the gentleman from Ohio?

There was no objection.

SMALL BUSINESS LIABILITY PROTECTION ACT

Mr. GILLMOR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2869) to provide certain relief for small businesses from liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and to amend such Act to promote the cleanup and resuse of brownfields, to provide financial assistance for brownfields revitalization, to enhance State response programs, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2869

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Small Business Liability Relief and Brownfields Revitalization Act''.

TITLE I—SMALL BUSINESS LIABILITY PROTECTION

SEC. 101. SHORT TITLE.

This title may be cited as the ''Small Business Liability Protection Act''.

SEC. 102. SMALL BUSINESS LIABILITY RELIEF.

(a) EXEMPTIONS.—Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607) is amended by adding at the end the following new subsections:

''(o) DE MICROMIS EXEMPTION.—

''(1) IN GENERAL.—Except as provided in paragraph (2), a person shall not be liable, with respect to response costs at a facility on the National Priorities List, under this Act if liability is based solely on paragraph (3) or (4) of subsection (a), and the person, except as provided in paragraph (4) of this subsection, can demonstrate that—

''(A) the total amount of the material containing hazardous substances that the person arranged for disposal or treatment of, arranged with a transporter for transport for disposal or treatment of, or accepted for transport for disposal or treatment, at the facility was less than 110 gallons of liquid materials or less than 200 pounds of solid materials (or such greater or lesser amounts as the Administrator may determine by regulation); and

''(B) all or part of the disposal, treatment, or transport concerned occurred before April 1, 2001.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply in a case in which—

''(A) the President determines that—

''(i) the materials containing hazardous substances referred to in paragraph (1) have contributed significantly or could contribute significantly, either individually or in the aggregate, to the cost of the response action or natural resource restoration with respect to the facility; or

''(ii) the person has failed to comply with an information request or administrative subpoena issued by the President under this Act or has impeded or is impeding, through action or inaction, the performance of a response action or natural resource restoration with respect to the facility; or

''(B) a person has been convicted of a criminal violation for the conduct to which the exemption would apply, and that conviction has not been vitiated on appeal or otherwise.

''(3) NO JUDICIAL REVIEW.—A determination by the President under paragraph (2)(A) shall not be subject to judicial review.

''(4) NONGOVERNMENTAL THIRD-PARTY CONTRIBUTION ACTIONS.—In the case of a contribution action, with respect to response costs at a facility on the National Priorities List, brought by a party, other than a Federal, State, or local government, under this Act, the burden of proof shall be on the party bringing the action to demonstrate that the conditions described in paragraph (1)(A) and (B) of this subsection are not met.

''(p) MUNICIPAL SOLID WASTE EXEMPTION.—

''(1) IN GENERAL.—Except as provided in paragraph (2) of this subsection, a person shall not be liable, with respect to response costs at a facility on the National Priorities List, under paragraph (3) of subsection (a) for municipal solid waste disposed of at a facility if the person, except as provided in paragraph (5) of this subsection, can demonstrate that the person is—

''(A) an owner, operator, or lessee of residential property from which all of the person's municipal solid waste was generated with respect to the facility;

''(B) a business entity (including a parent, subsidiary, or affiliate of the entity) that, during its 3 taxable years preceding the date of transmittal of written notification from the President of its potential liability under this section, employed on average not more than 100 full-time individuals, or the equivalent thereof, and that is a small business concern (within the meaning of the Small Business Act (15 U.S.C. 631 et seq.)) from which was generated all of the municipal solid waste attributable to the entity with respect to the facility; or

''(C) an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code that, during its taxable year preceding the date of transmittal of written notification from the President of its potential liability under this section, employed not more than 100 paid individuals at the location from which was generated all of the municipal solid waste attributable to the organization with respect to the facility.

For purposes of this subsection, the term 'affiliate' has the meaning of that term provided in the definition of 'small business concern' in regulations promulgated by the Small Business Administration in accordance with the Small Business Act (15 U.S.C. 631 et seq.).

''(2) EXCEPTION.—Paragraph (1) shall not apply in a case in which the President determines that—

''(A) the municipal solid waste referred to in paragraph (1) has contributed significantly or could contribute significantly, either individually or in the aggregate, to the cost of the response action or natural resource restoration with respect to the facility;

''(B) the person has failed to comply with an information request or administrative subpoena issued by the President under this Act; or

''(C) the person has impeded or is impeding, through action or inaction, the performance of a response action or natural resource restoration with respect to the facility.

''(3) NO JUDICIAL REVIEW.—A determination by the President under paragraph (2) shall not be subject to judicial review.

''(4) DEFINITION OF MUNICIPAL SOLID WASTE.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'municipal solid waste' means waste material—

''(i) generated by a household (including a single or multifamily residence); and

''(ii) generated by a commercial, industrial, or institutional entity, to the extent that the waste material—

''(I) is essentially the same as waste normally generated by a household;

''(II) is collected and disposed of with other municipal solid waste as part of normal municipal solid waste collection services; and

''(III) contains a relative quantity of hazardous substances no greater than the relative quantity of hazardous substances contained in waste material generated by a typical single-family household.

''(B) EXAMPLES.—Examples of municipal solid waste under subparagraph (A) include food and yard waste, paper, clothing, appliances, consumer product packaging, disposable diapers, office supplies, cosmetics, glass and metal food containers, elementary or secondary school science laboratory waste, and household hazardous waste.

''(C) EXCLUSIONS.—The term 'municipal solid waste' does not include—

''(i) combustion ash generated by resource recovery facilities or municipal incinerators; or

''(ii) waste material from manufacturing or processing operations (including pollution control operations) that is not essentially the same as waste normally generated by households.

''(5) BURDEN OF PROOF.—In the case of an action, with respect to response costs at a facility on the National Priorities List, brought under section 107 or 113 by—

''(A) a party, other than a Federal, State, or local government, with respect to municipal solid waste disposed of on or after April 1, 2001; or

''(B) any party with respect to municipal solid waste disposed of before April 1, 2001, the burden of proof shall be on the party bringing the action to demonstrate that the conditions described in paragraphs (1) and (4) for exemption for entities and organizations described in paragraph (1)(B) and (C) are not met.

''(6) CERTAIN ACTIONS NOT PERMITTED.—No contribution action may be brought by a party, other than a Federal, State, or local government, under this Act with respect to circumstances described in paragraph (1)(A).

''(7) COSTS AND FEES.—A nongovernmental entity that commences, after the date of the enactment of this subsection, a contribution action under this Act shall be liable to the defendant for all reasonable costs of defending the action, including all reasonable attorney's fees and expert witness fees, if the defendant is not liable for contribution based on an exemption under this subsection or subsection (o).''.

(b) EXPEDITED SETTLEMENT.—Section 122(g) of such Act (42 U.S.C. 9622(g)) is amended by adding at the end the following new paragraphs:

''(7) REDUCTION IN SETTLEMENT AMOUNT BASED ON LIMITED ABILITY TO PAY.—

''(A) IN GENERAL.—The condition for settlement under this paragraph is that the potentially responsible party is a person who demonstrates to the President an inability or a limited ability to pay response costs.

''(B) CONSIDERATIONS.—In determining whether or not a demonstration is made under subparagraph (A) by a person, the President shall take into consideration the ability of the person to pay response costs and still maintain its basic business operations, including consideration of the overall financial condition of the person and demonstrable constraints on the ability of the person to raise revenues.

''(C) INFORMATION.—A person requesting settlement under this paragraph shall promptly provide the President with all relevant information needed to determine the ability of the person to pay response costs.

''(D) ALTERNATIVE PAYMENT METHODS.—If the President determines that a person is unable to pay its total settlement amount at the time of settlement, the President shall consider such alternative payment methods as may be necessary or appropriate.

''(8) ADDITIONAL CONDITIONS FOR EXPEDITED SETTLEMENTS.—

''(A) WAIVER OF CLAIMS.—The President shall require, as a condition for settlement under this subsection, that a potentially responsible party waive all of the claims (including a claim for contribution under this Act) that the party may have against other potentially responsible parties for response costs incurred with respect to the facility, unless the President determines that requiring a waiver would be unjust.

''(B) FAILURE TO COMPLY.—The President may decline to offer a settlement to a potentially responsible party under this subsection if the President determines that the potentially responsible party has failed to comply with any request for access or information or an administrative subpoena issued by the President under this Act or has impeded or is impeding, through action or inaction, the performance of a response action with respect to the facility.

''(C) RESPONSIBILITY TO PROVIDE INFORMATION AND ACCESS.—A potentially responsible party that enters into a settlement under this subsection shall not be relieved of the responsibility to provide any information or access requested in accordance with subsection (e)(3)(B) or section 104(e).

''(9) BASIS OF DETERMINATION.—If the President determines that a potentially responsible party is not eligible for settlement under this subsection, the President shall provide the reasons for the determination in writing to the potentially responsible party that requested a settlement under this subsection.

''(10) NOTIFICATION.—As soon as practicable after receipt of sufficient information to make a determination, the President shall notify any person that the President determines is eligible under paragraph (1) of the person's eligibility for an expedited settlement.

''(11) NO JUDICIAL REVIEW.—A determination by the President under paragraph (7), (8), (9), or (10) shall not be subject to judicial review.

''(12) NOTICE OF SETTLEMENT.—After a settlement under this subsection becomes final with respect to a facility, the President shall promptly notify potentially responsible parties at the facility that have not resolved their liability to the United States of the settlement.''.

SEC. 103. EFFECT ON CONCLUDED ACTIONS.

The amendments made by this title shall not apply to or in any way affect any settlement lodged in, or judgment issued by, a United States District Court, or any administrative settlement or order entered into or issued by the United States or any State, before the date of the enactment of this Act.

TITLE II—BROWNFIELDS REVITALIZATION AND ENVIRONMENTAL RESTORATION

SEC. 201. SHORT TITLE.

This title may be cited as the ''Brownfields Revitalization and Environmental Restoration Act of 2001''.

Subtitle A—Brownfields Revitalization Funding

SEC. 211. BROWNFIELDS REVITALIZATION FUNDING.

(a) DEFINITION OF BROWNFIELD SITE.—Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601) is amended by adding at the end the following:

''(39) BROWNFIELD SITE.—

''(A) IN GENERAL.—The term 'brownfield site' means real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

''(B) EXCLUSIONS.—The term 'brownfield site' does not include—

''(i) a facility that is the subject of a planned or ongoing removal action under this title;

''(ii) a facility that is listed on the National Priorities List or is proposed for listing;

''(iii) a facility that is the subject of a unilateral administrative order, a court order, an administrative order on consent or judicial consent decree that has been issued to or entered into by the parties under this Act;

''(iv) a facility that is the subject of a unilateral administrative order, a court order, an administrative order on consent or judicial consent decree that has been issued to or entered into by the parties, or a facility to which a permit has been issued by the United States or an authorized State under the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1321), the Toxic Substances Control Act (15 U.S.C. 2601 et seq.), or the Safe Drinking Water Act (42 U.S.C. 300f et seq.);

''(v) a facility that—

''(I) is subject to corrective action under section 3004(u) or 3008(h) of the Solid Waste Disposal Act (42 U.S.C. 6924(u), 6928(h)); and

''(II) to which a corrective action permit or order has been issued or modified to require the implementation of corrective measures;

''(vi) a land disposal unit with respect to which—

''(I) a closure notification under subtitle C of the Solid Waste Disposal Act (42 U.S.C. 6921 et seq.) has been submitted; and

''(II) closure requirements have been specified in a closure plan or permit;

''(vii) a facility that is subject to the jurisdiction, custody, or control of a department, agency, or instrumentality of the United States, except for land held in trust by the United States for an Indian tribe;

''(viii) a portion of a facility—

''(I) at which there has been a release of polychlorinated biphenyls; and

''(II) that is subject to remediation under the Toxic Substances Control Act (15 U.S.C. 2601 et seq.); or

''(ix) a portion of a facility, for which portion, assistance for response activity has been obtained under subtitle I of the Solid Waste Disposal Act (42 U.S.C. 6991 et seq.) from the Leaking Underground Storage Tank Trust Fund established under section 9508 of the Internal Revenue Code of 1986.

''(C) SITE-BY-SITE DETERMINATIONS.—Notwithstanding subparagraph (B) and on a site-by-site basis, the President may authorize financial assistance under section 104(k) to an eligible entity at a site included in clause (i), (iv), (v), (vi), (viii), or (ix) of subparagraph (B) if the President finds that financial assistance will protect human health and the environment, and either promote economic development or enable the creation of, preservation of, or addition to parks, greenways, undeveloped property, other recreational property, or other property used for nonprofit purposes.

''(D) ADDITIONAL AREAS.—For the purposes of section 104(k), the term 'brownfield site' includes a site that—

''(i) meets the definition of 'brownfield site' under subparagraphs (A) through (C); and

''(ii)(I) is contaminated by a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802));

''(II)(aa) is contaminated by petroleum or a petroleum product excluded from the definition of 'hazardous substance' under section 101; and

''(bb) is a site determined by the Administrator or the State, as appropriate, to be—

''(AA) of relatively low risk, as compared with other petroleum-only sites in the State; and

''(BB) a site for which there is no viable responsible party and which will be assessed, investigated, or cleaned up by a person that is not potentially liable for cleaning up the site; and

''(cc) is not subject to any order issued under section 9003(h) of the Solid Waste Disposal Act (42 U.S.C. 6991b(h)); or

''(III) is mine-scarred land.''.

(b) BROWNFIELDS REVITALIZATION FUNDING.—Section 104 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604) is amended by adding at the end the following:

''(k) BROWNFIELDS REVITALIZATION FUNDING.—

''(1) DEFINITION OF ELIGIBLE ENTITY.—In this subsection, the term 'eligible entity' means—

''(A) a general purpose unit of local government;

''(B) a land clearance authority or other quasi-governmental entity that operates under the supervision and control of or as an agent of a general purpose unit of local government;

''(C) a government entity created by a State legislature;

''(D) a regional council or group of general purpose units of local government;

''(E) a redevelopment agency that is chartered or otherwise sanctioned by a State;

''(F) a State;

''(G) an Indian Tribe other than in Alaska, or

''(H) an Alaska Native Regional Corporation and an Alaska Native Village Corporation as those terms are defined in the Alaska Native Claims Settlement Act (43 U.S.C. 1601 and following) and the Metlakatla Indian community.

''(2) BROWNFIELD SITE CHARACTERIZATION AND ASSESSMENT GRANT PROGRAM.—

''(A) ESTABLISHMENT OF PROGRAM.—The Administrator shall establish a program to—

''(i) provide grants to inventory, characterize, assess, and conduct planning related to brownfield sites under subparagraph (B); and

''(ii) perform targeted site assessments at brownfield sites.

''(B) ASSISTANCE FOR SITE CHARACTERIZATION AND ASSESSMENT.—

''(i) IN GENERAL.—On approval of an application made by an eligible entity, the Administrator may make a grant to the eligible entity to be used for programs to inventory, characterize, assess, and conduct planning related to 1 or more brownfield sites.

''(ii) SITE CHARACTERIZATION AND ASSESSMENT.—A site characterization and assessment carried out with the use of a grant under clause (i) shall be performed in accordance with section 101(35)(B).

''(3) GRANTS AND LOANS FOR BROWNFIELD REMEDIATION.—

''(A) GRANTS PROVIDED BY THE PRESIDENT.—Subject to paragraphs (4) and (5), the President shall establish a program to provide grants to—

''(i) eligible entities, to be used for capitalization of revolving loan funds; and

''(ii) eligible entities or nonprofit organizations, where warranted, as determined by the President based on considerations under subparagraph (C), to be used directly for remediation of 1 or more brownfield sites owned by the entity or organization that receives the grant and in amounts not to exceed $200,000 for each site to be remediated.

''(B) LOANS AND GRANTS PROVIDED BY ELIGIBLE ENTITIES.—An eligible entity that receives a grant under subparagraph (A)(i) shall use the grant funds to provide assistance for the remediation of brownfield sites in the form of—

''(i) 1 or more loans to an eligible entity, a site owner, a site developer, or another person; or

''(ii) 1 or more grants to an eligible entity or other nonprofit organization, where warranted, as determined by the eligible entity that is providing the assistance, based on considerations under subparagraph (C), to remediate sites owned by the eligible entity or nonprofit organization that receives the grant.

''(C) CONSIDERATIONS.—In determining whether a grant under subparagraph (A)(ii) or (B)(ii) is warranted, the President or the eligible entity, as the case may be, shall take into consideration—

''(i) the extent to which a grant will facilitate the creation of, preservation of, or addition to a park, a greenway, undeveloped property, recreational property, or other property used for nonprofit purposes;

''(ii) the extent to which a grant will meet the needs of a community that has an inability to draw on other sources of funding for environmental remediation and subsequent redevelopment of the area in which a brownfield site is located because of the small population or low income of the community;

''(iii) the extent to which a grant will facilitate the use or reuse of existing infrastructure;

''(iv) the benefit of promoting the long-term availability of funds from a revolving loan fund for brownfield remediation; and

''(v) such other similar factors as the Administrator considers appropriate to consider for the purposes of this subsection.

''(D) TRANSITION.—Revolving loan funds that have been established before the date of enactment of this subsection may be used in accordance with this paragraph.

''(4) GENERAL PROVISIONS.—

''(A) MAXIMUM GRANT AMOUNT.—

''(i) BROWNFIELD SITE CHARACTERIZATION AND ASSESSMENT.—

''(I) IN GENERAL.—A grant under paragraph (2) may be awarded to an eligible entity on a community-wide or site-by-site basis, and shall not exceed, for any individual brownfield site covered by the grant, $200,000.

''(II) WAIVER.—The Administrator may waive the $200,000 limitation under subclause (I) to permit the brownfield site to receive a grant of not to exceed $350,000, based on the anticipated level of contamination, size, or status of ownership of the site.

''(ii) BROWNFIELD REMEDIATION.—A grant under paragraph (3)(A)(i) may be awarded to an eligible entity on a community-wide or site-by-site basis, not to exceed $1,000,000 per eligible entity. The Administrator may make an additional grant to an eligible entity described in the previous sentence for any year after the year for which the initial grant is made, taking into consideration—

''(I) the number of sites and number of communities that are addressed by the revolving loan fund;

''(II) the demand for funding by eligible entities that have not previously received a grant under this subsection;

''(III) the demonstrated ability of the eligible entity to use the revolving loan fund to enhance remediation and provide funds on a continuing basis; and

''(IV) such other similar factors as the Administrator considers appropriate to carry out this subsection.

''(B) PROHIBITION.—

''(i) IN GENERAL.—No part of a grant or loan under this subsection may be used for the payment of—

''(I) a penalty or fine;

''(II) a Federal cost-share requirement;

''(III) an administrative cost;

''(IV) a response cost at a brownfield site for which the recipient of the grant or loan is potentially liable under section 107; or

''(V) a cost of compliance with any Federal law (including a Federal law specified in section 101(39)(B)), excluding the cost of compliance with laws applicable to the cleanup.

''(ii) EXCLUSIONS.—For the purposes of clause (i)(III), the term 'administrative cost' does not include the cost of—

''(I) investigation and identification of the extent of contamination;

''(II) design and performance of a response action; or

''(III) monitoring of a natural resource.

''(C) ASSISTANCE FOR DEVELOPMENT OF LOCAL GOVERNMENT SITE REMEDIATION PROGRAMS.—A local government that receives a grant under this subsection may use not to exceed 10 percent of the grant funds to develop and implement a brownfields program that may include—

''(i) monitoring the health of populations exposed to 1 or more hazardous substances from a brownfield site; and

''(ii) monitoring and enforcement of any institutional control used to prevent human exposure to any hazardous substance from a brownfield site.

''(D) INSURANCE.—A recipient of a grant or loan awarded under paragraph (2) or (3) that performs a characterization, assessment, or remediation of a brownfield site may use a portion of the grant or loan to purchase insurance for the characterization, assessment, or remediation of that site.

''(5) GRANT APPLICATIONS.—

''(A) SUBMISSION.—

''(i) IN GENERAL.—

''(I) APPLICATION.—An eligible entity may submit to the Administrator, through a regional office of the Environmental Protection Agency and in such form as the Administrator may require, an application for a grant under this subsection for 1 or more brownfield sites (including information on the criteria used by the Administrator to rank applications under subparagraph (C), to the extent that the information is available).

''(II) NCP REQUIREMENTS.—The Administrator may include in any requirement for submission of an application under subclause (I) a requirement of the National Contingency Plan only to the extent that the requirement is relevant and appropriate to the program under this subsection.

''(ii) COORDINATION.—The Administrator shall coordinate with other Federal agencies to assist in making eligible entities aware of other available Federal resources.

''(iii) GUIDANCE.—The Administrator shall publish guidance to assist eligible entities in applying for grants under this subsection.

''(B) APPROVAL.—The Administrator shall—

''(i) at least annually, complete a review of applications for grants that are received from eligible entities under this subsection; and

''(ii) award grants under this subsection to eligible entities that the Administrator determines have the highest rankings under

the ranking criteria established under subparagraph (C).

''(C) RANKING CRITERIA.—The Administrator shall establish a system for ranking grant applications received under this paragraph that includes the following criteria:

''(i) The extent to which a grant will stimulate the availability of other funds for environmental assessment or remediation, and subsequent reuse, of an area in which 1 or more brownfield sites are located.

''(ii) The potential of the proposed project or the development plan for an area in which 1 or more brownfield sites are located to stimulate economic development of the area on completion of the cleanup.

''(iii) The extent to which a grant would address or facilitate the identification and reduction of threats to human health and the environment, including threats in areas in which there is a greater-than-normal incidence of diseases or conditions (including cancer, asthma, or birth defects) that may be associated with exposure to hazardous substances, pollutants, or contaminants.

''(iv) The extent to which a grant would facilitate the use or reuse of existing infrastructure.

''(v) The extent to which a grant would facilitate the creation of, preservation of, or addition to a park, a greenway, undeveloped property, recreational property, or other property used for nonprofit purposes.

''(vi) The extent to which a grant would meet the needs of a community that has an inability to draw on other sources of funding for environmental remediation and subsequent redevelopment of the area in which a brownfield site is located because of the small population or low income of the community.

''(vii) The extent to which the applicant is eligible for funding from other sources.

''(viii) The extent to which a grant will further the fair distribution of funding between urban and nonurban areas.

''(ix) The extent to which the grant provides for involvement of the local community in the process of making decisions relating to cleanup and future use of a brownfield site.

''(x) The extent to which a grant would address or facilitate the identification and reduction of threats to the health or welfare of children, pregnant women, minority or low-income communities, or other sensitive populations.

''(6) IMPLEMENTATION OF BROWNFIELDS PROGRAMS.—

''(A) ESTABLISHMENT OF PROGRAM.—The Administrator may provide, or fund eligible entities or nonprofit organizations to provide, training, research, and technical assistance to individuals and organizations, as appropriate, to facilitate the inventory of brownfield sites, site assessments, remediation of brownfield sites, community involvement, or site preparation.

''(B) FUNDING RESTRICTIONS.—The total Federal funds to be expended by the Administrator under this paragraph shall not exceed 15 percent of the total amount appropriated to carry out this subsection in any fiscal year.

''(7) AUDITS.—

''(A) IN GENERAL.—The Inspector General of the Environmental Protection Agency shall conduct such reviews or audits of grants and loans under this subsection as the Inspector General considers necessary to carry out this subsection.

''(B) PROCEDURE.—An audit under this subparagraph shall be conducted in accordance with the auditing procedures of the General Accounting Office, including chapter 75 of title 31, United States Code.

''(C) VIOLATIONS.—If the Administrator determines that a person that receives a grant or loan under this subsection has violated or is in violation of a condition of the grant, loan, or applicable Federal law, the Administrator may—

''(i) terminate the grant or loan;

''(ii) require the person to repay any funds received; and

''(iii) seek any other legal remedies available to the Administrator.

''(D) REPORT TO CONGRESS.—Not later than 3 years after the date of enactment of this subsection, the Inspector General of the Environmental Protection Agency shall submit to Congress a report that provides a description of the management of the program (including a description of the allocation of funds under this subsection).

''(8) LEVERAGING.—An eligible entity that receives a grant under this subsection may use the grant funds for a portion of a project at a brownfield site for which funding is received from other sources if the grant funds are used only for the purposes described in paragraph (2) or (3).

''(9) AGREEMENTS.—Each grant or loan made under this subsection shall—

''(A) include a requirement of the National Contingency Plan only to the extent that the requirement is relevant and appropriate to the program under this subsection, as determined by the Administrator; and

''(B) be subject to an agreement that—

''(i) requires the recipient to—

''(I) comply with all applicable Federal and State laws; and

''(II) ensure that the cleanup protects human health and the environment;

''(ii) requires that the recipient use the grant or loan exclusively for purposes specified in paragraph (2) or (3), as applicable;

''(iii) in the case of an application by an eligible entity under paragraph (3)(A), requires the eligible entity to pay a matching share (which may be in the form of a contribution of labor, material, or services) of at least 20 percent, from non-Federal sources of funding, unless the Administrator determines that the matching share would place an undue hardship on the eligible entity; and

''(iv) contains such other terms and conditions as the Administrator determines to be necessary to carry out this subsection.

''(10) FACILITY OTHER THAN BROWNFIELD SITE.—The fact that a facility may not be a brownfield site within the meaning of section 101(39)(A) has no effect on the eligibility of the facility for assistance under any other provision of Federal law.

''(11) EFFECT ON FEDERAL LAWS.—Nothing in this subsection affects any liability or response authority under any Federal law, including—

''(A) this Act (including the last sentence of section 101(14));

''(B) the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.);

''(C) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.);

''(D) the Toxic Substances Control Act (15 U.S.C. 2601 et seq.); and

''(E) the Safe Drinking Water Act (42 U.S.C. 300f et seq.).

''(12) FUNDING.—

''(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $200,000,000 for each of fiscal years 2002 through 2006.

''(B) USE OF CERTAIN FUNDS.—Of the amount made available under subparagraph (A), $50,000,000, or, if the amount made available is less than $200,000,000, 25 percent of the amount made available, shall be used for site characterization, assessment, and remediation of facilities described in section 101(39)(D)(ii)(II).''.

Subtitle B—Brownfields Liability Clarifications

SEC. 221. CONTIGUOUS PROPERTIES.

Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607) is amended by adding at the end the following:

''(q) CONTIGUOUS PROPERTIES.—

''(1) NOT CONSIDERED TO BE AN OWNER OR OPERATOR.—

''(A) IN GENERAL.—A person that owns real property that is contiguous to or otherwise similarly situated with respect to, and that is or may be contaminated by a release or threatened release of a hazardous substance from, real property that is not owned by that person shall not be considered to be an owner or operator of a vessel or facility under paragraph (1) or (2) of subsection (a) solely by reason of the contamination if—

''(i) the person did not cause, contribute, or consent to the release or threatened release;

''(ii) the person is not—

''(I) potentially liable, or affiliated with any other person that is potentially liable, for response costs at a facility through any direct or indirect familial relationship or any contractual, corporate, or financial relationship (other than a contractual, corporate, or financial relationship that is created by a contract for the sale of goods or services); or

''(II) the result of a reorganization of a business entity that was potentially liable;

''(iii) the person takes reasonable steps to—

''(I) stop any continuing release;

''(II) prevent any threatened future release; and

''(III) prevent or limit human, environmental, or natural resource exposure to any hazardous substance released on or from property owned by that person;

''(iv) the person provides full cooperation, assistance, and access to persons that are authorized to conduct response actions or natural resource restoration at the vessel or facility from which there has been a release or threatened release (including the cooperation and access necessary for the installation, integrity, operation, and maintenance of any complete or partial response action or natural resource restoration at the vessel or facility);

''(v) the person—

''(I) is in compliance with any land use restrictions established or relied on in connection with the response action at the facility; and

''(II) does not impede the effectiveness or integrity of any institutional control employed in connection with a response action;

''(vi) the person is in compliance with any request for information or administrative subpoena issued by the President under this Act;

''(vii) the person provides all legally required notices with respect to the discovery or release of any hazardous substances at the facility; and

''(viii) at the time at which the person acquired the property, the person—

''(I) conducted all appropriate inquiry within the meaning of section 101(35)(B) with respect to the property; and

''(II) did not know or have reason to know that the property was or could be contaminated by a release or threatened release of 1

or more hazardous substances from other real property not owned or operated by the person.

''(B) DEMONSTRATION.—To qualify as a person described in subparagraph (A), a person must establish by a preponderance of the evidence that the conditions in clauses (i) through (viii) of subparagraph (A) have been met.

''(C) BONA FIDE PROSPECTIVE PURCHASER.—Any person that does not qualify as a person described in this paragraph because the person had, or had reason to have, knowledge specified in subparagraph (A)(viii) at the time of acquisition of the real property may qualify as a bona fide prospective purchaser under section 101(40) if the person is otherwise described in that section.

''(D) GROUND WATER.—With respect to a hazardous substance from 1 or more sources that are not on the property of a person that is a contiguous property owner that enters ground water beneath the property of the person solely as a result of subsurface migration in an aquifer, subparagraph (A)(iii) shall not require the person to conduct ground water investigations or to install ground water remediation systems, except in accordance with the policy of the Environmental Protection Agency concerning owners of property containing contaminated aquifers, dated May 24, 1995.

''(2) EFFECT OF LAW.—With respect to a person described in this subsection, nothing in this subsection—

''(A) limits any defense to liability that may be available to the person under any other provision of law; or

''(B) imposes liability on the person that is not otherwise imposed by subsection (a).

''(3) ASSURANCES.—The Administrator may—

''(A) issue an assurance that no enforcement action under this Act will be initiated against a person described in paragraph (1); and

''(B) grant a person described in paragraph (1) protection against a cost recovery or contribution action under section 113(f).''.

SEC. 222. PROSPECTIVE PURCHASERS AND WINDFALL LIENS.

(a) DEFINITION OF BONA FIDE PROSPECTIVE PURCHASER.—Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601) (as amended by section 211(a) of this Act) is amended by adding at the end the following:

''(40) BONA FIDE PROSPECTIVE PURCHASER.—The term 'bona fide prospective purchaser' means a person (or a tenant of a person) that acquires ownership of a facility after the date of enactment of this paragraph and that establishes each of the following by a preponderance of the evidence:

''(A) DISPOSAL PRIOR TO ACQUISITION.—All disposal of hazardous substances at the facility occurred before the person acquired the facility.

''(B) INQUIRIES.—

''(i) IN GENERAL.—The person made all appropriate inquiries into the previous ownership and uses of the facility in accordance with generally accepted good commercial and customary standards and practices in accordance with clauses (ii) and (iii).

''(ii) STANDARDS AND PRACTICES.—The standards and practices referred to in clauses (ii) and (iv) of paragraph (35)(B) shall be considered to satisfy the requirements of this subparagraph.

''(iii) RESIDENTIAL USE.—In the case of property in residential or other similar use at the time of purchase by a nongovernmental or noncommercial entity, a facility inspection and title search that reveal no basis for further investigation shall be considered to satisfy the requirements of this subparagraph.

''(C) NOTICES.—The person provides all legally required notices with respect to the discovery or release of any hazardous substances at the facility.

''(D) CARE.—The person exercises appropriate care with respect to hazardous substances found at the facility by taking reasonable steps to—

''(i) stop any continuing release;

''(ii) prevent any threatened future release; and

''(iii) prevent or limit human, environmental, or natural resource exposure to any previously released hazardous substance.

''(E) COOPERATION, ASSISTANCE, AND ACCESS.—The person provides full cooperation, assistance, and access to persons that are authorized to conduct response actions or natural resource restoration at a vessel or facility (including the cooperation and access necessary for the installation, integrity, operation, and maintenance of any complete or partial response actions or natural resource restoration at the vessel or facility).

''(F) INSTITUTIONAL CONTROL.—The person—

''(i) is in compliance with any land use restrictions established or relied on in connection with the response action at a vessel or facility; and

''(ii) does not impede the effectiveness or integrity of any institutional control employed at the vessel or facility in connection with a response action.

''(G) REQUESTS; SUBPOENAS.—The person complies with any request for information or administrative subpoena issued by the President under this Act.

''(H) NO AFFILIATION.—The person is not—

''(i) potentially liable, or affiliated with any other person that is potentially liable, for response costs at a facility through—

''(I) any direct or indirect familial relationship; or

''(II) any contractual, corporate, or financial relationship (other than a contractual, corporate, or financial relationship that is created by the instruments by which title to the facility is conveyed or financed or by a contract for the sale of goods or services); or

''(ii) the result of a reorganization of a business entity that was potentially liable.''.

(b) PROSPECTIVE PURCHASER AND WINDFALL LIEN.—Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607) (as amended by this Act) is further amended by adding at the end the following:

''(r) PROSPECTIVE PURCHASER AND WINDFALL LIEN.—

''(1) LIMITATION ON LIABILITY.—Notwithstanding subsection (a)(1), a bona fide prospective purchaser whose potential liability for a release or threatened release is based solely on the purchaser's being considered to be an owner or operator of a facility shall not be liable as long as the bona fide prospective purchaser does not impede the performance of a response action or natural resource restoration.

''(2) LIEN.—If there are unrecovered response costs incurred by the United States at a facility for which an owner of the facility is not liable by reason of paragraph (1), and if each of the conditions described in paragraph (3) is met, the United States shall have a lien on the facility, or may by agreement with the owner, obtain from the owner a lien on any other property or other assurance of payment satisfactory to the Administrator, for the unrecovered response costs.

''(3) CONDITIONS.—The conditions referred to in paragraph (2) are the following:

''(A) RESPONSE ACTION.—A response action for which there are unrecovered costs of the United States is carried out at the facility.

''(B) FAIR MARKET VALUE.—The response action increases the fair market value of the facility above the fair market value of the facility that existed before the response action was initiated.

''(4) AMOUNT; DURATION.—A lien under paragraph (2)—

''(A) shall be in an amount not to exceed the increase in fair market value of the property attributable to the response action at the time of a sale or other disposition of the property;

''(B) shall arise at the time at which costs are first incurred by the United States with respect to a response action at the facility;

''(C) shall be subject to the requirements of subsection (l)(3); and

''(D) shall continue until the earlier of—

''(i) satisfaction of the lien by sale or other means; or

''(ii) notwithstanding any statute of limitations under section 113, recovery of all response costs incurred at the facility.''.

SEC. 223. INNOCENT LANDOWNERS.

Section 101(35) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(35)) is amended—

(1) in subparagraph (A)—

(A) in the first sentence, in the matter preceding clause (i), by striking ''deeds or'' and inserting ''deeds, easements, leases, or''; and

(B) in the second sentence—

(i) by striking ''he'' and inserting ''the defendant''; and

(ii) by striking the period at the end and inserting '', provides full cooperation, assistance, and facility access to the persons that are authorized to conduct response actions at the facility (including the cooperation and access necessary for the installation, integrity, operation, and maintenance of any complete or partial response action at the facility), is in compliance with any land use restrictions established or relied on in connection with the response action at a facility, and does not impede the effectiveness or integrity of any institutional control employed at the facility in connection with a response action.''; and

(2) by striking subparagraph (B) and inserting the following:

''(B) REASON TO KNOW.—

''(i) ALL APPROPRIATE INQUIRIES.—To establish that the defendant had no reason to know of the matter described in subparagraph (A)(i), the defendant must demonstrate to a court that—

''(I) on or before the date on which the defendant acquired the facility, the defendant carried out all appropriate inquiries, as provided in clauses (ii) and (iv), into the previous ownership and uses of the facility in accordance with generally accepted good commercial and customary standards and practices; and

''(II) the defendant took reasonable steps to—

''(aa) stop any continuing release;

''(bb) prevent any threatened future release; and

''(cc) prevent or limit any human, environmental, or natural resource exposure to any previously released hazardous substance.

''(ii) STANDARDS AND PRACTICES.—Not later than 2 years after the date of enactment of

the Brownfields Revitalization and Environmental Restoration Act of 2001, the Administrator shall by regulation establish standards and practices for the purpose of satisfying the requirement to carry out all appropriate inquiries under clause (i).

''(iii) CRITERIA.—In promulgating regulations that establish the standards and practices referred to in clause (ii), the Administrator shall include each of the following:

''(I) The results of an inquiry by an environmental professional.

''(II) Interviews with past and present owners, operators, and occupants of the facility for the purpose of gathering information regarding the potential for contamination at the facility.

''(III) Reviews of historical sources, such as chain of title documents, aerial photographs, building department records, and land use records, to determine previous uses and occupancies of the real property since the property was first developed.

''(IV) Searches for recorded environmental cleanup liens against the facility that are filed under Federal, State, or local law.

''(V) Reviews of Federal, State, and local government records, waste disposal records, underground storage tank records, and hazardous waste handling, generation, treatment, disposal, and spill records, concerning contamination at or near the facility.

''(VI) Visual inspections of the facility and of adjoining properties.

''(VII) Specialized knowledge or experience on the part of the defendant.

''(VIII) The relationship of the purchase price to the value of the property, if the property was not contaminated.

''(IX) Commonly known or reasonably ascertainable information about the property.

''(X) The degree of obviousness of the presence or likely presence of contamination at the property, and the ability to detect the contamination by appropriate investigation.

''(iv) INTERIM STANDARDS AND PRACTICES.—

''(I) PROPERTY PURCHASED BEFORE MAY 31, 1997.—With respect to property purchased before May 31, 1997, in making a determination with respect to a defendant described of clause (i), a court shall take into account—

''(aa) any specialized knowledge or experience on the part of the defendant;

''(bb) the relationship of the purchase price to the value of the property, if the property was not contaminated;

''(cc) commonly known or reasonably ascertainable information about the property;

''(dd) the obviousness of the presence or likely presence of contamination at the property; and

''(ee) the ability of the defendant to detect the contamination by appropriate inspection.

''(II) PROPERTY PURCHASED ON OR AFTER MAY 31, 1997.—With respect to property purchased on or after May 31, 1997, and until the Administrator promulgates the regulations described in clause (ii), the procedures of the American Society for Testing and Materials, including the document known as 'Standard E1527–97', entitled 'Standard Practice for Environmental Site Assessment: Phase 1 Environmental Site Assessment Process', shall satisfy the requirements in clause (i).

''(v) SITE INSPECTION AND TITLE SEARCH.—In the case of property for residential use or other similar use purchased by a nongovernmental or noncommercial entity, a facility inspection and title search that reveal no basis for further investigation shall be considered to satisfy the requirements of this subparagraph.''.

Subtitle C—State Response Programs

SEC. 231. STATE RESPONSE PROGRAMS.

(a) DEFINITIONS.—Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601) (as amended by this Act) is further amended by adding at the end the following:

''(41) ELIGIBLE RESPONSE SITE.—

''(A) IN GENERAL.—The term 'eligible response site' means a site that meets the definition of a brownfield site in subparagraphs (A) and (B) of paragraph (39), as modified by subparagraphs (B) and (C) of this paragraph.

''(B) INCLUSIONS.—The term 'eligible response site' includes—

''(i) notwithstanding paragraph (39)(B)(ix), a portion of a facility, for which portion assistance for response activity has been obtained under subtitle I of the Solid Waste Disposal Act (42 U.S.C. 6991 et seq.) from the Leaking Underground Storage Tank Trust Fund established under section 9508 of the Internal Revenue Code of 1986; or

''(ii) a site for which, notwithstanding the exclusions provided in subparagraph (C) or paragraph (39)(B), the President determines, on a site-by-site basis and after consultation with the State, that limitations on enforcement under section 128 at sites specified in clause (iv), (v), (vi) or (viii) of paragraph (39)(B) would be appropriate and will—

''(I) protect human health and the environment; and

''(II) promote economic development or facilitate the creation of, preservation of, or addition to a park, a greenway, undeveloped property, recreational property, or other property used for nonprofit purposes.

''(C) EXCLUSIONS.—The term 'eligible response site' does not include—

''(i) a facility for which the President—

''(I) conducts or has conducted a preliminary assessment or site inspection; and

''(II) after consultation with the State, determines or has determined that the site obtains a preliminary score sufficient for possible listing on the National Priorities List, or that the site otherwise qualifies for listing on the National Priorities List; unless the President has made a determination that no further Federal action will be taken; or

''(ii) facilities that the President determines warrant particular consideration as identified by regulation, such as sites posing a threat to a sole-source drinking water aquifer or a sensitive ecosystem.''.

(b) STATE RESPONSE PROGRAMS.—Title I of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) is amended by adding at the end the following:

''SEC. 128. STATE RESPONSE PROGRAMS.

''(a) ASSISTANCE TO STATES.—

''(1) IN GENERAL.—

''(A) STATES.—The Administrator may award a grant to a State or Indian tribe that—

''(i) has a response program that includes each of the elements, or is taking reasonable steps to include each of the elements, listed in paragraph (2); or

''(ii) is a party to a memorandum of agreement with the Administrator for voluntary response programs.

''(B) USE OF GRANTS BY STATES.—

''(i) IN GENERAL.—A State or Indian tribe may use a grant under this subsection to establish or enhance the response program of the State or Indian tribe.

''(ii) ADDITIONAL USES.—In addition to the uses under clause (i), a State or Indian tribe may use a grant under this subsection to—

''(I) capitalize a revolving loan fund for brownfield remediation under section 104(k)(3); or

''(II) purchase insurance or develop a risk sharing pool, an indemnity pool, or insurance mechanism to provide financing for response actions under a State response program.

''(2) ELEMENTS.—The elements of a State or Indian tribe response program referred to in paragraph (1)(A)(i) are the following:

''(A) Timely survey and inventory of brownfield sites in the State.

''(B) Oversight and enforcement authorities or other mechanisms, and resources, that are adequate to ensure that—

''(i) a response action will—

''(I) protect human health and the environment; and

''(II) be conducted in accordance with applicable Federal and State law; and

''(ii) if the person conducting the response action fails to complete the necessary response activities, including operation and maintenance or long-term monitoring activities, the necessary response activities are completed.

''(C) Mechanisms and resources to provide meaningful opportunities for public participation, including—

''(i) public access to documents that the State, Indian tribe, or party conducting the cleanup is relying on or developing in making cleanup decisions or conducting site activities;

''(ii) prior notice and opportunity for comment on proposed cleanup plans and site activities; and

''(iii) a mechanism by which—

''(I) a person that is or may be affected by a release or threatened release of a hazardous substance, pollutant, or contaminant at a brownfield site located in the community in which the person works or resides may request the conduct of a site assessment; and

''(II) an appropriate State official shall consider and appropriately respond to a request under subclause (I).

''(D) Mechanisms for approval of a cleanup plan, and a requirement for verification by and certification or similar documentation from the State, an Indian tribe, or a licensed site professional to the person conducting a response action indicating that the response is complete.

''(3) FUNDING.—There is authorized to be appropriated to carry out this subsection $50,000,000 for each of fiscal years 2002 through 2006.

''(b) ENFORCEMENT IN CASES OF A RELEASE SUBJECT TO STATE PROGRAM.—

''(1) ENFORCEMENT.—

''(A) IN GENERAL.— Except as provided in subparagraph (B) and subject to subparagraph (C), in the case of an eligible response site at which—

''(i) there is a release or threatened release of a hazardous substance, pollutant, or contaminant; and

''(ii) a person is conducting or has completed a response action regarding the specific release that is addressed by the response action that is in compliance with the State program that specifically governs response actions for the protection of public health and the environment;

the President may not use authority under this Act to take an administrative or judicial enforcement action under section 106(a) or to take a judicial enforcement action to recover response costs under section 107(a)

against the person regarding the specific release that is addressed by the response action.

''(B) EXCEPTIONS.—The President may bring an administrative or judicial enforcement action under this Act during or after completion of a response action described in subparagraph (A) with respect to a release or threatened release at an eligible response site described in that subparagraph if—

''(i) the State requests that the President provide assistance in the performance of a response action;

''(ii) the Administrator determines that contamination has migrated or will migrate across a State line, resulting in the need for further response action to protect human health or the environment, or the President determines that contamination has migrated or is likely to migrate onto property subject to the jurisdiction, custody, or control of a department, agency, or instrumentality of the United States and may impact the authorized purposes of the Federal property;

''(iii) after taking into consideration the response activities already taken, the Administrator determines that—

''(I) a release or threatened release may present an imminent and substantial endangerment to public health or welfare or the environment; and

''(II) additional response actions are likely to be necessary to address, prevent, limit, or mitigate the release or threatened release; or

''(iv) the Administrator, after consultation with the State, determines that information, that on the earlier of the date on which cleanup was approved or completed, was not known by the State, as recorded in documents prepared or relied on in selecting or conducting the cleanup, has been discovered regarding the contamination or conditions at a facility such that the contamination or conditions at the facility present a threat requiring further remediation to protect public health or welfare or the environment. Consultation with the State shall not limit the ability of the Administrator to make this determination.

''(C) PUBLIC RECORD.—The limitations on the authority of the President under subparagraph (A) apply only at sites in States that maintain, update not less than annually, and make available to the public a record of sites, by name and location, at which response actions have been completed in the previous year and are planned to be addressed under the State program that specifically governs response actions for the protection of public health and the environment in the upcoming year. The public record shall identify whether or not the site, on completion of the response action, will be suitable for unrestricted use and, if not, shall identify the institutional controls relied on in the remedy. Each State and tribe receiving financial assistance under subsection (a) shall maintain and make available to the public a record of sites as provided in this paragraph.

''(D) EPA NOTIFICATION.—

''(i) IN GENERAL.—In the case of an eligible response site at which there is a release or threatened release of a hazardous substance, pollutant, or contaminant and for which the Administrator intends to carry out an action that may be barred under subparagraph (A), the Administrator shall—

''(I) notify the State of the action the Administrator intends to take; and

''(II)(aa) wait 48 hours for a reply from the State under clause (ii); or

''(bb) if the State fails to reply to the notification or if the Administrator makes a determination under clause (iii), take immediate action under that clause.

''(ii) STATE REPLY.—Not later than 48 hours after a State receives notice from the Administrator under clause (i), the State shall notify the Administrator if—

''(I) the release at the eligible response site is or has been subject to a cleanup conducted under a State program; and

''(II) the State is planning to abate the release or threatened release, any actions that are planned.

''(iii) IMMEDIATE FEDERAL ACTION.—The Administrator may take action immediately after giving notification under clause (i) without waiting for a State reply under clause (ii) if the Administrator determines that 1 or more exceptions under subparagraph (B) are met.

''(E) REPORT TO CONGRESS.—Not later than 90 days after the date of initiation of any enforcement action by the President under clause (ii), (iii), or (iv) of subparagraph (B), the President shall submit to Congress a report describing the basis for the enforcement action, including specific references to the facts demonstrating that enforcement action is permitted under subparagraph (B).

''(2) SAVINGS PROVISION.—

''(A) COSTS INCURRED PRIOR TO LIMITATIONS.—Nothing in paragraph (1) precludes the President from seeking to recover costs incurred prior to the date of enactment of this section or during a period in which the limitations of paragraph (1)(A) were not applicable.

''(B) EFFECT ON AGREEMENTS BETWEEN STATES AND EPA.—Nothing in paragraph (1)—

''(i) modifies or otherwise affects a memorandum of agreement, memorandum of understanding, or any similar agreement relating to this Act between a State agency or an Indian tribe and the Administrator that is in effect on or before the date of enactment of this section (which agreement shall remain in effect, subject to the terms of the agreement); or

''(ii) limits the discretionary authority of the President to enter into or modify an agreement with a State, an Indian tribe, or any other person relating to the implementation by the President of statutory authorities.

''(3) EFFECTIVE DATE.—This subsection applies only to response actions conducted after February 15, 2001.

''(c) EFFECT ON FEDERAL LAWS.—Nothing in this section affects any liability or response authority under any Federal law, including—

''(1) this Act, except as provided in subsection (b);

''(2) the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.);

''(3) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.);

''(4) the Toxic Substances Control Act (15 U.S.C. 2601 et seq.); and

''(5) the Safe Drinking Water Act (42 U.S.C. 300f et seq.).''.

SEC. 232. ADDITIONS TO NATIONAL PRIORITIES LIST.

Section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9605) is amended by adding at the end the following:

''(h) NPL DEFERRAL.—

''(1) DEFERRAL TO STATE VOLUNTARY CLEANUPS.—At the request of a State and subject to paragraphs (2) and (3), the President generally shall defer final listing of an eligible response site on the National Priorities List if the President determines that—

''(A) the State, or another party under an agreement with or order from the State, is conducting a response action at the eligible response site—

''(i) in compliance with a State program that specifically governs response actions for the protection of public health and the environment; and

''(ii) that will provide long-term protection of human health and the environment; or

''(B) the State is actively pursuing an agreement to perform a response action described in subparagraph (A) at the site with a person that the State has reason to believe is capable of conducting a response action that meets the requirements of subparagraph (A).

''(2) PROGRESS TOWARD CLEANUP.—If, after the last day of the 1-year period beginning on the date on which the President proposes to list an eligible response site on the National Priorities List, the President determines that the State or other party is not making reasonable progress toward completing a response action at the eligible response site, the President may list the eligible response site on the National Priorities List.

''(3) CLEANUP AGREEMENTS.—With respect to an eligible response site under paragraph (1)(B), if, after the last day of the 1-year period beginning on the date on which the President proposes to list the eligible response site on the National Priorities List, an agreement described in paragraph (1)(B) has not been reached, the President may defer the listing of the eligible response site on the National Priorities List for an additional period of not to exceed 180 days if the President determines deferring the listing would be appropriate based on—

''(A) the complexity of the site;

''(B) substantial progress made in negotiations; and

''(C) other appropriate factors, as determined by the President.

''(4) EXCEPTIONS.—The President may decline to defer, or elect to discontinue a deferral of, a listing of an eligible response site on the National Priorities List if the President determines that—

''(A) deferral would not be appropriate because the State, as an owner or operator or a significant contributor of hazardous substances to the facility, is a potentially responsible party;

''(B) the criteria under the National Contingency Plan for issuance of a health advisory have been met; or

''(C) the conditions in paragraphs (1) through (3), as applicable, are no longer being met.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. GILLMOR) and the gentleman from New Jersey (Mr. PALLONE) each will control 20 minutes.

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

GENERAL LEAVE

Mr. GILLMOR. 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 the bill now under consideration.

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

There was no objection.

Mr. GILLMOR. Mr. Speaker, I ask unanimous consent that I may be permitted to yield one-half of my time to

the gentleman from Tennessee (Mr. DUNCAN).

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

There was no objection.

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

Mr. Speaker, the bill before us, H.R. 2869, is the most important reform of the Federal superfund program in the past 15 years.

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In fact, it will be the most significant environmental reform legislation to pass Congress in several sessions. I am happy to see the strong bipartisan support for this bill.

I want to thank the cosponsors, the gentleman from Michigan (Mr. DINGELL), the ranking member of the Committee on Energy and Commerce; the gentleman from Louisiana (Mr. TAUZIN); my colleagues on the Subcommittee on Environment and Hazardous Materials, the gentleman from New Jersey (Mr. PALLONE); and I also want to single out the gentleman from Illinois (Mr. SHIMKUS) for the extraordinary work that he has done on the part of this bill dealing with small business liability, not only in this session but in the last session.

This legislation deals with Superfund, which is the Nation's major program dealing with dangerous hazardous waste sites. As good as the goals of Superfund have been, the actual way this program has worked has unfortunately been an example of what too frequently is wrong with government programs.

Some responsible observers have estimated that as much as half of all the money spent for Superfund goes not for cleaning up anything, but goes for attorney fees and regulatory costs.

The legislation before us today reforms two very important parts of Superfund. It provides relief for small businesses from Superfund liability in a number of cases, and it reforms the brownfields program.

Earlier this year, I introduced and the House passed by a margin of 419 to nothing the small business liability reform legislation. That legislation has not moved in the Senate, nor has it had any hearings.

Also earlier this year the Senate passed by a 99 to nothing vote a brownfields reform bill. We have held several hearings on this legislation in the Subcommittee on Environment and Hazardous Materials. What this legislation before us today does is combine those two bills in one package with the hope that we can facilitate getting those bills adopted by Congress as soon as possible and on to the President's desk.

There are approximately 500,000 brownfield locations in this country. Brownfield reform is necessary both to protect the environment and to protect public safety. Too often today, current law produces an outcome that is very anti-environment.

Several witnesses testified before our committee that fear of liability kept them from cleaning up brownfields, and when people are afraid to use a brownfield because of the expense, because of the aggravation involved, they go out and acquire green spaces or virgin land for development instead of safely cleaning up and developing a brownfield.

At a minimum, reform is required to stop the unnecessary plowing up of green spaces in farmlands so they can be covered with asphalt and concrete.

I have been a Member of Congress for six terms, and throughout that time I have heard from Members of both parties, of the public, of three administrations talk about reforming Superfund, and it has yet to happen. Hopefully, today's action will result in a piece of that reform.

Among other things, the brownfields portion of the bill provides money and incentives for State clean-ups, includes limits on Federal enforcement, and protects contiguous property owners, prospective buyers, and innocent landowners. It also creates more liability in the brownfields program. The Senate passed a good bill. It is not perfect, but the perfect should not be the enemy of the good.

The small business liability relief part of this legislation, which passed earlier as H.R. 1831, that bill also enjoyed bipartisan support, and it seeks to end 20 years' worth of anguish and anxiety for individuals, for families, and for small business owners across our country.

It seeks to address the problems of people like Barbara Williams of Gettysburg, Pennsylvania, who has come before our committee in the past to tell how her former restaurant, the Sunny Ray, became enmeshed in the financial quagmire of Superfund liability because she threw chicken bones and other ordinary trash in the local dump. That outcome is not right, and it is not an isolated story.

Specifically, the bill before us provides relief to businesses of 100 people or less who should never have been brought into Superfund and its resultant litigation. This legislation protects small businesses which disposed of very small amounts of waste or ordinary garbage, and it shelters small businesses from serious financial hardship by offering the affected businesses expedited settlements. It does not save any business from Superfund liability if their waste stream caused serious environmental harm.

The bill provides an appropriate helping hand, while keeping the onus on all businesses to be responsible stewards of our environment.

This legislation is supported by the Bush administration, the National Federation of Independent Businesses, the Building and Construction Trade Unions, the U.S. Conference of Mayors, the National Association of Manufacturers, the Real Estate Round Table, including the National Association of Realtors and many other groups.

I would urge all of my colleagues in the House to support the legislation before us, which incorporates both brownfields reform and small business liability reform.

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

Mr. PALLONE. Mr. Speaker, I ask unanimous consent to yield 10 minutes to the gentleman from Oregon (Mr. DEFAZIO), and that he may be permitted to yield time, as well.

The SPEAKER pro tempore (Mr. SHIMKUS). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

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

Mr. Speaker, I am pleased tonight that we are finally considering, after much delay, H.R. 2869, the Small Business Liability Relief and Brownfields Liability Act. The bill is actually a compilation of two popular pieces of legislation.

The first half of the bill is verbatim the provisions of H.R. 1381, the Small Business Protection ACt. This bill, which gives Superfund liability exemptions for those small businesses that discarded ordinary household waste, was favorably reported from our committee and passed the House by a vote of 419 to zero on May 22 of this year.

The second half of the bill contains the provisions of S. 350, the Brownfields Revitalization Act, which passed the Senate on April 25 this year by a vote of 99 to 0.

Brownfields are a relatively recent complex and dynamic area of public policy. Government at all levels, local, State, and Federal, is grappling with liability, environmental and cost issues caused by brownfields reclamation, and is taking steps to resolve them.

Despite the popular image of brownfields as an urban problem they are found in suburbs and rural areas, too. In my home State of New Jersey, which is heavily affected probably with more brown field sites than any State in the Nation, but New Jersey, for that reason, has taken a leadership role in developing regulatory and funding tools for cleaning up brownfields.

The ability to reuse brownfields is important in implementing a smart growth agenda because it blunts pressures to develop untouched green spaces, and therefore helps contain sprawl.

However, brownfields redevelopment is also important because of the public policy perspective, which is essentially a tricky one. It is clear there is no such thing as a typical brownfields site, nor

is there one problem common to all sites. They vary greatly in the size, location, origin, marketability, and degree of contamination.

For the most part, none of the sites have been inventoried or assessed. Those two facts make it nearly impossible to prescribe a single solution which provides redevelopment incentives for the wide variety of brownfields sites that currently exist.

With these in mind, I believe the role for the Federal Government is to strike a balance between the desire to provide redevelopment incentives that will work for a variety of sites, while at the same time maintaining the assurance to affected citizens that these sites will no longer threaten the health of the community. This is essentially the basis for our legislation.

The bill provides critically needed funds to assess and clean up abandoned and underutilized brownfield sites which will create jobs, increase tax revenues, preserve and create open space and parks. In addition, it provides legal protections for innocent parties such as contiguous property owners, prospective purchasers, and innocent landowners. I expect or I hope that this legislation will not only pass the House tonight and then the Senate quickly, and then be sent on to the President for his approval.

I have to say, Mr. Speaker, this is really a bill that provides a win-win situation. The gentleman from (Mr. GILLMOR) talked about all the different groups that support it. It is kind of interesting to see environmental groups and the building trades and all the different business organizations all supporting the same bill, but it really, truly is supported by all of them because it is a win-win situation.

By cleaning up these brownfields sites, we provide an opportunity for more jobs while at the same time cleaning up the environment, protecting public health, and curbing suburban sprawl.

I just wanted to say before I conclude, in my home State of New Jersey, as I said, there are so many brownfield sites. Just last week I visited a site in my district called Edison Crossroads. It is a perfect example of the opportunities afforded our communities when this bill becomes law.

This once-abandoned eyesore of a former steel tubing and floor tile manufacturing facility. With the opportunity to recover 75 percent of its remedial costs and receive liability protection by performing a State-approved clean-up, the development company Arc Properties was encouraged to move forward with purchasing this site and conducting a massive clean-up and reuse project, including the excavation of more than 600 tons of tainted soil, nine underground storage tanks, and removal of several buildings filled with asbestos.

Today, and I was there, as I said, last week, the site has attracted a Home Depot, Edwards, World Carpet, and many other large companies, resulting in a positive source of economic growth for the local and regional communities.

We have a lot of those success stories like this in New jersey: the New Jersey Performing Arts Center in Newark, the Jersey Gardens Mall in Elizabeth. This brownfield redevelopment, because of what my State is doing, is having a huge impact on the New Jersey landscape.

I am very pleased our subcommittee was able to move this important piece of bipartisan legislation. It is truly bipartisan, as the gentleman from Ohio (Mr. GILLMOR) mentioned.

I want to thank the gentleman from Ohio (Mr. GILLMOR) and the chairman of our full committee, the gentleman from Louisiana (Mr. TAUZIN), the gentleman from Michigan (Mr. DINGELL), and of course, the staffers that have been working so hard on this bill, as well as the members of the Committee on Transportation and Infrastructure, and the gentleman from Oregon (Mr. DEFAZIO).

I think we are on the threshold of this becoming law. We have been working with it on the Democratic side for at lest 4 years, so I am really glad to say that the day has finally come when it is going to come to pass.

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

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

Mr. Speaker, H.R. 2869 combines the text of H.R. 1831, the Small Business Liability Protection Act, with the text of S. 350, the Brownfields Revitalization and Environmental Restoration Act of 2001.

I strongly support title I of H.R. 2869. As the gentleman from Ohio (Chairman GILLMOR) mentioned, Title I earlier passed the House 419 to 0. Title I will protect small businesses from Superfund liability. It prevents lawsuits against people and businesses who should not be held liable for the costs of cleaning up a Superfund site, either because they send only a very small amount of waste to a site, or because their waste was ordinary trash.

I am very proud of this legislation, and was pleased to have sponsored this, along with the gentleman from Ohio (Chairman GILLMOR) and others.

Title II of this legislation is intended to encourage brownfields redevelopment. Brownfields redevelopment is very important, as previous speakers have mentioned. Our economy is changing. We have lost manufacturing jobs. Communities across America have lost thousands of jobs.

I held a subcommittee hearing on this issue of brownfields redevelopment earlier this year, and I agree that we should be doing everything we can to encourage the redevelopment of these brownfields sites. Unfortunately, the brownfields title of this bill is not drafted as clearly as I would like, but let me make clear the intent of title II is to encourage brownfields redevelopment, and it needs to be read with that goal in mind.

Nothing in this bill should be read to narrow the scope of properties eligible for assistance under the bill. All brownfields sites are eligible, including properties contaminated by petroleum releases, asbestos, or lead paint. Nothing in this bill should be read to make it easier to bring lawsuits against innocent landowners.

The gentleman from Ohio (Chairman GILLMOR) mentioned earlier that some estimates have been as high as half of the amount of the Superfund money that has been spent on lawyers and consultants and so forth. I have seen estimates much higher even than that.

The intent of this bill is to increase liability protections for people who own property that is next to a contaminated site, and people who buy property after all disposal activities have taken place. Nothing in this bill should be read to encourage Federal intervention when brownfields sites are being cleaned up under State programs.

The intent of the bill is to prevent unnecessary Federal involvement. As with most legislation, its successes or failures will depend on how it is implemented. As chairman of the Subcommittee on Water Resources and Environment, I will be keeping a careful watch on the EPA. I expect the EPA to use the discretion given to it under this legislation to remove red tape from brownfields sites.

To date, the EPA has never brought a lawsuit to second-guess a State clean-up decision. I do not expect this deference to States to change after passage of this legislation.

Since 1995, the EPA has viewed the Superfund national priorities list as a last resort for managing contaminated property. In fact, since income taxes, the EPA has had a formal policy of seeking the concurrence of a State government before listing a site on the Superfund list. I do not expect these policies to change after passage of this legislation.

Let me say to the EPA, it should not look at this bill as an excuse or an opportunity to build its bureaucracy or expand its mission.

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The funding in this bill is intended to go into communities around the country to encourage and achieve brownfields redevelopment, not simply to expand the Federal bureaucracy or add to Federal red tape.

Finally, I would like to express concern over the applicable to Davis Bacon prevailing wage rates to brownfields projects under this bill. Davis Bacon wage rates can add unnecessarily to

clean up costs. Our goal is to get as many sites as possible cleaned up and returned to productive use. The higher the cost, the fewer the number of sites that can be addressed and actually cleaned up.

There are mixed feelings about this bill from a number of groups, the National Federation of Independent Businesses strongly supports the small business liability relief but does not support the expansion of Davis Bacon. The National Association of Home Builders and the U.S. Chamber of Commerce call the bill the first step for addressing the brownfields but the Chamber expresses serious concerns over David Bacon liability.

Other groups, like the National Association of Realtors, the National Association of Industrial and Office Properties and at least 7 other real estate groups strongly support the election. After weighing the matter carefully, I believe that this litigation, if implemented properly, could go a long way towards protecting small businesses from Superfund liability and is a significant first step towards encouraging the redevelopment of brownfields.

For these reasons, I support H.R. 2869 and encourage all of my colleagues to do likewise.

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

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

Mr. Speaker, I am pleased at this very late early hour, however anyone wants to look at it, that we are finally doing some real work on the floor of the House having spent the rest of the morning engaged in an extended fantasy partisan one-upmanship from the other side of the aisle where they jammed through a bill that will not do anything to stimulate the economy. It will never become law.

But this will become law and this is necessary legislation. It should be part of a comprehensive Superfund reform. Unfortunately, we have been unable to move that legislation through this body. But that said, we do have here one key part of Superfund reform, and I just want to emphasize one point.

Legislation will provide needed Federal funding for site assessments to determine whether or not those brownfields are, in fact, contaminated as well as provide funding for the remediation of contaminated property. The technical changes to the Senate bill which I referred to earlier in my prepared statement, involved integrating these funding operations as an amendments to section 104 of CERCLA, change that has been agreed to by all parties involved in negotiations on this bill. By amending section 104 of CERCLA we are hoping to expedite the implementation of this new program by modeling it after one already in operation by the Environmental Protection Agency in order that funds authorized by this legislation get to the cities and the communities that need them as expeditiously as possible and we move ahead with the necessary cleanup.

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

Mr. GILLMOR. How much time remains, Mr. Speaker?

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from Ohio (Mr. GILLMOR) has 3½ minutes remaining. The gentleman from New Jersey (Mr. PALLONE) has 4 minutes remaining. The gentleman from Tennessee (Mr. DUNCAN) has 4½ minutes remaining.

Mr. GILLMOR. Mr. Speaker, I yield as much time as he may consume to the gentleman from Ohio (Mr. NEY).

Mr. NEY. Mr. Speaker, I rise this morning in strong support of this legislation. This much needed bill will help bring confidence to the many developer and contractors who fear lawsuits and intense Federal oversight of the clean up effort.

As a lifelong supporter of Davis Bacon, I also want to thank the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Ohio (Mr. GILLMOR) for keeping this fundamentally fair provision in the bill.

The Davis Bacon Act provides working men and women with critical worker protections. Davis Bacon is one of few Federal laws that truly prevents further erosion of living standards for millions of working families and that is so important during these times. At a time of economic uncertainty, brownfields legislation will help to stimulate development in communities across the country. This bill will clean up the environment, maintain the living standards of working families and create jobs. I urge our colleagues to vote yes.

Mr. DUNCAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. SHIMKUS).

Mr. SHIMKUS. Mr. Speaker, first I rise to thank everyone who has worked so hard on both the brownfields and Superfund business liability relief provisions.

Today we have an opportunity to pass landmark legislation which has a very real chance of becoming law. The first portion of this bill deals with Superfund small business liability relief. This issue first came to my attention when a landfill in Quincy, Illinois was declared a Superfund site. Quincy is a small community of 42,000 people located in my district of the banks of the Mississippi River.

The residents of this town have experienced firsthand the unfairness of the Superfund law to innocent small businesses punishing them for legally disposing their trash. Greg Shiering, a franchisee of two McDonalds was asked by the EPA to pay $47,000 for disposing of hamburgers and french fries into the town dump. Mike Nobis, part owner of a 30-year owned family business, JK Creative Printers was asked to pay $42,000 for legally sending trash to the dump in the 70's and 80's. One hundred fifty nine small businesses in the community were offered settlements with the EPA totaling $3 million.

The EPA based these payments purely on volume of waste, not on whether there was hazardous material in the waste. If the business did not settle, they would be open to lawsuits from six large companies. Court costs alone could bankrupt some of these small mom and pop shops that were targeted.

Today we have the opportunity to make sure what happened in Quincy does not happen in other communities. Any many times in my statements in debate of this bill, I just warn my colleagues that this scourge would visit their congressional districts some time sooner or later. I encouraged them to join me to make sure that this does not happen and I am pleased to say that we are almost there. We are almost there. So other members will not have to go through this problem of what has affected their small businesses.

I would also like to commend my colleagues' work on brownfields reform. This legislation is an important first step in addressing problems with the brownfields program. However, I do look forward to the opportunity to address this program again. I am really excited and concerned about the finality provisions and I think they could be made a little bit stronger. We will address that sometime in the future. Tighter finality will encourage this business to clean up brownfields in order for the program to be as successful as possible.

I also support the fact that we have not increased but we have just certified current law as far as the Davis Bacon provisions. It has been successful and it has brought together this great bipartisan agreement to move this legislation forward and I think everyone benefits from it.

At this late hour I am pleased to be here to speak on support of this bill in the floor and thank the chairman of the full committee, the gentleman from Louisiana (Mr. TAUZIN), the ranking member, the gentleman from Michigan (Mr. DINGELL) and then the subcommittee chairman, the gentleman from Ohio (Mr. GILLMOR). I thank them for their help. The gentleman from New Jersey (Mr. PALLONE), I appreciate your diligent efforts on this behalf.

Mr. PALLONE. Mr. Speaker, I have no further speakers, and I yield back the balance of my time.

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

Mr. Speaker, I want to, in closing, just touch very briefly on this Davis Bacon question which a few groups have risen. There is no expansion of Davis Bacon in this bill.

Brownfields grants are now done under section 104 of the CERCLA Act. Those are covered by Davis Bacon. All this bill does is increase the funding from about 100 million to 200 million and Davis Bacon applies the same as it did before.

Increasing funding for a program that is already covered is not an expansion. I think most of the Members of this Chamber vote for the education bill last week. They voted for all the appropriations bills. All those appropriations bills increase funding for various programs to which Davis Bacon applies. And we do not consider that an expansion. So for those who say it is an expansion in this bill, it is not logical but then it is Congress.

Let me just conclude by saying this is very important legislation, reforming brownfields, reforming small bills liability. I very much appreciate the broad support of bipartisan support in this Chamber, broad support outside of this Chamber this legislation has received and I urge all of my colleagues to vote for it.

Mr. Speaker, I yield back the remainder of my time.

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

Mr. Speaker, I would simply close by saying I view the main intentions of this legislation to be, number one, to make sure that no small businesses are unfairly driven out of existence by unintended and unfair liability under Superfund. And, secondly, and very importantly, to see that more brownfields sites across this Nation are cleaned up and put back into productive use in this country. I simply want to say that I commend all of the Members and the staff that were involved in bringing this very important legislation to the floor of this House.

Mr. DOOLEY of California. Mr. Speaker, while I appreciate that H.R. 2869 is a first step towards addressing the clean up of brownfields, it is unfortunate that this bill does not provide the adequate incentives and protection to those willing to take the risk associated with brownfields remediation. Specifically, this bill does not address the entire universe of brownfields sites in this country. H.R. 2869 only includes a prospective purchaser liability exemption for sites contaminated with a ''hazardous substance'' as defined under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). Petroleum is not considered a hazardous substance under CERCLA and is regulated specifically under the Resource Conservation and Recovery Act (RCRA) statute.

The Environmental Protection Agency (EPA) estimates that approximately one half of the 500,000 brownfields sites in this country are contaminated with petroleum. By excluding RCRA liability protection for petroleum sites, I am concerned that half of the sites in the country may remain contaminated, undeveloped and devoid of any productive use. Without the prospective purchaser liability protections for petroleum sites, developers will likely avoid remediating these sites. I am disappointed that we have not addressed this issue in this pending legislation and I encourage this House to address this issue as soon as possible.

Mr. OBERSTAR. Mr. Speaker, I rise in support of H.R. 2869, the Small Business Liability Relief and Brownfields Revitalization Act. This important bipartisan, bicameral brownfields redevelopment legislation, a long time in coming, will help significantly in the redevelopment of many abandoned and long-forgotten properties dotting our nation's city and community centers.

Mr. Speaker, back in the early 1990's, several members of the Democratic caucus began talking about the problems faced in many of our urban centers. Many of our members had spoken with their mayors and other interested constituents about the great number of former commercial and industrial sites left underutilized or abandoned—with no real prospects of redevelopment. These ''brownfields'', which once housed the machinery and the manpower that helped this country grow throughout the last century, were vacant—generating little tax revenue for the cities, and serving as breeding grounds for crime, vandalism, and a poor quality-of-life for neighboring communities. In 1992, members of the Democratic caucus proposed the idea of using the power of the Federal government to help rejuvenate these brownfields properties—cleaning up the legacy of the industrial age, and returning these forgotten properties to productive use. Unfortunately, these efforts were blocked for a variety of reasons—both substantive and political. Now, almost a decade later, I am pleased that we finally have reached agreement on a package that will achieve those original goals.

Mr. Speaker, this is not, in my opinion, the best bill that we could offer. In fact, few here today can say that they support everything in this legislation. This bill represents a compromise in the constructive sense of that word—almost exactly the same as one that achieved a vote of 99–0 in the other body, and one that will proceed expeditiously to the President's desk for his signature.

Very briefly, this legislation is divided into two titles. The first title contains the text of the Small Business Liability Protection Act that passed the House back in May by a vote of 419–0. This bipartisan legislation seeks to protect small businesses from being sued by overzealous polluters at Superfund sites, as well as protects homeowners and charitable organizations that simply put out the trash.

The second title contains, almost verbatim, the text of S. 350, the Senate brownfields legislation that passed the other body last April. This proposal carves out limited Superfund liability exemptions for innocent landowners, prospective purchasers of contaminated properties, and contiguous property owners—the individuals who should never be subject to Superfund liability for these properties. The bill also preserves the vital federal safety net that allows the Environmental Protection Agency to require additional cleanup of properties when there is a threat to human health or the environment following a cleanup under a state program. This provision will ensure that local residents will be protected should a cleanup plan fail to protect human health or the environment.

Finally, this legislation will provide much needed funding for brownfields site assessment and cleanup to move brownfields properties into productive reuse as quickly as possible. The bill will make Federal monies available for brownfields site assessment and remediation by amending section 104 of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA)—the only change in legislative text from S. 350. By placing the legislative funding authority directly in section 104 of CERCLA, this legislation aims to take advantage of Environmental Protection Agency's experiences gained through its current brownfields program, and attempts to build upon these successes through explicit legislative brownfields authority, increased authorizations, and greater flexibility in the case of Federal dollars. Accordingly, we expect EPA to closely model its implementation of this legislation on the Agency's existing brownfields program, and to get these desperately needed funds out the door and directly to the cities and communities as soon as possible.

Mr. Speaker, as I said earlier, I am pleased to support this important brownfields revitalization legislation. While it has been a long time coming, I believe that this legislation will greatly assist in the redevelopment of brownfields properties that have troubled our nation for too long. I urge my colleagues to support the bill.

Mr. GARY G. MILLER of California. Mr. Speaker, although H.R. 2869 represents a step forward in addressing brownfields reform, I am concerned that the legislation before us does not encourage the clean up and redevelopment of all brownfields sites. Specifically, although H.R. 2869 includes prospective purchaser federal liability protection for ''hazardous substances'' defined under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), it does not include prospective purchaser liability exemption for petroleum based contaminants under the Resource Conservation and Recovery Act (RCRA). This is a critical issue that is being overlooked in this legislation.

It is my understanding that the EPA has estimated that there are approximately 200,000 petroleum-based brownfields sites in this nation. If Congress is to address this important environmental issue, it is critical that we pass meaningful reform. I am disappointed that we have chosen not to do so with this legislation. I have to imagine that each one of us has an abandoned gas station in our district that could be cleaned up and redeveloped were it not for liability uncertainty. The reality is that without prospective purchaser liability protections for petroleum sites, developers—who did not cause the contamination—will not be willing to take the risk of cleaning up these sites and legislation will fail to meet its goal. I encourage the House to address this oversight as soon as possible.

Mr. CANTOR. Mr. Speaker, While I am pleased that Congress has chosen to address the important issue of brownfields reform, I am concerned that the House has not chosen to fully address liability protection for all brownfields sites.

While H.R. 2869 is a first step in addressing brownfields reform, the legislation lacks a critical component that will prevent the clean up and redevelopment of brownfields on a meaningful scale. H.R. 2869 does not include federal liability protections for the clean up of petroleum-contaminated sites under the Resource Conservation and Recovery Act.

By not addressing petroleum liability, half of the brownfields sites in this country have the potential to remain undeveloped under H.R. 2869. EPA has estimated that 200,000 of the 500,000 brownfields sites in the country are petroleum based. It is probably safe to say that almost every congressional district has an abandoned gas station that could be remediated and redeveloped. However, developers will not likely tackle these projects.

Redevelopment of brownfields presents an opportunity to combine Smart Growth principals with economic development. many brownfields, especially petroleum-based sites, are located in urban areas, like my district, or close-in suburbs where whole communities stand to be revitalized through new building and the economic activity it will stimulate. Further, petroleum-contaminated sites are obvious targets for redevelopment because of the well-known and cost-effective remediation technologies currently available for petroleum contamination.

Without liability protections developers will not be willing to take the risk of cleaning up these sites and legislation will fail to meet its goal. Congress needs to address liability protections for petroleum-based sites if we are to achieve meaningful, effective brownfields reform.

Mr. BOEHLERT. Mr. Speaker, I rise in support of H.R. 2869, a comprehensive brownfields and targeted Superfund small business liability relief bill. This is a bipartisan, bicameral compromise that will help protect the environment, restore brownfields, revitalize local economies, and return a little bit of basic fairness to Superfund's liability regime. Unfortunately, the bill does not include a reauthorization of Superfund's corporate environmental income tax and more comprehensive reform of the Superfund statute; and so my enthusiasm today is tempered by feelings of ''missed opportunities'' and growing concerns about the future of the Superfund Program.

Nonetheless, today's bill is a feat in itself and I want to thank and congratulate all of those who helped over the years and recent months. The nation's mayors and their constituencies see the tremendous opportunities for economic development and environmental protection embodied in brownfields revitalization and they are rallying behind this legislation, just as they did when they began their initiative to ''recycle America's land.'' The leadership of the House and Senate, the Chairs and ranking members of the authorizing committees and subcommittees, and the administration should all be commended for making today's action possible. Special thanks should go to the committee staff, such as Susan Bodine and Jim Barnette, who have endured the torturous legislative process for years.

It has taken far too long to get to this point. I myself have quite a few ''scars'' from the many battles that began in the early 90's and culminated in the 105th and 106th Congresses, when I chaired the Committee on Transportation and Infrastructure's Subcommittee on Water Resources and Environment. We moved my comprehensive bill (H.R. 1300) through the committee on an unprecedented, bipartisan vote of 69 to 2. It brought people together because it provided broad-based reform, brownfields revitalization, and called for a responsible reauthorization of Superfund taxes to help maintain the ''polluter pays'' principle.

I continue to believe such an approach is the right one and that is why I reintroduced the bill as H.R. 324. However, given the complications of moving a more comprehensive bill, I support moving forward today with this more targeted compromise, as long as we also continue to work on other important components of reforming and financing Superfund. H.R. 2869 should be viewed as the first of several steps in securing the fairness, effectiveness, and funding for improving the Nation's approach to hazardous and abandoned waste sites.

Title I of H.R. 2869 responds to the need for Superfund liability reform relating to small businesses. It includes the text of the House-passed bill, H.R. 1831. It provides a ''de-micromis'' exemption for those who were contributors of truly tiny amounts of waste. It also exempts those who contributed nonhazardous garbage (''municipal solid waste''). Finally, it encourages faster and fairer settlements through ''ability to pay'' procedures.

Mr. Speaker, the inequities and inefficiencies of the current liability regime continue. One recent example, involving a local newspaper in my district, illustrates the need for limited exemptions and fair share allocations of responsibility. The Rome Sentinel, which disposed of waste at a landfill many decades ago, was notified that it was a potentially responsibility party. Under the current strict, joint, and several liability system, there are not many incentives for a fair and efficient allocation process. Instead, the Government may focus on ''deep pockets'' who then sue everyone else, large and small, culpable and not-so-culpable, to recover their costs. Even though the newspaper may have contributed only minor amounts of waste (and did so lawfully at the time of the disposal), it faced the prospects of being dragged into a tremendously costly and protracted legal battle in third party lawsuits.

H.R. 2869 will make some modest improvements to the current liability system. More comprehensive reform is needed, however.

Title II includes brownfields legislation that passed the Senate earlier this year by a vote of 99 to 0. It is not perfect legislation, but it is legislation we can and should support. Like the brownfields provisions from my bill last Congress (H.R. 1300), it not only removes barriers to cleanup and redevelopment but it retains a ''safety net'' for environmental protection and governmental enforcement. It also allows for the application of Davis-Bacon labor protections.

Where should we go from here? Congress and the administration should honor the polluter pays principle. It should heed the findings and conclusions of the July 2001 report by Resources for the Future, ''Superfund's Future, What Will it Cost,'' that a ''ramp-down'' of the Superfund program is not imminent and that the total estimated cost to EPA of implementing the Superfund program from FY 2000 through FY 2009 ranges from $14 billion to $16.4 billion.

Therefore, to meet the goals of the cleanup program, to remain true to the polluter pays principle, and to finance the needed liability reforms, Congress should reauthorize the corporate environmental income tax, which expired on December 31, 1995. This broad-based tax of .12% of all corporate income above $2 million could generate needed funds in a fair and responsible manner. Contrary to what some might believe, the oil industry would not pay a disproportionate amount. For example, in 1995 oil companies paid $37.7 million in corporate environmental income taxes, only 5.3 percent of the total amount collected in that year.

In response to my request, the Joint Committee on Taxation estimated on September 24, 2001 that a re-imposed corporate environmental income tax would generate over $3 billion over a 5-year period. This is exactly the type of revenue needed for a program that continues to deliver public health, environmental, and economic development benefits.

Mr. Speaker, I urge my colleagues not only to support passage of H.R. 2869 today but to work towards enactment of broader Superfund reform, including reauthorization of the expired corporate environmental income tax.

Mrs. WILSON of New Mexico. Mr. Speaker, I rise today to express my concern about legislation that the House passed by voice vote early this morning H.R. 2869, the ''Small Business Liability Relief and Brownfields Revitalization Act.''

Brownfields redevelopment effectively marries the principles of economic development and environmental protection by slowing the developing of open space by presenting property owners and developers with access to brownfields sites located in desirable locations, with existing infrastructure and affordable pricing. While I am a strong supporters and advocate of brownfields clean up, I am dishearten that H.R. 2869 did not go further to address the entire brownfields problem in this country.

The Environmental Protection Agency (EPA) estimates that approximately one half of the 450,000 brownfields sites in this country are contaminated with some type of petroleum pollution. Unfortunately, H.R. 2869 ignored petroleum-contaminated sites by only including a liability exemption for brownfields sites contaminated with a ''hazardous substance'' as defined under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). Petroleum contamination, which is not considered a ''hazardous substance'' under CERCLA, is regulated under the Resource Conservation and Recovery Act (RCRA). While H.R. 2869 does include federal grant money for a very specific set of petroleum contaminated sites, I fear that these grants alone will not be an incentive to spur the clean up of petroleum brownfields sites. Without a RCRA liability exemption for petroleum contaminated sites, only half of the brownfields sites in this country have the potential to be redeveloped.

It is my sincere hope that H.R. 2869 only represents a beginning of our intent to address brownfields redevelopment. I hope this Congress will address liability protection for petroleum-contaminated brownfields sites next year so we can truly address the entire brownfields problem in this country. I look forward to working with the leadership and the committees to make comprehensive brownfields redevelopment a reality.

Mr. DINGELL. Mr. Speaker, I am an original co-sponsor of H.R. 2869. This bill combines the brownfields provisions of S. 350 that unanimously passed the Senate on April 25, 2001, and the small business liability protection provisions of H.R. 1831 that unanimously passed the House on May 22, 2001. This bill is a good piece of legislation. It deserves the support of all members.

In the past two Congresses, members on this side of the aisle have put forward, and strongly supported, stand-alone brownfields legislation and targeted relief for small business. Those policies are contained in this bill. The passage of this legislation will help revitalize and redevelop our communities. Using the provisions of this bill, local governments will be able to obtain increased funding and remove urban eyesores and create new jobs. At the same time, risks to the public health from petroleum and hazardous substances contamination will also be addressed at these lesser-contaminated brownfield sites.

In the Detroit metropolitan area alone, which has been home to our country's industrial strength for over 100 years, brownfields cover tens of thousands of acres of lands once occupied by mighty manufacturing facilities and thriving communities. Brownfields development is occurring in Michigan communities like Taylor and Monroe, as local governments, developers, and citizens are finding creative ways to rebuild our communities.

This bill maintains the policies of EPA's current and very successful brownfields program. Adoption of this brownfields legislation is a top priority for our Nation's mayors, who have testified that it meets all of their fundamental needs.

I congratulate Subcommittee Chairman GILLMOR, Ranking Member PALLONE, and our former Ranking Member from New York, Mr. TOWNS, for their hard work over several years on this important legislation.

I strongly urge adoption of H.R. 2869 as amended.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. GILLMOR) that the House suspend the rules and pass the bill, H.R. 2869, as amended.

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

A motion to reconsider was laid on the table.

NATIVE AMERICAN BREAST AND CERVICAL CANCER TREATMENT TECHNICAL AMENDMENT ACT OF 2001

Mr. GILLMOR. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1741) to amend title XIX of the Social Security Act to clarify that Indian women with breast or cervical cancer who are eligible for health services provided under a medical care program of the Indian Health service or of a tribal organization are included in the optional medicaid eligibility category of breast or cervical cancer patients added by the Breast and Cervical Cancer Prevention and Treatment Act of 2000.

The Clerk read as follows:

S. 1741

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Native American Breast and Cervical Cancer Treatment Technical Amendment Act of 2001''.

SEC. 2. CLARIFICATION OF INCLUSION OF INDIAN WOMEN WITH BREAST OR CERVICAL CANCER IN OPTIONAL MEDICAID ELIGIBILITY CATEGORY.

(a) TECHNICAL AMENDMENT.—The subsection (aa) of section 1902 of the Social Security Act (42 U.S.C. 1396a) added by section 2(a)(2) of the Breast and Cervical Cancer Prevention and Treatment Act of 2000 (Public Law 106–354; 114 Stat. 1381) is amended in paragraph (4) by inserting '', but applied without regard to paragraph (1)(F) of such section'' before the period at the end.

(b) BIPA TECHNICAL AMENDMENTS.—

(1) Section 1902 of the Social Security Act (42 U.S.C. 1396a), as amended by section 702(b) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (114 Stat. 2763A–572) (as enacted into law by section 1(a)(6) of Public Law 106–554), is amended by redesignating the subsection (aa) added by such section as subsection (bb).

(2) Section 1902(a)(15) of the Social Security Act (42 U.S.C. 1396a(a)(15)), as added by section 702(a)(2) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (114 Stat. 2763A–572) (as so enacted into law), is amended by striking ''subsection (aa)'' and inserting ''subsection (bb)''.

(3) Section 1915(b) of the Social Security Act (42 U.S.C. 1396n(b)), as amended by section 702(c)(2) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (114 Stat. 2763A–574) (as so enacted into law), is amended by striking ''1902(aa)'' and inserting ''1902(bb)''.

(c) EFFECTIVE DATES.—

(1) BCCPTA TECHNICAL AMENDMENT.—The amendment made by subsection (a) shall take effect as if included in the enactment of the Breast and Cervical Cancer Prevention and Treatment Act of 2000 (Public Law 106–354; 114 Stat. 1381).

(2) BIPA TECHNICAL AMENDMENTS.—The amendments made by subsection (b) shall take effect as if included in the enactment of section 702 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (114 Stat. 2763A–572) (as enacted into law by section 1(a)(6) of Public Law 106–554).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. GILLMOR) and the gentleman from New Jersey (Mr. PALLONE) each will control 20 minutes.

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

GENERAL LEAVE

Mr. GILLMOR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative day within which to revise and extend their remarks and include extraneous material on this legislation.

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

There was no objection.

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

Mr. Speaker, I rise in support of S. 1741, the Native American Breast and Cervical Cancer Treatment Technical Amendment Act of 2001.

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

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

Mr. Speaker, I am also in support of the legislation. While this bill is technical in nature, it does basically fill a vacuum and it offers real benefits to low income Native American women who are diagnosed with breast or cervical cancer.

Basically what happened is that in a bill that was passed last year, the interpretation of it has been made so that it excludes Native American women have Medicaid coverage. The legislation today would resolve this problem by clarifying that they would indeed come under the coverage of that initial legislation.

I would point out that Native American and Alaskan Native women have a higher incidence of breast and cervical cancer than the U.S. population generally. So it really is important that we enact this bill to ensure that they receive needed assistance.

The Senate already passed the legislation by unanimous consent. It is supported by a number of health care groups. And I just again want to extend my appreciation and recognition to the lead sponsor, the gentleman from New Mexico (Mr. TOM UDALL) and also commend the gentlewoman from California (Ms. ESHOO) who worked tirelessly on this.

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

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

Mr. Speaker, I just want to point out I do want to express my appreciation to the tremendous work that our staff did on the previous legislation we passed.

Mr. PALLONE. Mr. Speaker, I am pleased to speak today in support of S. 1741, the "Native American Breast and Cervical Cancer Treatment Technical Amendment Act of 2001." This legislation makes a simple but extremely important technical change to the "Breast and Cervical Cancer Treatment and

Prevention Act'' to improve the coverage of breast and cervical cancer treatment for American Indian and Alaska Native women.

The Breast and Cervical Cancer Treatment Act—which Congress passed last year—gives States the option to extend coverage to certain women who have been screened by programs operated under the National Breast and Cervical Cancer Early Detection program of the Public Health Service Act and who have no ''creditable coverage.'' The term ''creditable coverage'' was established by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Under the HIPAA definition, creditable coverage includes a reference to the medical care program of the Indian Health Service (IHS). In short, the reference to ''creditable coverage'' in the law effectively excludes Indian women from receiving Medicaid breast and cervical cancer treatment as provided for under this act.

The Indian health reference to IHS/tribal care was originally included in HIPAA so that members of Indian tribes eligible for IHS would not be treated as having a break in coverage simply because they had received care through Indian health programs, rather than through a conventional health insurance program. Thus, in the HIPAA context, the inclusion of the IHS/tribal provision was intended to benefit American Indians and Alaska Natives, not penalize them.

However, use of the HIPAA definition in the recent ''Breast and Cervical Cancer Treatment and Prevention Act'' has the exact opposite effect. In fact, the many Indian women who rely on IHS/tribal programs for basic health care are excluded from the new law's eligibility for Medicaid. Not only does the definition deny coverage to Indian women, but the provision runs counter to the general Medicaid rule treating IHS facilities as full Medicaid providers.

While American Indian and Alaska Native women have a higher incidence of breast and cervical cancer than the U.S. population generally, many Indian women with these conditions will be left with fewer resources to fight breast and cervical cancer because of their exclusion from the new Medicaid coverage option.

This bill, S. 1741, would resolve these problems by clarifying that, for purposes of the ''Breast and Cervical Cancer Prevention and Treatment Act,'' the term ''creditable coverage'' shall not include IHS-funded care so that American Indian and Alaska Native women can be covered by Medicaid for breast and cervical cancer treatment. Since a number of states are currently moving forward to provide Medicaid coverage under the state option, the need for this legislation is immediate to ensure that American Indian and Alaska Native women are not denied from receiving life-saving breast and cervical cancer treatment.

Up to 40 States have either taken the option and have been granted a Medicaid state plan amendment by HHS already or are in the process of filing a Medicaid state plan amendment to provide coverage to low-income for breast and cervical cancer treatment as a result of the passage of last year's bill. Unfortunately, in all of those states, Native American women may be ineligible for coverage unless we take up this technical correction. Time is of the essence to pass this legislation so that Native American women are appropriately provided treatment for their breast and cervical cancer as States begin implementing this law.

I am pleased today, that we are taking action on this bill. When the time comes for a vote, I urge all of my colleagues to support it and I hope that we may pass this bill before the end of the year.

Mr. WATTS of Oklahoma. Mr. Speaker, it is a fact that American Indian and Alaska Native women have a higher incidence of breast and cervical cancer than the general population of the United States.

Unfortunately, many of these women who are at a higher risk of breast and cervical cancer are also without the life-saving care they need. This is due to the fact that American Indian and Alaska Native women are eligible for breast cancer diagnosis coverage, but not medical treatment.

American Indian and Alaska Native women need the option for more advanced care. The legislation before the House today would improve the coverage of breast and cervical cancer treatment for these Americans by putting them on equal footing with other low-income citizens eligible for Medicaid.

Mr. Speaker, breast and cervical cancer can be the worst nightmares thinkable for women. Thankfully, this Congress has made health care and medical research a top priority—promoting increased health care benefits, empowering patients to get the best care possible and generously funding disease research.

By correcting the system to allow American Indian and Alaska Native women the treatment they need with respect to breast and cervical cancer, we will aid these who need help the most. I thank my colleagues for their work on this important issue and urge passage of the legislation.

Mr. HAYWORTH. Mr. Speaker, I rise today to express my support for the Native American Breast and Cervical Cancer Treatment Technical Amendment Act.

I am a cosponsor of this important legislation that would make a simple but extremely technical change to the ''Breast Cancer and Cervical Treatment and Prevention Act'' (P.L. 106–354). The legislation would improve the coverage of breast and cervical cancer treatment for American Indian and Alaska Native women.

The Breast and Cervical Cancer Treatment Act, which Congress passed last year, gives states the option to extend coverage to certain women who have been screened by programs operated under title XV of the Public Health Service Act (the National Breast and Cervical Cancer Early Detection program) and who have no ''creditable coverage.'' The term ''creditable coverage'' was established by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Under the HIPAA definition, creditable coverage includes a reference to the medical care program of the Indian Health Service (IHS). In short, the reference to ''creditable coverage'' in the law effectively excludes Native American women from receiving Medicaid breast and cervical cancer treatment as provided for under this act.

The Native American health reference to IHS/tribal care was originally included in HIPAA so that members of Indian tribes eligible for IHS would not be treated as having a break in coverage (and thus subject to pre-existing exclusions and waiting periods when seeking health insurance) simply because they had received care through Indian health programs, rather than through a conventional health insurance program. Thus, in the HIPAA context, the inclusion of the IHS/tribal provision was intended to benefit American Indians and Alaska Natives, not penalize them.

However, use of the HIPAA definition in the recent ''Breast and Cervical Cancer Treatment and Prevention Act'' has the exact opposite effect. In fact, the many Indian women who rely on IHS/tribal programs for basic health care are excluded form the new law's eligibility for Medicaid.

Not only does the definition deny coverage to Indian women, but the provision also runs counter to the general Medicaid rule treating IHS facilities as full Medicaid providers.

This legislation would resolve these problems by clarifying that, for purposes of the ''Breast and Cervical Cancer Prevention and Treatment Act,'' the term ''creditable coverage'' shall not include IHS-funded care so that American Indian and Alaska Native women can be covered by Medicaid for breast and cervical cancer treatment.

Since a number of States are currently moving forward to provide Medicaid coverage under the state option, the need of this legislation is immediate to ensure that American Indian and Alaska Native women are not denied life-saving breast and cervical cancer treatment.

I urge my colleagues to vote yes on the Native American Breast and Cervical Cancer Treatment Technical Amendment Act that is critically important to many American Indian and Native Alaskan Women.

Mr. DINGELL. Mr. Speaker, I rise today in support of the Native American Breast and Cervical Cancer Treatment Technical Amendment Act of 2001. While this bill is technical in nature, it offers real benefits to low-income Native American women who are diagnosed with breast or cervical cancer.

The bill makes a technical correction to legislation that Congress enacted last year, the Breast and Cervical Cancer Treatment and Prevention Act. Last year's legislation allowed States, at their option, to cover low-income women diagnosed with breast or cervical cancer through the Centers for Disease Control and Prevention screening program under Medicaid. The bill, however, inadvertently excluded Native American women from receiving assistance under this option due to an underlying definition of ''creditable coverage'' intended to protect Native Americans receiving health services through Indian Health Services in the context of the Health Insurance Portability and Accountability Act. Unfortunately, in this instance, the definition had the effect of excluding Native American women from coverage rather than protecting them. The legislation before us today will resolve this problem by clarifying the term ''creditable coverage.''

While Native American and Alaskan Native women have a higher incidence of breast and cervical cancer than the U.S. population generally, the exclusion from the new Medicaid coverage option leaves Native American

women with fewer resources to fight their breast and cervical cancer. This legislation needs quick enactment to ensure that Native American and Alaskan Native women receive this needed assistance.

The Senate already passed this legislation by unanimous consent. This bill is supported by the American College of Obstetricians and Gynecologists and American Cancer Society among others. I am pleased that the House will address this very important issue this year.

I wish to extend my appreciation and recognition as well to my colleagues on both sides of the aisle who have worked on this issue, including the lead sponsor Representative TOM UDALL. I also want to commend Representative ANNA ESHOO, who worked tirelessly last year to make this State option under Medicaid a reality. I urge my colleagues to join me in supporting this bill.

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

□ 0500

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the motion offered by the gentleman from Ohio (Mr. GILLMOR) that the House suspend the rules and pass the Senate bill, S. 1741.

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

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HASTINGS of Florida (at the request of Mr. GEPHARDT) for today and the balance of the week on account of personal reasons.

Mr. LUTHER (at the request of Mr. GEPHARDT) for today on account of family matters.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:

Mr. MASCARA, for 5 minutes, today.
Ms. BERKLEY, for 5 minutes, today.
Ms. WOOLSEY, for 5 minutes, today.
Mr. PALLONE, for 5 minutes, today.
Mr. HOLT, for 5 minutes, today.
Ms. NORTON, for 5 minutes, today.
Mrs. CLAYTON, for 5 minutes, today.
Ms. MILLENDER-MCDONALD, for 5 minutes, today.
Mr. HOYER, for 5 minutes, today.
Ms. JACKSON-LEE, for 5 minutes, today.

SENATE JOINT RESOLUTION AND CONCURRENT RESOLUTION REFERRED

A joint resolution and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 13. Joint resolution conferring honorary citizenship of the United States on Paul Yves Roch Gilbert du Motier, also known as the Marquis de Lafayette; to the Committee on the Judiciary.

S. Con. Res. 80. Concurrent resolution expressing the sense of Congress regarding the 30th anniversary of the enactment of the Federal Water Pollution Control Act; to the Committee on Transportation and Infrastructure.

BILLS PRESENTED TO THE PRESIDENT

Jeff Trandahl, Clerk of the House reports that on December 18, 2001 he presented to the President of the United States, for his approval, the following bills.

H.R. 483. Regarding the use of the trust land and resources of the Confederated Tribes of the Warm Springs Reservation of Oregon.

H.R. 1291. To amend title 38, United States Code, to modify and improve authorities relating to education benefits, compensation and pension benefits, housing benefits, burial benefits, and vocational rehabilitation benefits for veterans, to modify certain authorities relating to the United States Court of Appeals for Veterans Claims, and for other purposes.

H.R. 2559. To amend chapter 90 of title 5, United States Code, relating to Federal long-term care insurance.

H.R. 2883. To authorize appropriations for fiscal year 2002 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. 3323. To ensure that covered entities comply with the standards for electronic health care transactions and code sets adopted under part C of title XI of the Social Security Act, and for other purposes.

H.R. 3442. To establish the National Museum of African American History and Culture Plan for Action Presidential Commission to develop a plan of action for the establishment and maintenance of the National Museum of African American History and Culture in Washington, D.C., and for other purposes.

ADJOURNMENT

Mr. GILLMOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 1 minute a.m.), the House adjourned until today, Thursday, December 20, 2001, at 10 a.m.

OATH OF OFFICE MEMBERS, RESIDENT COMMISSIONER, AND DELEGATES

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat.22), to be administered to Members, Resident Commissioner, and Delegates of the House of Representatives, the text of which is carried in 5 U.S.C. 3331:

> ''I, AB, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will sell and faithfully discharge the duties of the office on which I am about to enter. So help me God.''

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by the following Member of the 107th Congress, pursuant to the provisions of 2 U.S.C. 25:

Honorable JOE WILSON, 2nd South Carolina.

EXECUTIVE COMMUNICATIONS, ETC.

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

4929. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Sodium thiosulfate; Exemption from the Requirement of a Tolerance [OPP–301196; FRL–6811–6] (RIN: 2070–AB78) received December 18, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4930. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Imazapic; Pesticide Tolerance [OPP–301198; FRL–6816–2] (RIN: 2070–AB78) received December 18, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4931. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Fluthiacet-methyl; Pesticide Tolerance [OPP–301184; FRL–6806–7] (RIN: 2070–AB78) received December 18, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4932. A letter from the Director, Office of Management and Budget, transmitting a report on the Cost Estimate For Pay-As-You-Go Calculations; to the Committee on the Budget.

4933. A letter from the Director, Office of Management and Budget, transmitting appropriations reports, as required by the Balanced Budget and Emergency Deficit Control Act of 1985, as amended; to the Committee on the Budget.

4934. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Plans for Designated Facilities and Pollutants; Control of Emissions From Hospital/Medical/Infectious Waste Incinerators; State of Kansas [KS 0145–1145a; FRL–7120–2] received December 18, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4935. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Tennessee: Final Authorization of State Hazardous Waste Management

Program Revision [FRL–7121–1] received December 18, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4936. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Kentucky: Final Authorization of State Hazardous Waste Management Program Revision [FRL–7120–8] received December 18, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4937. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans and Designation of Areas for Air Quality Planning Purposes; State of Louisiana; Redesignation of Lafourche Parish Ozone Nonattainment Area to Attainment for Ozone [LA–55–1–7485a; FRL–7121–4] received December 18, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4938. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval of Section 112(I) Authority for Hazardous Air Pollutants; District of Columbia; Department of Health [DC001–1000; FRL–7121–7] received December 18, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4939. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule—Amendment to the List of Proscribed Destinations—received December 18, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

4940. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the redesignation as ''foreign terrorist organizations'' pursuant to Section 219 of the Immigration and Nationality Act, as added by the Antiterrorism and Effective Death Penalty Act of 1996, and amended by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996; to the Committee on International Relations.

4941. A letter from the Acting Director, Fish and Wildlife Service, Department of the Interior, transmitting the Department's final rule—Endangered and Threatened Wildlife and Plants; Listing the Tumbling Creek Cavesnail as Endangered (RIN: 1018–AI19) received December 18, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4942. A letter from the Acting Director, Office of Surface Mining, Department of the Interior, transmitting the Department's final rule—Pennsylvania Regulatory Program [PA–122–FOR] received December 19, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4943. A letter from the Acting Director, Office of Surface Mining, Department of the Interior, transmitting the Department's final rule—West Virginia Regulatory Program [WV–093–FOR] received December 19, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4944. A letter from the Acting Director, Office of Surface Mining, Department of the Interior, transmitting the Department's final rule—Iowa Regulatory Program [IA–012–FOR] received December 19, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4945. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Security Zone Regulations: Savannah, GA [COTP SAVANNAH–01–022] (RIN: 2115–AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4946. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Windsor Beach State Park, Lake Havasu, Colorado River, AZ [COTP San Diego, CA; 01–001] (RIN: 2115–AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4947. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations: Mile Marker 94.0 to 96.0, Lower Mississippi River, Above Head of Passes [COTP New Orleans, LA 01–07] (RIN: 2115–AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4948. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30280; Amdt. No. 2079] received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4949. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30276; Amdt. No. 2076] received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4950. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30277; Amdt. No. 2077] received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4951. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30279; Amdt. No. 2078] received December 18, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4952. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace, Logan, UT [Airspace Docket No. 01–ANM–14] received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4953. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Establishment of Class E5 Airspace; Reform, AL [Airspace Docket No. 01–ASO–3] received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4954. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F.28 Mark 0070 and 0100 Series Airplanes [Docket No. 98–NM–122–AD; Amendment 39–12475; AD 2001–21–04] (RIN: 2120–AA64) received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4955. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F.28 Series Airplanes [Docket No. 2001–NM–208–AD; Amendment 39–12487; AD 2001–22–08] (RIN: 2120–AA64) received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4956. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations: Mile Marker 94 to 96, Lower Mississippi River, Above Head of Passes [COTP New Orleans, LA 01–006] (RIN: 2115–AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4957. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F.28 Mark 0100 Series Airplanes [Docket No. 2001–NM–21–AD; Amendment 39–12453; AD 2001–20–05] (RIN: 2120–AA64) received December 14, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4958. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations: Mile Marker 95 to 96, Lower Mississippi River, Above Head of Passes [COTP New Orleans, LA 01–005](RIN: 2115–AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4959. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Security Zone Regulations: Mile 95.5, Erato Street Wharf, extending 300 feet around the USS AUSTIN (LDP–4), Lower Mississippi River, Above Head of Passes [COTP New Orleans, LA 01–004] (RIN: 2115–AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4960. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bombardier Model CL–600–2B19 Series Airplanes [Docket No. 2000–NM–68–AD; Amendment 39–12488; AD 2001–22–09] (RIN: 2120–AA64) received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4961. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting The Department's final rule—Safety Zone Regulations: Mile Marker 95 to 98, Lower Mississippi River, Above Head of Passes [COTP New Orleans, LA 01–002] (RIN: 2115–AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4962. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting The Department's final rule—Security Zone Regulations: Port of Gulfport, Mississippi; Gulfport Harbor, North Basin, East Terminal Berth 2 and 3, extending a radius of 150 foot surrounding the USS ASHLAND (LSD–48) (RIN: 2115–AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4963. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Security Zone Regulations: Mobile River, Alabama State Docks, extending for a radius of 150 feet around the USS GUNSTON (LSD 44), USS CORMORANT (MHC 57), and USS SHRIKE (MHC 62) [COTP Mobile, AL 01–003] (RIN: 2115–AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4964. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulation [COTP Memphis, TN Regulation 01–004] (RIN: 2115–AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4965. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulation [COTP Memphis, TN Regulation 01–002] (RIN: 2115–AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4966. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulation [COTP Memphis, TN Regulation 01–003] (RIN: 2115–AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4967. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Demolition of the Hennepin Bridge, Hennepin, Illinois [CGD09–01–007] (RIN: 2115–AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4968. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zones, Security Zones, and Special Local Regulations [USCG–2001–9668] (RIN: 2115–AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

REPORTS OF COMIMTTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of New Jersey: Committee on Veterans' Affairs. H.R. 3423. A bill to amend title 38, United States Code, to enact into law eligibility of certain veterans and their dependents for burial in Arlington National Cemetery; with amendments (Rept. 107–346). Referred to the Committee of the Whole House on the State of the Union.

Mr. SAXTON: Report of the Joint Economic Committee on the 2001 Economic Report of the President (Rept. 107–347). Referred to the Committee of the Whole House on the State of the Union.

Mr. REYNOLDS: Committee on Rules. House Resolution 320. Resolution providing for consideration of the bill (H.R. 3529) to provide tax incentives for economic recovery and assistance to displaced workers (Rept. 107–348). Referred to the House Calendar.

Mrs. MYRICK: Committee on Rules. House Resolution 321. Resolution waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules (Rept. 107–349). Referred to the House Calendar.

Mr. LEWIS of California: Committee of Conference. Conference report on H.R. 3338. A bill making appropriations for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes (Rept. 107–350). Ordered to be printed.

[December 20 (legislative day of December 19), 2001]

Mr. HASTINGS of Washington: Committee on Rules. House Resolution 322. Resolution providing for consideration of a joint resolution appointing the day for the convening of the second session of the One Hundred Seventh Congress (Rept. 107–351). Referred to the House Calendar.

Mr. LINDER: Committee on Rules. House Resolution 323. Resolution providing for consideration of the joint resolution (H.J. Res. 79) making further continuing appropriations for the fiscal year 2002, and for other purposes (Rept. 107–352). Referred to the House Calendar.

Mrs. MYRICK: Committee on Rules. House Resolution 324. Resolution waiving points of order against the conference report to accompany the bill (H.R. 3338) making appropriations for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes (Rept. 107–353). Referred to the House Calendar.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 2 of rule XII the following action was taken by the Speaker:

[December 20 (legislative day of December 19), 2001]

H.R. 556. Referral to the Committee on the Judiciary extended for a period ending not later than March 29, 2002.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. SCHAFFER (for himself, Mr. UDALL of New Mexico, Mr. COMBEST, Mr. LUCAS of Oklahoma, and Mr. STENHOLM):

H.R. 3522. A bill to identify certain routes in the States of Texas, Oklahoma, Colorado, and New Mexico as part of the Ports-to-Plains Corridor, a high priority corridor on the National Highway System; to the Committee on Transportation and Infrastructure.

By Mr. ISSA:

H.R. 3523. A bill to direct the Secretary of the Interior to take action with respect to a fee into trust application submitted by the Pechanga Band of Luiseno Mission Indians; to the Committee on Resources.

By Mr. GEORGE MILLER of California (for himself, Mr. ANDREWS, Mr. OWENS, Mr. MORAN of Virginia, Mr. HINOJOSA, Ms. LEE, Mr. FRANK, Ms. WOOLSEY, Mr. GREEN of Texas, Mr. KILDEE, Ms. MCCOLLUM, Mr. ABERCROMBIE, Mr. MCGOVERN, Ms. DELAURO, Mr. NADLER, Mr. BROWN of Ohio, Mr. STARK, and Mrs. MCCARTHY of New York):

H.R. 3524. A bill to amend the Child Care and Development Block Grant Act of 1990 to provide access to early care and education so that families can work and children can receive quality custodial care; to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SENSENBRENNER.

H.R. 3525. A bill to enhance the border security of the United States, and for other purposes; to the Committee on the Judiciary, and in addition to the Committees on Intelligence (Permanent Select), International Relations, Ways and Means, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned; which was considered and passed.

By Mr. GILMAN:

H.R. 3526. A bill to suspend temporarily the duty on (2-benzothiazolythio) butanedioic acid; to the Committee on Ways and Means.

By Mr. GILMAN:

H.R. 3527. A bill to suspend temporarily the duty on 60–70% amine salt of 2-benzothiazolythio succinic acid in solvent; to the Committee on Ways and Means.

By Mr. GILMAN:

H.R. 3528. A bill to suspend temporarily the duty on 4–Methyl-g-oxo-benzenebutanoic acid compounded with 4-ethylmorpholine (2:1); to the Committee on Ways and Means.

By Mr. THOMAS:

H.R. 3529. A bill to provide tax incentives for economic recovery and assistance to displaced workers; to the Committee on Ways and Means, and in addition to the Committees on Education and the Workforce, Energy and Commerce, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned; which was considered and passed.

By Mr. HOUGHTON (for himself, Mr. BECERRA, Mr. BOEHLERT, and Mr. COYNE):

H.R. 3530. A bill to amend the Internal Revenue Code of 1986 to clarify that certain settlement funds established under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 are beneficially owned by the United States and are not subject to tax; to the Committee on Ways and Means.

By Mr. HOYER:

H.R. 3531. A bill to authorize appropriations for salaries and expenses of the United States Capitol Police, and for other purposes; to the Committee on House Administration.

By Mr. ANDREWS:

H.R. 3532. A bill to require the establishment of programs by the Administrator of the Environmental Protection Agency, the Director of the National Institute for Occupational Safety and Health, and the Secretary of Health and Human Services to improve indoor air quality in schools and other buildings; to the Committee on Energy and Commerce, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. BIGGERT:

H.R. 3533. A bill to amend the Fair Debt Collection Practices Act to clarify the relationship between such Act and rules of civil

procedure, and for other purposes; to the Committee on Financial Services.

By Mr. CARSON of Oklahoma (for himself, Mr. WATKINS, Mr. KILDEE, and Mr. LARGENT):

H.R. 3534. A bill to provide for the settlement of certain land claims of Cherokee, Choctaw, and Chickasaw Nations to the Arkansas Riverbed in Oklahoma; to the Committee on Resources.

By Mr. DEMINT (for himself and Mr. ARMEY):

H.R. 3535. A bill to amend the Social Security Act and the Internal Revenue Code of 1986 to preserve and strengthen the Social Security Program through the creation of individual Social Security accounts ensuring full benefits for all workers and their families, giving Americans ownership of their retirement, restoring long-term Social Security solvency, and for other purposes; to the Committee on Ways and Means.

By Mr. CLEMENT:

H.R. 3536. A bill to clarify authority of States to establish licensing and training programs for new positions and categories of nursing assistants to relieve the shortage of nurses and the availability of Medicare funding for such new positions and categories; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CROWLEY:

H.R. 3537. A bill to direct the Secretary of Transportation to establish a pilot program to facilitate the use of natural gas buses at public airports through grants for energy demonstration and commercial application of energy technology, and for other purposes; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Science, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. CUBIN (for herself and Mr. CARSON of Oklahoma):

H.R. 3538. A bill to amend the Mineral Leasing Act to reduce impediments to the prompt development of natural gas and oil resources on Federal lands; to the Committee on Resources.

By Mr. DEUTSCH:

H.R. 3539. A bill to provide for the transfer of certain real property by the Secretary of Housing and Urban Development; to the Committee on Government Reform.

By Mr. GEKAS (for himself and Mr. COSTELLO):

H.R. 3540. A bill to amend title XVIII of the Social Security Act to extend the minimum Medicare deadlines for filing claims to take into account delay in processing adjustments from secondary payor status to primary payor status; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GREEN of Wisconsin:

H.R. 3541. A bill to explicitly authorize religious organizations and organizations having religious purposes to participate in certain housing assistance programs of the Department of Housing and Urban Development; to the Committee on Financial Services.

By Mr. GREEN of Wisconsin:

H.R. 3542. A bill to amend title 18, United States Code, to include scientific materials in the definition of material support for the purposes of the prohibition against giving material support to terrorists; to the Committee on the Judiciary.

By Mr. HYDE (for himself and Mr. FRANK):

H.R. 3543. A bill to modify the application of the antitrust laws to authorize collective negotiations among playwrights and producers regarding the development, licensing, and production of plays; to the Committee on the Judiciary.

By Mrs. MCCARTHY of New York (for herself, Ms. LEE, Mr. FROST, Mr. OWENS, Mr. PASCRELL, Mr. ABERCROMBIE, Mr. SERRANO, Mr. FOSSELLA, Mr. HINCHEY, Mr. PALLONE, Mr. NADLER, and Mr. MCNULTY):

H.R. 3544. A bill to provide for a congressional medal of appropriate design to be awarded by the President to civilians killed or wounded in terrorist attacks; to the Committee on Financial Services.

By Mr. MURTHA:

H.R. 3545. A bill to amend title XVIII of the Social Security Act to increase by 20 percent the payment under the Medicare Program for ambulance services furnished to Medicare beneficiaries in rural areas, to determine rural areas based on population density, and to require the use of recent data in determining payment adjustments; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. OTTER (for himself and Mr. SIMPSON):

H.R. 3546. A bill to increase the Government's share of development project costs at certain qualifying airports; to the Committee on Transportation and Infrastructure.

By Mr. PETERSON of Minnesota (for himself and Mr. GREEN of Texas):

H.R. 3547. A bill to protect the public's ability to fish for sport, and for other purposes; to the Committee on Resources.

By Mr. SIMMONS (for himself, Mrs. JOHNSON of Connecticut, Mr. GREEN of Wisconsin, Mr. MALONEY of Connecticut, and Mr. SHAYS):

H.R. 3548. A bill to provide for uniform recognition of Indian tribes by the Bureau of Indian Affairs, and for other purposes; to the Committee on Resources.

By Mr. SWEENEY:

H.R. 3549. A bill to provide indemnification and liability protection to, and facilitate the procurement of insurance for, contractors responding to the World Trade Center attacks; to the Committee on the Judiciary.

By Mr. TIAHRT (for himself and Mr. WELDON of Florida):

H.R. 3550. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives for maintaining a strong travel and tourism industry, and for other purposes; to the Committee on Ways and Means.

By Mr. WICKER:

H.R. 3551. A bill to provide that, in establishing wage schedules for certain prevailing rate employees with respect to whom the Government is currently experiencing recruitment and retention problems, rates of pay for comparable positions in the nearest, most similar wage area shall be taken into account; to the Committee on Government Reform.

By Mr. YOUNG of Florida:

H.J. Res. 79. A joint resolution making further continuing appropriations for the fiscal year 2002, and for other purposes; to the Committee on Appropriations.

By Mr. MCCRERY:

H. Con. Res. 292. Concurrent resolution supporting the goals of the Year of the Rose; to the Committee on Government Reform.

By Mr. CROWLEY (for himself, Mr. KING, and Mr. CANTOR):

H. Con. Res. 293. Concurrent resolution expressing the sense of the Congress that the United Nations should suspend the membership of any state identified as a sponsor of terrorism by the Department of State; to the Committee on International Relations.

By Mr. SIMMONS:

H. Con. Res. 294. Concurrent resolution expressing the sense of the Congress that the Secretary of the Navy should name a new naval vessel the ''U.S.S. Bluejacket''; to the Committee on Armed Services.

By Mrs. MALONEY of New York (for herself, Mrs. KELLY, Mrs. MCCARTHY of New York, Mr. HINCHEY, Mr. TOWNS, Mr. GRUCCI, Mr. ISRAEL, Mr. SERRANO, Mr. KING, Mr. NADLER, Mr. MEEKS of New York, and Mr. ENGEL):

H. Res. 325. A resolution recognizing the courage and professionalism of the New York City public school community during and after the terrorist attack on the World Trade Center on September 11, 2001, and supporting Federal assistance to New York City public schools; to the Committee on Education and the Workforce.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 68: Ms. VELÁZQUEZ.
H.R. 218: Mr. MOORE, Mr. BOSWELL, and Ms. SANCHEZ.
H.R. 318: Mr. WU.
H.R. 476: Mr. GRUCCI.
H.R. 535: Mr. BARR of Georgia.
H.R. 547: Mrs. MORELLA.
H.R. 600: Mr. PASCRELL, Mr. OLVER, and Mr. SAXTON.
H.R. 662: Mr. PAUL.
H.R. 747: Mr. HONDA.
H.R. 840: Mr. ENGEL.
H.R. 854: Ms. KAPTUR.
H.R. 912: Mr. DOYLE and Mr. TRAFICANT.
H.R. 975: Mr. QUINN.
H.R. 978: Mr. FILNER.
H.R. 986: Mr. EHRLICH.
H.R. 1083: Mr. LUTHER.
H.R. 1155: Ms. SOLIS and Mr. SUNUNU.
H.R. 1186: Mr. RUSH.
H.R. 1194: Mr. KILDEE.
H.R. 1220: Mr. PASCRELL.
H.R. 1262: Mr. ROTHMAN.
H.R. 1296: Mr. SAXTON.
H.R. 1305: Mr. ETHERIDGE.
H.R. 1309: Mr. GILCHREST.
H.R. 1330: Mr. RUSH.
H.R. 1353: Mr. ROGERS of Kentucky.
H.R. 1354: Mr. DELAHUNT and Mr. QUINN.
H.R. 1433: Mr. HONDA.
H.R. 1435: Mr. KENNEDY of Rhode Island and Mr. SCHIFF.
H.R. 1436: Mr. QUINN.
H.R. 1494: Mr. KENNEDY of Rhode Island.
H.R. 1609: Mr. GUTKNECHT and Mr. QUINN.
H.R. 1642: Mr. Lynch.
H.R. 1700: Mr. KILDEE.
H.R. 1841: Mrs. MALONEY of New York and Mrs. JONES of Ohio.
H.R. 1897: Mr. MOORE, Mr. DAVIS of Illinois, and Mr. QUINN.

H.R. 1948: Mr. WHITFIELD.
H.R. 2037: Mr. OSE, Mr. KANJORSKI, Mr. MICA, Mr. BONILLA, Mr. WELDON of Pennsylvania, Mr. ROYCE, and Mr. CLEMENT.
H.R. 2071: Mr. OLVER.
H.R. 2073: Mr. LARSEN of Washington.
H.R. 2160: Mr. MOORE.
H.R. 2163: Mr. REYES.
H.R. 2173: Mr. ALLEN.
H.R. 2220: Mr. RUSH, Mr. DAVIS of Illinois, and Mr. PAYNE.
H.R. 2292: Mr. FOSSELLA.
H.R. 2316: Mr. SAXTON, Mr. HASTINGS of Washington, and Mr. WATKINS.
H.R. 2379: Mrs. MORELLA, Mr. TOWNS, Mr. MCHUGH, and Mr. HOLT.
H.R. 2486: Mr. UDALL of Colorado.
H.R. 2523: Mr. HASTINGS of Florida.
H.R. 2527: Mr. LAMPSON and Mr. ROTHMAN.
H.R. 2592: Mr. SABO and Mr. ANDREWS.
H.R. 2605: Mr. FILNER.
H.R. 2629: Mr. BARTON of Texas.
H.R. 2638: Mr. GEORGE MILLER of California and Mr. JOHNSON of Illinois.
H.R. 2684: Mr. WALDEN of Oregon.
H.R. 2763: Mr. SOUDER.
H.R. 2805: Mr. GRUCCI.
H.R. 2974: Mr. MCDERMOTT, Mr. TOM DAVIS of Virginia, and Mr. ENGLISH.
H.R. 2996: Mr. LARSEN of Washington and Mr. PLATTS.
H.R. 3006: Mr. LARGENT and Mr. GRUCCI.
H.R. 3007: Mr. HASTINGS of Florida and Mr. FOLEY.
H.R. 3058: Mr. NADLER, Mr. TOM DAVIS of Virginia, Mr. PASTOR, Mr. GILCHREST, Mr. OLVER, Mr. DELAHUNT, Mr. FORBES, Mr. HALL of Ohio, Mr. HOBSON, Ms. SLAUGHTER, Ms. BERKLEY, Mr. PAYNE, Mr. KENNEDY of Rhode Island, Mr. TIERNEY, Mr. SMITH of New Jersey, Mr. WEINER, Mr. WEXLER, Mr. TOWNS, Mr. LARSEN of Washington, Ms. HOOLEY of Oregon, Mrs. TAUSCHER, Mr. MCGOVERN, Mr. BLAGOJEVICH, Mr. BORSKI, Mr. ANDREWS, Mr. CAPUANO, Mr. FERGUSON, Mr. WYNN, Mr. HILLIARD, Mr. THOMPSON of Mississippi, Mr. ABERCROMBIE, Mr. BILIRAKIS, Mr. RAHALL, Mr. ROTHMAN, Mr. SUNUNU, and Mr. BOSWELL.
H.R. 3080: Mrs. CHRISTENSEN, Mr. OWENS, Mr. CONYERS, Mr. PAYNE, and Mr. BRADY of Pennsylvania.
H.R. 3109: Mr. PLATTS, Mr. HOLT, and Mr. ROTHMAN.
H.R. 3132: Mr. KUCINICH.
H.R. 3175: Ms. WOOLSEY.
H.R. 3185: Mr. BONIOR, Mr. ENGEL, Mr. KUCINICH, and Mr. PLATTS.
H.R. 3211: Mr. BACHUS.
H.R. 3217: Mr. DINGELL.
H.R. 3230: Mr. PRICE of North Carolina and Mr. MCNULTY.
H.R. 3238: Mr. MOORE.
H.R. 3250: Mr. GEORGE MILLER of California.
H.R. 3278: Mr. WAMP.
H.R. 3284: Mr. LANTOS.
H.R. 3292: Mr. GRAVES.
H.R. 3318: Mr. HOEFFEL and Ms. LEE.
H.R. 3331: Mr. BRADY of Pennsylvania.
H.R. 3339: Mr. BALDACCI and Mr. PAYNE.
H.R. 3351: Mr. WALDEN of Oregon, Ms. ROS-LEHTINEN, Mr. REYNOLDS, Mr. MICA, Mr. TANNER, Mr. SMITH of Texas, Mr. THOMPSON of Mississippi, Ms. LEE, Mr. PAYNE, Mr. LARGENT, Mr. OWENS, Mr. MOORE, and Mr. GIBBONS.
H.R. 3360: Mr. HALL of Texas, Mr. BROWN of Ohio, Mr. HOUGHTON, Mr. CALLAHAN, Mr. REYES, Mr. SHAW, Mr. DAVIS of Illinois, Mr. LAFALCE, Mr. LUCAS of Oklahoma, Mrs. WILSON of New Mexico, Mr. LEACH, Mr. MICA, Mr. HILLIARD, Mr. CRAMER, Mr. SHOWS, Mr. MARKEY, and Mr. ROGERS of Kentucky.
H.R. 3368: Mr. LANTOS.
H.R. 3375: Mr. FORD, Mr. WAMP, Mr. HONDA, Mrs. EMERSON, Mr. KUCINICH, Mr. HOYER, Mrs. MEEKS of Florida, and Mr. TIAHRT.
H.R. 3390: Mr. PRICE of North Carolina.
H.R. 3397: Mr. GEKAS.
H.R. 3407: Mr. BACA.
H.R. 3414: Mr. SANDLIN, Mr. PRICE of North Carolina, Mr. WEXLER, Ms. DEGETTE, Mr. SHIMKUS, Ms. KAPTUR, Mr. DAVIS of Illinois, Mr. KENNEDY of Rhode Island, Mr. KIRK, Mr. ETHERIDGE, Ms. BROWN of Florida, and Mrs. TAUSCHER.
H.R. 3415: Mr. ABERCROMBIE, Mr. SANDERS, and Mr. SAWYER.
H.R. 3424: Mr. SCHAFFER, Mr. BACA, Ms. GRANGER, Mr. TANCREDO, Mr. BURR of North Carolina, Mr. THOMPSON of California, Mr. ADERHOLT, Mr. HOLT, and Mr. LUCAS of Kentucky.
H.R. 3431: Mr. WHITFIELD, Mr. LANGEVIN, and Mr. MORAN of Virginia.
H.R. 3443: Mr. CALVERT, Mr. COX, Mr. TOM DAVIS of Virginia, Mr. DREIER, Mr. EHLERS, Mr. HERGER, Mr. HUNTER, Mr. MCGOVERN, Mr. MCKEON, Mr. GARY G. MILLER of California, Mr. OSBORNE, Mr. OSE, Mr. ROHRABACHER, Mr. ROYCE, Mr. SHAYS, Mr. SAXTON, Mr. THOMAS, Mr. SCHAFFER, Mr. TERRY, and Mr. LEACH.
H.R. 3450: Mr. SWEENEY, Mr. BEREUTER, Mr. GRAHAM, Mr. BORSKI, Mr. DAVIS of Illinois, Mr. FILNER, Mr. PASTOR, Mrs. MEEK of Florida, Mr. STUPAK, and Mr. WALSH.
H.R. 3460: Mr. STUPAK and Mr. UDALL of Colorado.
H.R. 3462: Mr. BARTON of Texas and Mr. TOWNS.
H.R. 3466: Mr. BEREUTER and Mr. STUPAK.
H.R. 3471: Mr. ENGEL, Mr. LUCAS of Kentucky, Mr. NADLER, Mr. MCGOVERN, Ms. MILLENDER-MCDONALD, Ms. JACKSON-LEE of Texas, Ms. DELAURO, Mr. BERRY, and Mr. SKELTON.
H.R. 3479: Mr. CRAMER, Mr. BECERRA, Mr. QUINN, Ms. KAPTUR, Mr. KUCINICH, Mr. THOMPSON of California, Mr. GEORGE MILLER of California, Mr. FROST, Mr. EDWARDS, Mr. MCNULTY, Mr. UDALL of New Mexico, and Mr. RANGEL.
H.R. 3487: Mr. MALONEY of Connecticut, Mr. KENNEDY of Minnesota, and Mr. STUPAK.
H.R. 3494: Mr. KUCINICH, Mr. ACKERMAN, Mr. OWENS, Ms. RIVERS, Ms. MCCARTHY of Missouri, and Ms. WOOLSEY.
H.R. 3495: Mr. TANCREDO.
H.R. 3498: Mr. FROST.
H. Con. Res. 222: Mr. HEFLEY.
H. Con. Res. 230: Mr. GUTIERREZ.
H. Con. Res. 240: Ms. WOOLSEY.
H. Con. Res. 245: Mr. MCGOVERN, Mr. ENGLISH, Mr. WOLF, Mr. MCNULTY, Mr. BONIOR, Mr. LIPINSKI, Mr. FROST, Mr. FORD, Ms. SLAUGHTER, Mr. ROGERS of Kentucky, Mr. WALSH, Mr. LUCAS of Kentucky, Mr. SHUSTER, and Ms. HART.
H. Con. Res. 247: Mr. FILNER.
H. Con. Res. 249: Mrs. MINK of Hawaii, Ms. SCHAKOWSKY, Mr. LUCAS of Kentucky, Mr. SHOWS, Mr. ROSS, and Mr. SANDERS.
H. Con. Res. 265: Mr. GOODLATTE and Mr. HASTINGS of Florida.
H. Con. Res. 284: Mr. HORN.
H. Res. 259: Mr. DUNCAN.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 3427: Ms. ROS-LEHTINEN.

DISCHARGE PETITIONS

Under clause 2 of rule XV, the following discharge petition was filed:

Petition 5. Wednesday, December 19, 2001, by Mr. KUCINICH on House Resolution 304, was signed by the following Members: Dennis J. Kucinich, Danny K. Davis, Frank Mascara, Bill Pascrell, Jr., Stephanie Tubbs Jones, Marcy Kaptur, Earl F. Hilliard, Diane E. Watson, Lynn N. Rivers, Lane Evans, Ted Strickland, Jerrold Nadler, Frank Pallone, Jr., Robert E. Andrews, Dale E. Kildee, Jesse L. Jackson, Jr., Grace F. Napolitano, Tom Lantos, Bernard Sanders, Peter A. DeFazio, William Lacy Clay, Major R. Owens, James L. Oberstar, David E. Bonior, James R. Langevin, Brad Carson, Sanford D. Bishop, Jr., Albert Russell Wynn, Maxine Waters, John Lewis, Barbara Lee, Stephen F. Lynch, Carolyn C. Kilpatrick, James A. Barcia, Eddie Bernice Johnson, Sherrod Brown, Karen L. Thurman, Bart Gordon, Max Sandlin, Michael E. Capuano, Louise McIntosh Slaughter, Robert C. Scott, Rosa L. DeLauro, Sheila Jackson-Lee, Maurice D. Hinchey, John W. Olver, Martin Frost, William O. Lipinski, Bobby L. Rush, Janice D. Schakowsky, Juanita Millender-McDonald, Sam Farr, Carolyn McCarthy, Peter Deutsch, James P. McGovern, Lynn C. Woolsey, William D. Delahunt, Nydia M. Velázquez, Brad Sherman, James H. Maloney, Ed Pastor, Cynthia A. McKinney, Thomas H. Allen, Karen McCarthy, Donald M. Payne, Susan A. Davis, Jose E. Serrano, Hilda L. Solis, Tom Udall, George Miller, Dennis Moore, Tammy Baldwin, Joseph M. Hoeffel, Joe Baca, Patsy T. Mink, Luis V. Gutierrez, John Conyers, Jr., Bennie G. Thompson, Loretta Sanchez, Neil Abercrombie, Jerry F. Costello, Elijah E. Cummings, Jim Turner, Bob Filner, Julia Carson, Betty McCollum, Eliot L. Engel, Mike Thompson, Gregory W. Meeks, Bart Stupak, Barney Frank, Eva M. Clayton, Melvin L. Watt, Steny H. Hoyer, Steven R. Rothman, Michael F. Doyle, Rush D. Holt, Michael M. Honda, Ike Skelton, Corrine Brown, John B. Larson, David D. Phelps, John Elias Baldacci, Robert A. Brady, Ciro D. Rodriguez, Harold E. Ford, Jr., Benjamin L. Cardin, Edolphus Towns, Lois Capps, Chaka Fattah, Robert T. Matsui, Adam B. Schiff, Nancy Pelosi, Nita M. Lowey, Baron P. Hill, Patrick J. Kennedy, James E. Clyburn, Nick J. Rahall II, Joseph Crowley, Steve Israel, Michael R. McNulty, and Thomas M. Barrett.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 3, by Mr. TURNER on House Resolution 203: Alcee L. Hastings, Eddie Bernice Johnson, Greg Ganske, and Peter J. Visclosky.

Petition 4, by Mr. RANDY ''DUKE'' CUNNINGHAM on House Resolution 218: Brian D. Kerns.

EXTENSIONS OF REMARKS

IN RECOGNITION OF BOWIE HIGH SCHOOL

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. HOYER. Mr. Speaker, I rise today to give recognition to the football team of Bowie High School for winning the Maryland State Football Championship. An estimated ten thousand fans were in attendance at Byrd Stadium on the Campus of the University of Maryland to witness Bowie High School's first ever division 4A football championship.

On December 1st, Bowie completed their season with a 23–6 victory over rival and previously unbeaten Eleanor Roosevelt High School. The game was the first All-Prince George's County title game since 1983, and the first time Bowie High School has played for the championship since 1987. The victory capped an outstanding season for Coach Scott Chadwick and his Bulldogs.

The championship culminated an incredible revival of the football program. When athletic director Bob Estes was hired two years ago, the football program had not had a winning record since 1988. The team had a 38–61 record from 1989 to 1997, including six years with less than four wins. Since Head Coach Chadwick took over the team four years ago, they have increased their win total each year, and now have a championship trophy.

Bowie High School's first championship is especially gratifying for the fans that have been vocally and passionately supporting the team throughout the year. Many parents of the team have been actively involved in the school's pep rallies and have stuck with the team throughout some tough years.

I applaud the efforts of the team members, their coaching staff, their fans, the school system and the Bowie Community for a winning season and for being the Maryland State Football Champions.

Mr. Speaker, and colleagues, please join with me in wishing the Bowie High School football team continued success and congratulations on their outstanding achievement.

STUDENT VISAS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. GEORGE MILLER of California. Mr. Speaker, I rise in support of the International Student Responsibility Act, which I am introducing today.

Each year, over 500,000 international students enter the United States to study at our colleges, universities, and trade schools. The vast majority of these students contributes to the intellectual achievements of our universities, promotes understanding across cultures, and acquires an appreciation for the American values of freedom and democracy.

I am troubled, however, that the poor administration of the student visa program has become a threat to national security. At least one of the September 11th hijackers entered the country on a student visas, as did one of the 1993 World Trade Center bombers. Last year, a congressional commission on terrorism concluded that national security requires tighter monitoring of the status of foreign students.

On October 31, 2001, two subcommittees of the Committee on Education and the Workforce held a hearing on the student visa program. We discovered some gaping loopholes.

For example, all the information in student visa applications is reported by the international student. There is no due diligence requirement from home countries to ensure that this information is accurate and that the student is trustworthy.

Second, the State Department does not notify the college when a visa is granted, nor does the Immigration and Naturalization Service promptly notify the college when the student enters the country. The last contact the college had with the student may have been granting admission. If the student enters the country but doesn't show up on campus, neither the college nor the INS may know anything went wrong for a year or longer.

Third, the INS is lagging behind schedule implementing the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, which requires data collection on international students' enrollment status and current address. Without that database, the INS does not know when an international student graduates or drops out. Nor has the INS established a database to track foreign visitors' entry and exit from the country, so the INS does not know how many students stay in the country after completing their studies.

I would like to include for the record a recent editorial from the Contra Costa Times, which draws sound, sensible conclusions on this issue. As the editorial notes, "One of the easiest, albeit illegal, ways to get into the United States and stay here indefinitely is through student visas. . . . With America's heightened awareness of the need for secure borders and internal security, we no longer can afford to ignore student visa requirements."

Like many Americans, I value the attendance of international students at our colleges and universities, but we should make sure they follow the rules. The databases mandated by the 1996 law, but not yet implemented, are a good place to start. The International Student Responsibility Act gives the INS additional resources to implement them as quickly as possible. It also authorizes to funding to ensure that the databases are not a paper exercise, but are used aggressively as the basis for investigations and, if appropriate, deportations.

The Act also adds new procedures to address current law's shortcomings. It requires the INS to notify colleges with 10 days when their students enter the country, and requires colleges to promptly notify the INS is any of their students fail to enroll. It creates an incentive for international students to comply with the law by withholding their transcripts and diplomas until they return home or extend their stay in the U.S. legally.

Finally, the best protection against potential terrorists is to prevent them from entering the U.S. at all. The Act requires the Department of State to ask international students' home countries whether the students are known criminals or terrorists before granting the visas. It also requires heightened scrutiny of students from countries that are state sponsors of terrorism.

We must strive to keep America as open as possible to foreign students, but also to ensure that we have closed the gaping loopholes in the student visa program that make our country more vulnerable to terrorism. I urge my colleagues to join me in supporting this important legislation.

[From the Contra Costa Times, Nov. 23, 2001]

CONTROL STUDENT VISAS

One of the easiest ways, albeit illegal, to get into the United States and stay here in definitely is through student visas. The visas are issued for full-time students for a specified time. Yet students often stay in the country well past the visas' expiration dates with impunity. This situation must not continue for students or anyone else who received a visa to come to the United States.

That does not mean this country has to close its doors to foreign students or other wishing to work in or visit the United States. It certainly does not mean the United States should place a six-month moratorium on all student visas, as Sen. Dianne Feinstein has proposed. It does mean the Immigration and Naturalization Service is going to have to do a far better job of controlling visas and keeping track of everyone with a visa who enters this country.

Those who are here past the expiration dates on their visas should be deported. However, it also should not be such an onerous burden for visa holders, particularly students, to get their visas properly renewed before they expire as long as the person continues full-time studies in this country and is law-abiding.

With America's heightened awareness of the need for secure borders and internal security, we no longer can afford to ignore student visa requirements. Nor can we grant visas to anyone without closer scrutiny of his or her background.

Of particular concern are students from countries with a record of harboring terrorists who are seeking visas. The list of such countries is short, but includes several nations in the Middle East, where much of the world's international terrorism is bred.

It is critical that those seeking visas from such nations receive extensive background checks before they enter the United States. Some may see this as racial profiling. It is actually nation profiling, and it is necessary for public security. Thorough background checks need not prevent the United States from accepting large numbers of foreign students, even from countries where terrorism is a problem.

It simply means that the United States must enforce its visa laws to reduce the chance of terrorism and to get a better grip on controlling its borders.

To accomplish this goal in a humane manner, the INS is going to have to increase its work force so that those wishing to spend extended periods of time in the United States are carefully screened, are easily able to renew visas for legitimate purposes and are deported when they violate the terms of their visas.

TRIBUTE TO MS. MELINDA DAY

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. DUNCAN. Mr. Speaker, I rise today to congratulate Ms. Melinda Day of Lenoir City, Tennessee, in my District. She was recently chosen as Tennessee Teacher of the Year 2002. Ms. Day teaches fifth grade at Lenoir City Elementary School.

This honor is well deserved for Ms. Day, who has been teaching for six years. Even when she was a child, Ms. Day would practice being a teacher in the basement of her parents' home.

Her students enjoy learning in her classroom. she teaches with enthusiasm and a real love for educating children.

Ms. Day has traveled to Japan on two occasions to teach as a part of the Fulbright Memorial Fund Teacher Program and the Fulbright Master Fund Teacher Program.

This Nation would be a much better place and our students would be better educated if there were more people and teachers like Melinda Day.

Mr. Speaker, I would like to congratulate Ms. Day on a job well done. She serves as an inspiration for educators all over the Country. I have included an article from the Knoxville News-Sentinel that highlights the accomplishments of Ms. Day that I would like to call to the attention of my fellow Members and other readers of the RECORD.

[From the Knoxville (TN) News-Sentinel, Nov. 19, 2001]

TENNESSEE'S TOP TEACHER

MELINDA K. DAY IS NOW VYING FOR NATIONAL HONOR

(By Jennifer Lawson)

Lenoir City Elementary School fifth-grader Alexis Lawson thinks she knows why her teacher, Miss Day, was chosen the Tennessee Teacher of the Year 2002.

''She's a good teacher because she listens to people,'' Alexis said as she led a visitor to Melinda K. Day's classroom.

Day was recently chosen to represent Tennessee in the competition for National Teacher of the Year, which will culminate next April in a ceremony at the White House.

At 28, Day's been teaching for six years officially, but she actually started teaching at age 6 when she set up a classroom complete with a row of antique desks in her parents' basement or in the back of the family horse trailer.

''Every day after school I would rush home to 'teach' what I learned that day and model my teacher's actions in my play classroom,'' Day wrote in her state competition essay. ''This love of learning and teaching has always been an integral part of me. My mom and dad instilled the value of education in me at a very early age.''

It only takes a few minutes spent in Day's classroom to feel the enthusiasm and energy she spreads to her students. Her classroom is decorated with fish and palm trees, and a tank of goldfish sits on one counter. She loves things tropical and through her fiancé, Chris Webster, she's become a fan of Jimmy Buffett and his ocean-inspired music.

''Your life is so precious you can't be replaced by anyone,'' is written across the top of the blackboard.

Her age belies her experience, which includes summers teaching in Japan and Wales as well as bachelor's, master's and education specialist's degrees from the University of Tennessee. She also traveled to Japan to teach as part of the Fulbright Memorial Fund Teacher Program in 1998 and again last year as a recipient of the Fulbright Master Teacher Program.

She said spending time in Japan and not speaking the language made her understand the frustration Spanish speaking children feel when they come to Lenoir City Elementary. Over the past few years, the school has taught a growing population of Mexican immigrants.

''She has served as an inspiration to more experienced teachers and helped to change the attitudes of some teachers with less enthusiasm,'' wrote Lenoir City Schools Superintendent Wayne Miller in a letter supporting Day's nomination. ''Another point which makes Ms. Day an exemplary teacher.''

The Alabama native, who grew up in Lenoir City, Iowa and South Carolina, said she's like her father who ''has to have change constantly.'' She channels that need for change into her teaching.

''Teaching to her is 24–7,'' said Lenoir Elementary Principal Patricia Jones. ''She's got a unique quality about her that creates an environment for the children where they feel safe to learn.''

Day credits three elementary teachers for cultivating her natural love of teaching: Melanie Amburn and Donna Langley (now Zukjowski) of Eaton Elementary School in Loudon County and Julia Pratt, who teaches in Marion, Iowa. More than the subject matter she learned, she remembers how the teachers made her feel about learning and her potential.

''Not only did these teachers set high expectations for students (to) learn the basic skills, but (they) also wanted each child to gain confidence and develop a sense of humor to enjoy life,'' she wrote in her essay. ''The small acts of kindness exhibited by these teachers still make me realize the importance of personally knowing all of my students and learning what encouragements they need to make them feel better about themselves each day.''

Her toughest decision after winning the $3,500 prize accompanied by a crystal award and a certificate signed by Gov. Don Sundquist, was deciding whom to take to Washington with her—her mother, her father or her fiancé.

''I'm taking my mom with me.'' Day said. ''She's a big Republican. When I told her, she jumped up and down like a little girl.''

COMMENDING THE WORK OF THE UNITED STATES COAST GUARD'S MARINE SAFETY OFFICE OF HUNTINGTON, WEST VIRGINIA

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. RAHALL. Mr. Speaker, the events of September 11th demanded a great deal from all those involved in ensuring the safety and security of our Nation. Countless individuals and organizations were called upon to aid our country in this time of need, and many answered this call with a great amount of effort and dedication to the American cause.

I would like to take this opportunity to commend the United States Coast Guard's Marine Safety Office of Huntington, West Virginia, the recent recipients of the Commandant's Quality Award for 2001. This honor rewards the leadership, strategic planning, customer focus, information and analysis, human resource focus, process management and business results produced by individual U.S. Coast Guard offices. In addition, the Huntington office was specifically recognized for their development of efficient business practices after the tragedy our Nation suffered on September 11th. Despite the fact that this office is one of the smallest of the 45 marine safety offices nationwide, their newly developed risk assessment plan was praised in Washington for their invaluable contributions to the Coast Guard as a whole in this area.

I would also like to recognize the achievements of United States Coast Guard Auxiliary member James Perry of Huntington, WV. As the communications director for his local office, he was singled out for improving that particular office's pager, cell phone and voice mail systems, all of which have proven to be crucial for operations in the post-September 11th era.

The article in the Herald Dispatch is included on this hero.

COAST GUARD OFFICE HONORED FOR BUSINESS PRACTICES

(By Bob Withers)

HUNTINGTON.—The local U.S. Coast Guard's Marine Safety Office was honored Tuesday for developing efficient business practices that influenced the entire Coast Guard after the terrorist attacks of Sept. 11.

Master Chief Petty Officer Vincent W. Patton III of Washington, D.C., the Coast Guard's highest-ranking enlisted member, presented the unit with the Commandant's Quality Award for 2001 during a ceremony at the local headquarters.

The annual honor—patterned after the Malcolm Baldrige National Quality Award, the nation's premier award for performance in business and industry—recognizes commands and major staff elements that, through commitment to customer and employee satisfaction and continuous improvement, serve as examples for other Coast Guard organizations.

The award encompasses several categories of management—leadership, strategic planning, customer focus, information and analysis, human resources, process management and business results.

Patton said officers in Washington were particularly impressed with the local office's newly developed risk assessment plan.

''We needed that information after 9–11,'' he told the members ''When emergency situations arise, we need a frame of reference to measure our use of personnel, money and assets. You have no idea what your plan is doing for us back in Washington.''

Patton compared the accomplishments of the local unit—one of the smallest of 45 marine safety offices nationwide—to the heroics of the outmanned and outgunned crew of the ''tiny, dinky'' revenue cutter Eagle, which was driven ashore in Long Island Sound in October 1814 in an encounter with the British brig Dispatch. The crew dragged their few weapons up a bluff and continued the battle, using log books for cartridges and returning the enemy's small shells that had lodged in the Eagle's hull.

Cmdr. Lincoln Stroh, commanding officer of the local office, also honored U.S. Coast Guard Auxiliary member James Perry of Huntington, the local office's communications officer, for improving its pager, cell phone and voice mail systems.

Stroh also praised Perry for working extra hours to help the office meet increased port safety and security responsibilities following the terrorist attacks.

PAYING TRIBUTE TO GAYLE POTTER'S EIGHTH GRADE CLASS AT DURAND MIDDLE SCHOOL

HON. MIKE ROGERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. ROGERS of Michigan. Mr. Speaker, I rise today to pay tribute to a group of eighth grade students from Durand Middle School in Durand, Michigan. These students along with their teacher, Gayle Potter, have taken the initiative to send to my office their own ideas for helping rebuild vital areas of our economy after the tragic events of September 11th.

The events of September 11th were meant to create fear in every American, especially our children. Yet, the terrorists who carried out those evil acts have succeeded in only strengthening our resolve as Americans. It is also clear, through these students' great example, that our nation's greatest resource, our youth, is as strong, brave, and as bright as they have ever been.

Mr. Speaker, this group of students truly exemplifies the spirit of all Americans at this time in our history. They have set a wonderful example that every American can follow. I ask that my colleagues join with me in saluting their devotion to our country and its continued prosperity.

WISHING WELL TO MR. NORMAN BRINKER

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise to salute a great Dallas-Fort Worth resident. Mr. Norman Brinker is a trailblazer and trendsetter. He has been a pioneer in business and a great friend to our community.

There is perhaps no more amazing restaurateur than Mr. Brinker. He revolutionized the combination of good food, reasonable cost and great customer service through his Steak and Ale restaurant chain. He built the chain to 100 units before The Pillsbury Company, of which Mr. Brinker later became Chairman, bought it.

As Chairman of The Pillsbury Company, he oversaw the world's second largest restaurant organization, presiding over sales of $4 billion. Never one to rest on his laurels, Mr. Brinker soon ventured out on his own again, buying Dallas based chain Chili's. Under his leadership, the 23 operating units of Chili's became Brinker International, a world restaurant power with hundreds of operating units and over $2 billion in sales. Brinker International now owns Chili's, On the Border, Macaroni Grill, Cozymel's, Corner Bakery, Big Bowl and Eatzi's restaurant chains.

Brinker International is an extraordinarily important corporate citizen of the Dallas-Fort Worth area, but just as important is Mr. Brinker's leadership in the industry and society. The leaders of Outback Steakhouse, Houston's, Red Lobster and Boston Market all spent time under Mr. Brinker's tutelage. In addition, he has been a trendsetter in philanthropy, encouraging entrepreneurs to pair their financial donations with donations of time, and helping to start the Susan G. Komen Breast Cancer Foundation with his wife Nancy.

Mr. Speaker, Norman Brinker has relinquished his position as Chairman of Brinker International and is engaged in a new challenge—defeating his own cancer ailment. As he approaches this new challenge with the same zeal as the other challenges in his life, Dallas-Fort Worth looks forward to his leadership for years to come. I ask that the Congress and the country join the citizens of Dallas-Fort Worth in wishing him well.

ECONOMIC STIMULUS BILL

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. FRELINGHUYSEN. Mr. Speaker, weeks ago the House acted on President Bush's request for an economic stimulus package. We knew then what has now been confirmed—America is in a recession. And, here in New Jersey, the economic slowdown has been especially acute as many New Jersey residents lost their jobs, many as a result of the tragic events of September 11, and others because our economic slowdown began well before September. First and foremost, we need to help the victims and families of the terrorist attacks and the many workers who have lost their jobs. And, with the $40 billion in emergency assistance already approved by Congress, President Bush and his Administration are doing just that. Under the emergency federal assistance provided to our state, workers who have lost their jobs as a result of the attacks are eligible for unemployment and health insurance for up to 26 weeks—that's through at least March of next year. And these benefits have been extended to the self-employed and others who are not otherwise eligible for this assistance.

After addressing these immediate, emergency needs, the House acted quickly to take steps to get our economy moving again. Those steps focused on helping to restore consumer confidence and encouraging private sector investment and expansion to help replace lost jobs and to add more, new jobs. The House has acted on just such a plan. My colleagues in the other body must act now on an economic security bill to help our economy, and those who have lost their jobs.

While most Americans heard recent news reports that said our nation is now ''officially'' in a recession, it didn't take a headline in the newspaper or ''Breaking News'' on CNN for far too many New Jerseyans to realize that these are hard times in America. Even before September 11 changed our lives forever, layoffs at some of New Jersey's largest, most established companies, like Lucent, AT&T and Honeywell, for example, were taking their toll. Alarmingly, 27,000 jobs were lost in the first nine months of this year in New Jersey. Our state's unemployment rate rose to 4.8 percent in October, up from 4.5 percent in September.

It's time for the other body to act and I call on the other body to reject their plans to expand federal programs and increase federal spending beyond our budget agreement with the Administration. More government spending, to my mind, will not serve to stimulate our economy.

Let's face it—the only answer for job loss is to create new jobs. And with the exception of the newly federalized baggage screeners, the Federal Government does not create jobs or economic activity. In fact, the more we ''grow'' government, the more dollars we take out of the private sector, away from the taxpayer and out of our economy. That is why the House version of the economic stimulus provides rapid tax relief to businesses, large and small, to continue to invest, to purchase equipment, expand production and promote job hiring. While some have criticized the House bill as corporate welfare, we need companies to stop layoffs and hire again! Our proposal is critical to the success of New Jersey business. According to the New Jersey Business and Industry Association, even before the September 11 terror attacks, New Jersey employers as a group had lost their confidence in our economy. Two-thirds of 1,600 employers participating in the Association's 2002 Business Outlook Survey said their industries were already in a recession or heading into one at the time of the attacks. We've got to turn that thinking around and provide the incentives to New Jersey's companies to start growing their businesses again.

The House bill also returns more tax dollars back to working Americans by accelerating the tax rate cuts we passed earlier this year and by including tax rebate checks for those individuals who didn't receive them in the first round. Returning these dollars will give people more dollars to spend and invest. These actions—as opposed to more government spending and more government programs—will better address the underlying weaknesses in our economy, namely consumer confidence, consumer spending, and the need for renewed and sustained business investment and expansion.

And, early next year, when existing unemployment and health benefits may be depleted, I am confident that we will continue to help those who need it most. In fact the House economic security package includes a provision that provides another $9 billion in surplus Federal unemployment funds to the states. This translates into approximately $368 million that will be immediately available for New Jersey to pay for more or to expand regular unemployment benefits. This is real Federal assistance to lend a helping hand to New Jerseyans who are hurting the most.

Prompt Senate action will help get our fellow Americans back in the workforce, not still standing in the unemployment line next Spring. While not every provision of the House bill is perfect, our economic security package is a better starting point than the legislative paralysis in the other body! To the other body, I say, get your job done, and let's get America back to work.

CONGRATULATING MITCH LOUIS MANSOUR ON HIS RETIREMENT FROM THE GROCERY BUSINESS

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. RAHALL. Mr. Speaker, I rise today to pay tribute to Michael Louis ''Mitch'' Mansour, of Huntington, WV, who, after half a century in the grocery business, retired on November 4, 2001.

For thirty-eight years Mitch owned and operated ''Mansour's Market,'' a family neighborhood grocery market that survived the intense competition brought about by ''superstores'' and continues to thrive today.

Mitch Mansour's entrepreneurial career began almost from birth. The son of Lebanese immigrants, Mitch was born in 1930 next door to his father's modest grocery store. Even before adolescence Mitch worked alongside his father, Elia, cultivating customer relationships and a solid work ethic. Mitch eventually took over this small store in 1954 after returning home from service during the Korean War.

In 1963, Mitch and his bride, Melanie, began ''Mansour's Food Market,'' which has served as a source of quality foods and employment for hundreds of residents from the local community. From loyal employees that have built careers in catering, meat cutting, grocery management, and customer relations to summer and part-time employees who have pursued professions in law and medicine, ''Mansour's'' has been a solid and reassuring pillar in the Huntington community.

An innovator in customer service, Mitch would not just point the customer to the desired aisle, but walk them to the display and personally present the product choices. In the 1960's, ''Mansour's'' began their grocery home delivery service, which continues to be a valuable service today, especially for elderly and disabled residents. If a customer cannot make it to ''Mansour's,'' ''Mansour's'' comes to them.

In today's transient world it's rare to find someone who spends their life so closely entwined in their community. Michael Mansour and ''Mansour's Market'' has been an important part of the Huntington community and will continue to be for a long time.

I ask that my colleagues join me in offering sincere congratulations to Mitch on the event of his retirement and best wishes for the future.

PRESIDENT BUSH'S WITHDRAWAL FROM THE ABM TREATY

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. SCHAFFER. Mr. Speaker, President Bush's decision to withdraw from the 1972 Anti-Ballistic Missile (ABM) deserves the applause of every American. For too many years our country has been left undefended from the threat of a ballistic missile attack because of the ABM Treaty. Even Soviet Premier Kosygin supported a ballistic missile defense when he remarked, ''Defense is moral, aggression is immoral.''

We need to defend our country from ballistic missile attack. Withdrawing from the ABM Treaty with its special prohibition against space-based defenses is a major step toward that goal. The terrorist attacks of September 11 should have taught us that we should not let our guard down.

We need to act decisively to build a ballistic missile defense, especially a space-based defense, taking advantage of the benefits of an orbital defense with its global coverage, multiple opportunities for intercepting a ballistic missile, and boost phase interception capability.

Our lack of a space-based ballistic missile defense reflects a lack of political will to build such a defense. The ABM Treaty limited the United States to an inferior defense using ground-based interceptors. The technology for building a space-based ballistic missile defense has been available for years, even decades, but not the funding.

We need to fully fund our ballistic missile defense programs, particularly for space. This will require an increase in spending. This increase is justified. Our lack of ballistic missile defense is not justified. Freedom has a price. The ballistic missile threat is increasing, whether seen in North Korea's missile program, or China's buildup of its road-mobile DF–31 ICBM and other missiles.

Increased funding, for example, is justified for the Space Based Laser. Instead of being funded annually at between $50 and $150 million, the Space Based Laser should be funded an order of magnitude greater at $500–$1500 million. This will enable the Space Based Laser to be tested and deployed well before 2010, instead of after 2010 as currently scheduled.

Lack of funding, not technology, keeps us from building Space Based Lasers. In 1995, three major aerospace contractors wrote the Chairman of the Senate Armed Services Committee, Senator STROM THURMOND, pointing out how funding of about $1.5 billion over four years could result in a test launch of a Space Based Laser. The Space Based Laser, moreover, with its boost phase interception capability and global coverage, will provide a more effective defense compared to the Mid Course Phase ground-based interceptor currently under development.

We need a robust ballistic missile defense encompassing a variety of technologies and layers. A defense made up of several layers will more easily defend against countermeasures such as China's plan to attack U.S. radar and communication nodes, or Russia's use of ballistic missiles as platforms for launching hypersonic scramjets that travel in the upper atmosphere.

Funding is needed to re-start the Brilliant Pebbles space-based interceptor program that was successfully ground-tested under the elder Bush's administration. Additional spending for research and development into high-energy laser technologies is called for. Nor should high-energy particle beams be neglected, which showed promise as in the 1989 BEAR experiment. Particle beams as well as lasers can provide effective mid-course phase discrimination of decoys from warheads.

With defense spending at one of its lowest levels since before Pearl Harbor, the political will is now needed to ask for an increase in funding for a space-based ballistic missile defense. Do we need to wait for another September 11 using ballistic missiles before we defend our country?

TRIBUTE TO THE ART STUDENTS AT CLEVELAND HIGH SCHOOL

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. DUNCAN. Mr. Speaker, the events of September 11th of this year had a great impact on our Country. While the devastating terrorist attacks have caused us great sorrow for the loss of lives, Americans have pulled together like never before.

Those who carried out the attacks thought that they would destroy the American Spirit, but I can tell they did exactly the opposite.

People have come together to show their support for those lost in New York, the Pentagon and Pennsylvania. Recently, art students at Cleveland High School showed their support by creating a mural that depicts the events of September 11th and our resolve to never let this happen again.

This piece of work has been talked and written about in local newspapers and television.

Cleveland High School Art Teacher, Martha Kidwell, created a collage of images from

magazines and newspapers which were used as a base for this mural.

The mural measures 13 by 6 feet. This piece of art shows the attacks on America, but it also portrays the heroic firefighters, a determined President Bush, the Statue of Liberty, the American Flag and the Bald Eagle.

This work of art was created by 22 high school students who have shown their patriotism and care for their fellow Americans.

Mr. Speaker, I believe that Martha Kidwell and her students should be commended for their hard work and determination to show their fellow citizens that we will overcome terrorism.

This mural will serve as an inspiration to anyone who sees it. It is currently on display in Southeast Tennessee, and I encourage anyone traveling through this part of the Country to stop by and see this mural entitled, ''We Will Never Forget''.

GLOBAL ACCESS TO HIV/AIDS PREVENTION, AWARENESS, EDUCTION, AND TREATMENT ACT OF 2001

SPEECH OF

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. RANGEL. Mr. Speaker, I rise today in support of H.R. 2069 the Global Access to HIV/AIDS Prevention, Awareness, Education, and Treatment Act of 2001. The HIV/AIDS pandemic threatens the stability of the modern world, as we know it in both developed and developing countries.

I would first like to thank Chairman HYDE for introducing this important legislation. I also would like to thank Congresswoman BARBARA LEE for her tireless work in the area of AIDS and her efforts to raise the consciousness of her colleagues to combat this horrendous disease.

The devastation of the HIV/AIDS disease does not discriminate, and impacts the lives of us all. Recent reports from the United Nations state that more than 58 million people globally have been infected with HIV/AIDS. This horrendous disease has negatively impacted the economies of Africa, the Caribbean, Asia, and Eastern Europe.

This legislation takes a comprehensive approach to combating HIV/AIDS by providing funding for the prevention, education, testing, treatment, and care of individuals with HIV/AIDS. I support and applaud the substantial increase in funding that H.R. 2069 provides to fight HIV/AIDS around the world. I am happy to see that this bill authorizes $485 million in bilateral funding, $50 million for treatment, and $750 million for multilateral funding for fiscal year 2002. 1 hope that this contribution by the United States is the first of many, and that it will serve as a down payment on the improvement of our global future.

The HIV/AIDS pandemic has erased decades of progress in improving the lives of families in the developing world and has claimed 22,000,000 lives since its inception.

More than 17,000,000 individuals have died from HIV/AIDS in sub-Saharan Africa alone.

Two-thirds of those diagnosed with the AIDS virus in the Caribbean are dead within two years. AIDS is the leading cause of death in the Caribbean for those fifteen to forty-five years of age and these numbers continue to increase.

We as a nation must once again exhibit the strong leadership that is our heritage and do the right thing by addressing this humanitarian and economic crisis head on. H.R. 2069 does just that by exhibiting our commitment in the U.S. Congress to combating this dreaded disease through the authorization of this much needed and necessary funding.—

CONFERENCE REPORT ON H.R. 1, NO CHILD LEFT BEHIND ACT OF 2001

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. FRELINGHUYSEN. Mr. Speaker, on December 13, the House passed H.R. 1, the No Child Left Behind Act of 2001 Conference Report by an overwhelming, bi-partisan majority vote. By doing so, we have delivered on President Bush's promise and commitment to improve the education of every child in America!

It is our President's number one domestic priority, other than Homeland Security.

In his Inaugural Address, President Bush in speaking about our responsibilities and values as citizens said ''Together, we will reclaim America's schools, before ignorance and apathy claim more young lives.''

President Bush called upon Congress to achieve that goal by coming up with a plan to reform education in new and bold ways.

Earlier this year, the House responded first by passing the most comprehensive education reform package in almost three decades.

This bill, the No Child Left Behind Act calls for a major increase in federal funds for both states and local school districts. The final agreement with the House and Senate does just that.

It sets aside close to $135 billion for education over the next 5 years alone.

But more importantly, these dollars will ensure accountability by providing the following: unprecedented new flexibility for states and school districts in the use of federal education funds, ensures higher levels of achievement for students to meet and surpass, sets new accountability standards to keep only the most qualified teachers in our classroom and provides more choices for parents in determining the best education possible for their children.

These are important reforms that will replace three and a half decades of increased education spending that have simply not produced the results Americans deserve.

As President Bush rightly put it, ''dollars alone do not always make a difference.''

Today's victory ensures that no child will be left behind. In fact, following the enactment of our reform bill, immediate new options will be available to students in thousands of failing public schools across the United States.

A Department of Education analysis finds that students at nearly 3,000 underachieving public schools nationwide will be eligible for immediate, new options to achieve a better education in a more suitable learning environment.

Mr. Speaker, today I urge my colleagues in the other body to pass H.R. 1 so that we can get it to President's desk and signed into law before the end of the year.

For years, we have been providing critical funds for the education of our children. Now we are taking an extra step to ensure those dollars produce results.

HONORING NASA ADMINISTRATOR DANIEL GOLDIN

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise today on behalf of the Congressional Black Caucus to recognize NASA's longest-serving Administrator, Mr. Daniel Saul Goldin, who during his nearly decade-long tenure, starting in 1992, demonstrated a commitment to the educational excellence of minorities in the areas of science, mathematics, engineering and research.

He has demonstrated his commitment to educational excellence for all Americans through NASA's Office of Equal Opportunity Programs', Minority University Research and Education Division. His efforts helped the Agency to focus on establishing Historically Black Colleges and Universities (HBCUS) and Other Minority Universities (OMUS) as model institutions of teaching, learning, research and service, effectively educating diverse populations for NASA and the nation.

During his tenure, NASA's Minority University Research and Education Division's budget realized a 200% increase from about $40 million in FY 1992 to $82 million dollars in FY 2001.

Under his exceptional leadership, NASA's HBCU and Hispanic Education Programs received Presidential citations as models for the federal sector, and the pre-college Science Engineering Mathematics Aerospace Academy (SEMAA) Program, begun in 1993 under the auspices of former Congressman Louis Stokes, has been replicated to more than 17 sites nationwide.

Mr. Goldin also established several programs that were aimed at increasing the number of minority students in the areas of science, engineering, mathematics, and research. Those programs include: the Model of Institutions for Excellence (MIE), which upgrades the quality of science, engineering and mathematics education; the Network Resources and Training Site (NRTS), which provides state-of-the-art computer and information technology to minority institutions; and Project ACCESS (Achieving Competence in Computers, Engineering, Space Science), which provides a NASA-wide intern program for college students with targeted disabilities.

Administrator Goldin encouraged enhanced NASA-related research by faculty at minority institutions through the Faculty Awards Research Program. He also provided sustained

funding to 14-multidisciplinary University Research Centers (URCS) at minority institutions, and he facilitated the integration of HBCUs and OMUs into conventional mainstream research programs at NASA.

As led by Administrator Goldin, NASA and the Congressional Black Caucus partnered successfully to expand educational opportunities for minorities in science, mathematics and engineering to increase the presence of minorities in research and technology-related fields.

In addition to initiating the ''faster, better, cheaper'' approach that enabled NASA to deliver programs of high value to the American public without sacrificing safety, his aggressive management reforms helped to produce a 40 billion dollar reduction from prior budget plans.

He reduced NASA's workforce by about a third while reducing the Headquarters' workforce by more than half, without resorting to forced layoffs—all of this with a 40% gain in productivity.

Mr. Goldin implemented a more balanced aeronautics and space program by reducing human space flight from 48% of the Agency's total budget to 38%.

He also played a pivotal role in redesigning the International Space Station and in 1995, he personally visited more than 200 members on Capitol Hill to win support for Space Station.

Defense Business named Mr. Goldin as one of the world's most influential defense-industry leaders saying ''he has tightened the workforce, introduced a stunning array of new missions, including information-gathering journeys to the Moon and Mars, and became the major player in the embryonic International Space Station.''

He has also been named as one of the 100 most influential men and women in Government by the National Journal, which observed that ''most space watchers say that Dan Goldin is a brilliant visionary who brought NASA back from the brink of a black hole.''

Once again, the members of the Congressional Black Caucus, recognize the enduring contributions of Administrator Daniel S. Goldin and appreciate his dedication to the improvement of science, engineering, and mathematics education and research, among minority students in the United States.

TRIBUTE TO JAMES D. RUTH

HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. GARY MILLER of California. Mr. Speaker, it is with great pleasure that I rise to honor James D. Ruth who is retiring after 22 years of exemplary service to the City of Anaheim and 45 years in public service.

Mr. Ruth's impressive resume includes numerous noteworthy accomplishments. Under his tenure as city manager, Anaheim became internationally recognized as a hub for entertainment and for its world class convention center. His crowning achievement was the role he played in negotiations for the construction of the 19,500-seat Arrowhead Pond arena, which has affectionately been called ''the house that Ruth built,'' and his work with the Walt Disney Company to bring the Mighty Ducks of the National Hockey League to the Pond.

Mr. Ruth was very instrumental in the $118 million renovation of Edison Field, and thereby the retention of the Anaheim Angels and Major League Baseball in Orange County. He negotiated with the Walt Disney Company to develop in Anaheim their new theme park, California Adventure, at cost of $1.4 billion. In conjunction with the park expansion, the city initiated and began the implementation of a $510 million improvement program to the Anaheim Resort Area and a $1.9 billion renovation of the Santa Ana (I–5) Freeway. Revitalization projects provided low income housing in the Jeffrey-Lynne neighborhood west of Disneyland, a $58.2 million Community Center, and a much needed Senior Center.

Mr. Ruth's vision, outstanding business and governmental acumen, strong leadership skills and dedication to public service have earned the admiration and respect of those who have had the privilege of working with him. I would like to congratulate him on these outstanding accomplishments and sincerely thank him for his exemplary record of service to the City of Anaheim.

DEFENDING AMERICA FROM BALLISTIC MISSILE ATTACKS

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. SCHAFFER. Mr. Speaker, we need to defend our country from ballistic missile attack. President Bush has taken a major step toward that goal by withdrawing from the 1972 ABM Treaty. President Bush has our sincere thanks and congratulations for removing the United States from a treaty that inhibited our defense and was repeatedly violated by Russia.

We need to act decisively to build a ballistic missile defense. The fact that our country is undefended from ballistic missiles is a reflection of our lack of political will to build a defense. The technology for a ballistic missile defense is available, and has been for years and even decades, as noted by the Director of the Strategic Defense Initiative Organization under President George H.W. Bush's administration.

I strongly urge the President to fully fund a robust ballistic missile defense program encompassing a variety of technologies and defenses. A robust defense made up of several layers will more easily guard against countermeasures such as those planned by China to attack U.S. radar and communication nodes, or by Russia to use ballistic missiles for launching hypersonic scramjets.

Full funding for a robust ballistic missile defense will call for increases in spending. This spending is justified. Our lack of ballistic missile defense is not justified. Freedom has a price, including a strong defense, and the ballistic missile threat is increasing, whether measured by North Korea's ballistic missile program, or China's buildup involving its road-mobile DF–31 ICBM.

Funding, for example, needs to be increased for the Space Based Laser program. Instead of being funded annually at between $50–150 million, the Space Based Laser should be funded an order of magnitude greater at $500–1500 million. This increase in funding will enable the Space Based Laser to be tested and deployment begin sooner than after 2010 as currently scheduled.

Lack of funding, not technology, keeps us from building a constellation of Space Based Lasers. In 1995, three major aerospace contractors wrote to the Chairman of the Senate Armed Services Committee, STROM THURMOND, on the Space Based Laser, pointing out how additional funding of approximately $1.5 billion over four years could result in a test launch of a Space Based Laser.

While this estimate for testing the Space Based Laser in space was prepared nearly seven years ago, it clearly illustrates how the level of funding for the Space Based Laser should be on a billion-dollar level rather than $50–150 million. (The Space Based Laser, with its boost phase interception capability and global coverage, will provide a more effective defense compared to the Mid Course Phase ground-based interceptor currently under development.)

Additional money for research and development into other high-energy laser technologies is called for. In October 2001 key defense scientists recommended a substantial cash infusion into laser technology. Over and above funding for the Space Based Laser, additional funding is needed for research into high-energy lasers. These lasers could include chemical gas lasers such as the DF laser (the Space Based Laser uses an HF chemical reaction), excimer and free electron lasers, or even solid-state lasers. Nor should high-energy particle beams be neglected, which showed promise in the 1989 BEAR experiment. (Particle beams as well as lasers can provide effective mid-course phase discrimination of decoys from warheads.) This research into lasers and particle beams would be invaluable, and result in commercial applications. Funding, similar to the Strategic Defense Initiative, should be on a billion-dollar level.

In addition, funding is needed to re-start the Brilliant Pebbles space-based interceptor program that was successfully ground-tested under President George H.W. Bush's administration, and successfully flight-tested in the Clementine lunar mission. Annual funding for this program should be expected at around $500–1500 million to deploy a constellation of at least a thousand interceptors. Brilliant Pebbles can provide a boost phase interception capability, as well as mid-course phase interception. This space-based defense is not far off into the future, but was approved to enter its acquisition phase under the Bush Senior administration in 1992. To supplement the mid-course interception capability of Brilliant Pebbles, funding for the SBIRS-low constellation of missile launch detection and tracking satellites should be accelerated.

The funding increases needed for ballistic missile defense are in line with any other major arms acquisition program. But the political will is now needed to ask for this funding.

It is worth noting that current U.S. defense spending is at one of its lowest levels since before Pearl Harbor.

I urgently request that President Bush prepare a ballistic missile defense budget that will enable the United States to exploit its technology in high-energy lasers and hit-to-kill interceptors. Much of this technology should be deployed in orbit where it can provide global coverage, multiple opportunities for interception, and a boost phase interception capability.

TRIBUTE TO THE DOMINICAN AMERICAN NATIONAL ROUNDTABLE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. RANGEL. Mr. Speaker, Representatives of the community with a common heritage from the Dominican Republic gathered December 7–9, 2001 for the fourth annual conference of the Dominican American National Roundtable. Each year, this group comes together to reflect on the past year, discuss areas of need within the community, and plan for the upcoming year. This year's conference was especially meaningful in light of the recent tragedies affecting the Dominican American community and I extend my most sincere congratulations to the DANR and its president Adriano Espaillat for hosting such a successful weekend here in Washington DC.

Already struggling to overcome the devastating effects of September 11 attacks on the World Trade Center and Pentagon, the crash of American Airlines Flight #587 has impacted our Nation's Dominican community deeply. Almost all 260 persons aboard the flight were of Dominican ancestry and, as was pointedly demonstrated during the conference, it seems as if every person of Dominican heritage in the United States has been personally touched by this tragedy. During the opening session Moises Perez, Executive Director of Alianza Dominicana a social service community based non-profit agency located in northern Manhattan illustrated this with this with a story of personal quest to find one person who did not know someone aboard the plane. He has yet to find one person.

Our ability to gather and reflect on these recent occurrences was essential in providing a discourse for this community to begin to make sense of these horrific events. It also provided a forum to discuss the next forward step. As the Dominican community continues to mourn the loss of so many loved ones, we must support its efforts to continue its work to address the items that impact the community.

This year's conference celebrated the opening of the DANR's Washington DC office. The DANR seeks to bring the voices of all people of Dominican origin who lived in the United States together and provide a forum for analysis, planning, and action to advance the primary interests of the community. The office will serve as the coordinating center for the Dominican American's agenda, ensuring that their voice is heard at the national level and their interests are being addressed in the legislative arena. Representing the largest Dominican community in the United States, I am strongly supportive of the opening of this office and I pledge my support to this community as it continues to grow in strength and size in the United States.

This year's theme, ''Empowerment through Education'' demonstrates the importance of education to the future of this community. Like many Americans, education is high on the list of critical priorities for the Dominican American community. However, the Dominican American population is plagued by sky rocketing drop out rates, poorly funded and dilapidated schools, educators ill-prepared to face the challenges of migratory communities and bilingual education, and a lack from or familiar with the community.

I commend the DANR's commitment to its youth. In addition to the participation of so many key leaders within the community, the presence of a large number of young people was particularly heart-warming and telling of the potential success this community will find if it is given the opportunity to participate in the framing and addressing of the issues and challenges which face it. From high school to graduate school, these students represented the future leaders of the Dominican American community and their dedication to their roots in the Dominican Republic and United States is evident. Too often our children are forced to shed and hide the heritage that defines them. Our culture is not a curse; it is a blessing, and we must never let our youth forget that where we come from is essential in determining who we will become.

I would like to thank all those whose hard work made the weekend possible, especially the DANR President Adriano Espaillat. I would also like to extend my appreciation to the DANR Board of Directors including Alejandra Castillo, Raysa Castillo, Miguel De Jesus, Ana Garcia, Epifanio Gil, Josefina Infante, Rafael Latingua, Mania Luna, Manuel Matos, Rafel Morel, Barbara Perez, Moises Perez, Felipe Rodriguez, Ydanis Rodrigues, Elvis Ruiz, Luis Salcedo and Slivio Torres-Saillant and the DANR staff consisting of Jose Bello, Rademes Peguero, Victor F. Capellan, Ninoska Uribe, Roberto Alvarez, and Margarita Cepeda.

I look forward to continuing our work to supporting and advancing the Dominican American community.

PAYING TRIBUTE TO SOUTHEAST ELEMENTARY SCHOOL

HON. MIKE ROGERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. ROGERS of Michigan. Mr. Speaker, I rise today to pay tribute to Southeast Elementary School for earning the Golden Apple Award for educational excellence.

The annual Golden Apple Award is awarded by Governor John Engler for improved scores in the 4th and 5th grades on the Michigan Education Assessment Program, which test the sections of math, science, reading, and writing. Schools must attain a 60-point increase over three year period to receive the honor.

Last year 54 percent of the students successfully passed the reading portion of the MEAP test compared to 77.3 this year. Also, 74 percent of the students passed the math portion last year compared to 90.7 this year.

The advances by Southeast Elementary School were a result of aggressively employing strategies to help students who placed in the bottom 20–30 percent for the MEAP. Southeast employed dozens of teachers, tutors, and volunteers in a 6–8 week program last winter. The program students focused on reading, writing, math, and science on a daily basis. Further, the school utilized a full-time literacy leader to concentrate on English skills and an educator to concentrate in math. Both programs centered on working with small groups or individuals to help the students improve in the areas in which they were lacking in.

Therefore Mr. Speaker, I respectfully ask my colleagues to join me in paying tribute to Southeast Elementary School for earning the Golden Apple Award. I salute their commitment to teaching our nations future leaders and commend each educators commitment to teaching these important skills.

TRIBUTE TO THE HOUSE OFFICE OF EMPLOYEE ASSISTANCE

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. NEY. Mr. Speaker, I would like to acknowledge that the House Office of Employee Assistance has been recognized with the EAP Digest/Employee Assistance Professionals Association Quality Award for EAP Excellence for 2001.

The House of Representatives, for the last fourteen years, has been privileged to have a high-performing team in its Office of Employee Assistance. Those of us who have worked with these individuals have often experienced their high level of service and passion for their work. Now, the entire nation will know too, as the House Office of Employee Assistance has been recognized with the EAP Digest/Employee Assistance Professionals Association Quality Award for EAP Excellence for 2001.

The award states, ''Evaluation and quality improvement has always been a key component of the U.S. House of Representatives program. Whether through client satisfaction surveys, peer reviews or more innovative techniques such as customer interviews and the system-wide evaluation, all modes of evaluation came to the same finding: The Office of Employee Assistance demonstrates exemplary continuous improvement efforts that enhanced the quality of EAP services.''

The House team of Bern Beidel, Liz McBride, Debbie Frank, Kristin Welsh-Simpson, and Patty Prince should feel quite proud of its accomplishments and for this recognition that is well deserved.

It's also appropriate to pay tribute to a number of former House Members and employees who laid the groundwork for this program.

First, former Clerk of the House, Donnald K. Anderson, whose initiative and vision were instrumental in the House instituting an employee assistance service. Second, thanks goes out to the initial Members of Congress who were critical to winning the endorsement of the elected Members—former Speaker Tom Foley, former Minority Leader Bob Michel, former Members Bill Emerson, Rod Chandler, Ben Jones, Mary Rose Oakar, and current Senator Pat Roberts.

The combined work of these professionals has yielded an exemplary level of support for House employees through a program that is now recognized as among the best in its field. Congratulations to the Office of Employee Assistance team, and keep up the outstanding work!

CONFERENCE REPORT ON H.R. 1, NO CHILD LEFT BEHIND ACT OF 2001

SPEECH OF

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. PETRI. Mr. Speaker, I rise in support of the H.R. 1 Conference Report, which is the result of months of relentless effort on the part of Members and particularly staff in both chambers in both parties. It is also a great achievement for President Bush, who made education the top priority of his domestic agenda from his first day in office. This conference report largely reflects his priorities and his active support and involvement in this process have been crucial in bringing us to this point.

In the context of a bipartisan, bicameral compromise final product, there are many features of this bill that represent significant departures from the old, failed Federal education policy. In this bill, we have given states and school districts an unprecedented level of flexibility to use Federal funds as they see fit. We have included, as one of the many new options for children trapped in failing schools, an opportunity to use Title I money to purchase supplemental services such as tutoring, which is a reform that many in this House have advocated for years. We have also consolidated many of the current duplicative education programs to better focus money to the students who need help the most.

Additionally, this conference report makes a strong statement that, where Darwinian evolutionary theory or other controversial scientific topics are taught, students should be exposed to multiple viewpoints. Too often, students are taught only one theory where evolution is concerned, and this language gives support to those at the local and state level who uphold the value of intellectual freedom in the teaching of science. This statement is especially important to make now because H.R. 1 requires all students eventually to be tested in science on a regular basis as a condition of aid.

I am also pleased that the conference report reauthorizes and updates the Troops-to-Teachers program, which assists qualified former members of the military in finding employment in the teaching profession. Since this program's beginning in 1993, Troops-to-Teachers has a proven track record of supplying high-quality teachers, even though it has thus far received little funding. I am hopeful that, when the appropriators finish their work in the coming days, this program will receive the full $30 million dollars authorized in H.R. 1.

To be sure, I have some misgivings about the new accountability provisions in this conference report. Many states, such as Wisconsin, have spent years developing successful accountability systems that do not necessarily involve testing all students on an annual basis. For the Federal Government to now demand that annual testing in reading and math take place every year in grades 3–8 amounts to a new mandate placed on states over and above what we already ask of them in other areas. On the other hand, given that the national government has poured upwards of $130 billion dollars into elementary and secondary education over the last 36 years with no discernible improvement in educational outcomes for our most disadvantaged students, I fully understand the urgent need to find some way to make sure that new federal resources are tied to results.

In any case, I am pleased that the conference report makes a credible attempt to address my concerns about saddling states with this new responsibility. For example, the conferees increased the amount of money authorized to help states develop and administer the new tests. Both the House bill and Senate amendment provided $400 million, however the conference report increases this to $490 million. If this account is fully funded by the appropriators, states will be able to put in place high-quality accountability systems that provide the data that parents need about their child's school. Additionally, we included a Senate provision that makes state administration of the new testing contingent on adequate funds being provided.

This bill is a significant improvement over current law that, when fully implemented, might actually achieve its intended effect of making sure that henceforth no child is left behind, and on that basis I am pleased to support it and urge my colleagues to do the same.

WOMEN SPEAK FOR PEACE RESOLUTION

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, the September 11th attack on the people and institutions of America has eliminated any illusion that we are safe from the violence and discord which seem to plague the rest of the world.

Currently, the United Nations has peace keeping missions in every corner of the world including the Golan Heights; Lebanon; Iraq/Kuwait; Angola; the Western Sahara; Kosovo; Cyprus; Georgia; Tajikistan; Sierra Leone; East Timor; Congo and Ethiopia/Eritrea and has established war crimes tribunals in Yugoslavia and Rwanda. Our unfortunate global picture of war, ethnic conflict, civil war and terrorism serves as a strong indication of the need to establish and maintain a dialogue leading to a blueprint to establish lasting peace in war-torn and strife ridden areas of the world. Several studies have shown that while women are not usually combatants in these hostilities, women and children tend to disproportionately form the ranks of the displaced and victimized.

Today, I will introduce a resolution encouraging worldwide efforts seeking the greater involvement of women to challenge the belief that violence is an acceptable tool in resolving conflicts. While every member of a community should take affirmative steps to ameliorate violence, the role of women in these efforts are often undervalued. My resolution will encourage women of every race, class and economic circumstance to work together to form coalitions and strengthen communities to work toward international peace-building efforts and will encourage governmental leaders to seek the participation of women at all levels of peacebuilding and peace-keeping efforts.

My resolution encourages the use of the week following Mother's Day to hold forums, conferences, and other activities dedicated to examining the need for peace and the role of women in establishing and maintaining peace-building efforts. I am asking each Member of this House to join me in my efforts to raise the volume of women's voices and encourage non-violent solutions to domestic, national and international disputes, by co-sponsoring this legislation.

TRIBUTE TO REIKO KAWAKAMI

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. MATSUI. Mr. Speaker, I rise in tribute to Reiko Kawakami, my dear friend and a most loyal and dependable staff member for the last twenty-three years. As her friends and family gather to celebrate Reiko's wonderful career, I ask all of my colleagues to join with me in saluting one of Sacramento's finest citizens.

The youngest child of George and Ann Kashiwada, Reiko was born in Sacramento on July 8th, 1941. As a youngster in midtown Sacramento, where her parents owned a neighborhood market, Reiko demonstrated her trademark responsibility at a very early age. Reiko and her sister Ellen assumed the task of making sure that things were in order at home. Reiko would often prepare meals and perform various household chores when her parents were busy tending to the family business.

When World War II broke out, Reiko and her family were sent away to the Tule Lake Internment Camp. During the internment, Reiko first demonstrated her gregarious nature and agreeable personality by socializing and playing with the other children in the camp. In the years since the internment, Reiko has remained open to share her experience with others. Reiko has been a clear and thoughtful

voice in educating the people of Sacramento about the Japanese American internment experience.

After the internment and a two-year stay in Denver, Colorado, Reiko and her family returned to Sacramento in 1948. It was during my early years at William Land Park Elementary School that I began my lifelong friendship with Reiko. While at McClatchy High School, Reiko caught the eye of Hachi Kawakami. Although a school boundary change forced Reiko to finish her senior year at Sacramento High School, Reiko and Hachi's romance continued and they were soon married after Reiko's graduation from high school in 1958.

For the next two decades, Reiko devoted her energy to raising her five wonderful children; Deann, Cynthia, Mark, Susan, and John. While most people would rest on their laurels and look for less demanding pursuits after raising five children, Reiko decided that she was ready to embrace another challenge by starting a career. After serving as a tireless volunteer on my first congressional campaign, Reiko took on the position as my first district Staff Assistant.

Many things have changed about our world since Reiko first assumed the position of Staff Assistant in my district office in January of 1979. We have seen five different occupants of the White House, the fall of the former Soviet Union, and the rise of the information superhighway. But, one thing has always remained constant in my office over the past twenty-three years; Reiko has been a stalwart part of ensuring that business in my office is handled professionally and in the proper manner. Reiko has truly been the epitome of a leader through example to her peers from Sacramento to Washington, DC over the years. For that, I will always be grateful for her twenty-three years of unparalleled service and life long friendship.

Although Reiko's professional career may be coming to an end, she certainly has much to look forward to in her retirement years. In addition to her five children and their spouses, Reiko can look forward to taking an active role in the lives of her lovely grandchildren; Nicole, Rachelle, Jordan, Dylan, Brett, and Taylor. Relko and Hachi can also look forward to pursuing their dream to travel to fun and exciting places in their leisure time.

Mr. Speaker, as Ms. Reiko Kawakami's friends and family gather to celebrate and honor her illustrious twenty-three year career I am honored to pay tribute to one of my dearest friends. Her contributions to my office and the citizens of Sacramento are unparalleled and her friendship is invaluable, and it is a great honor for me to have the opportunity to pay tribute to her. I ask all my colleagues to join with me in celebrating the lifetime of this extraordinary person.

TRIBUTE TO CAMERON BALLANTYNE

HON. GREG WALDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. WALDEN of Oregon. Mr. Speaker, I rise today to pay tribute to a member of my Washington, DC staff for his tireless efforts on behalf of the good people of Oregon's 2nd Congressional District. Cameron Ballantyne will conclude his internship this week to pursue a degree at my alma mater, the University of Oregon. I wish him well in this endeavor and know that he will excel in his pursuit of a career in the field of journalism.

Cameron comes from a fine Oregon family. I know and admire his parents, Kent and Mary Ballantyne of Lake Oswego, Oregon, and count myself fortunate to call them my friends. I have not been surprised to find that in Cameron's case, the apple does not fall far from the tree.

Following his graduation from high school, Cameron's academic pursuits led him to the Rexburg, Idaho, campus of Brigham Young University. After an exemplary academic performance there, Cameron embarked on a two-year mission in the service of his church in Moscow, Russia, where he became fluent in the Russian language. His strong sense of duty and idealism was further demonstrated when he returned to Oregon to work for the American Red Cross Blood Service. Cameron continued his record of civic service in September by moving to the nation's capital to serve as an intem in my congressional office.

During his stay in Washington, DC, Cameron experienced much more than the typical intern. He joined my staff only one week before the tragic events of September 11th and from his vantage point in Washington witnessed the best and worst of humanity. Cameron was undeterred by the attacks and continued to perform every task he was given with diligence and attention to detail. His efforts were instrumental in responding to the immediate challenges facing my staff, providing much needed help during our temporary displacement from the Longworth Building. Cameron's faithful service gave me full confidence to trust him with important work in a number of subject areas, including press relations.

Cameron's departure will not go unnoticed in my office, especially among my staff, who relied upon his assistance on a daily basis. I know I speak for them all in testifying to the competence and professionalism Cameron exhibited in carrying out his duties, attributes that will serve him well in any career he chooses. I am confident that Cameron will always approach life with the same enthusiasm he brought with him to work every day. I am sorry to see him leave, but wish him the best life has to offer. Cameron, good luck, Go Ducks, and thank you for a job well done.

GEORGE BATH HONORED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. KANJORSKI. Mr. Speaker, I rise today to pay tribute to my good friend George Bath, a native of my district, who is on his way back to his hometown of Edwardsville after a long career here on Capitol Hill. A farewell party will be held for George on December 18th.

After graduating from Wyoming Valley West High School and Wilkes College, George moved to the Washington, D.C., area to begin his career in the procurement field. While working here, he earned a Masters in Business Administration from Frostburg State University in Maryland. His strong negotiation skills, coupled with an unyielding commitment to quality management and teamwork, have earned him the respect of his colleagues on both sides of the aisle and the Hill.

George arrived on Capitol Hill in June of 1989, working as a Purchasing Agent for the Senate Sergeant At Arms Office in the start-up procurement office. During his tenure, he helped to mold an office that saved millions of dollars for the taxpayer while also receiving the highest quality goods and services.

In August 1996, George transferred to the House side, where he became a Procurement Specialist in the Office of Procurement under the Chief Administrative Officer. George possessed exceptional knowledge of procurement practices and principles and worked superbly well with Member, Leadership and Committee offices and all other House Officers. No job was too small or too great for George. Just as he had done on the Senate side, he focused on saving taxpayer money, while achieving the highest quality product for the offices he served. George's uncanny knack for resolving disputes for the offices he served consistently resulted in win-win outcomes.

In 1998, George became a Senior Procurement Specialist because of his ability to handle high-stress and high-visibility projects on behalf of a very demanding customer base. His accomplishments and talents in this position include diligence and attention to the House's unique needs for improved vendor performance, using the Internet to post procurements, and opening the realm of competition to a wider range of vendors. He worked in conjunction with the Committee on House Administration in providing House-wide briefings to all House offices, and it would be hard to find an office that has not heard the name George Bath. After all, he developed a training manual and class and then taught House personnel on how to effectively manage contracts.

In June 2000, George received recognition for his exemplary contributions to the organizations of both the Chief Administrative Officer and the Architect of the Capitol by earning the Distinguished Service Award. George was honored for his management of the procurement process supporting a first-of-its-kind project demonstrating the ability of these offices to work together to produce a successful delivery. As part of this process, George oversaw the installation of a state-of-the-art audio-visual system for the International Relations Committee hearing room. Perhaps his greatest story involved the delivery of a 10-feet-square-by-40-feet-long crate for the hearing room through the front door of the Rayburn Building as he was suddenly surrounded by police.

In November 2000, George ultimately became the head of the Office of Procurement because of his excellent overall performance. He became a known commodity unto himself throughout the House, recognized for his ability, responsiveness and candid, reliable advice. Bill Dellar, Associate Administrator of Procurement, has said, ''George Bath has indeed served the House with pride, energy,

and creativity. His shoes will be hard to fill!'' Mr. Speaker, I heartily agree.

But, Mr. Speaker, George's new life back in Pennsylvania has been on hold since October of this year. You see, he was supposed to start his new job there in October, but he was called into action after the September 11th terrorist strikes and October 17th anthrax attacks and has extended his time here to put the House in a better and more secure position. His devotion and dedication to the emergency contract challenges that followed have proven exemplary. The challenges he encountered were frequent and varied, but George's engaging personality and recognized professionalism met these needs effectively.

Now George's wife, Diane, and two sons, Stephen and John Paul, are patiently awaiting his return to Pennsylvania, and we, here at the House, need to let him go. His professionalism and performance bring great credit upon himself, to the House of Representatives, and, I am sure, to his new employer, the Department of Veterans Affairs Medical Center in Wilkes-Barre.

I will close by repeating the words of the Chief Administrative Officer, Jay Eagen, about George: ''If I have a complaint about George Bath, it's that he tried to do too much, for too many people. But of course, that's not really a complaint, it's a compliment.'' Mr. Speaker, I am pleased to call George Bath's public service to the attention of the House of Representatives, and I send my best wishes to him and his family.

TRIBUTE TO MR. RALPH PACKINGHAM ON HIS UNFLINCHING COMMITMENT TO MIAMI'S INNERCITY RESIDENTS

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mrs. MEEK of Florida. Mr. Speaker, it is indeed a great honor to pay tribute to one of Miami-Dade County's unsung heroes, Mr. Ralph Packingham. Recently, people from all walks of life came together to thank and pay homage to this incessant gadfly for the many years he has devoted to the less fortunate of our innercity neighborhoods.

As a Korean War veteran, he served honorably in heeding our nation's call to duty toward safeguarding our freedom and security. After his stint with our Armed Forces, he attended professional schools of beauty culture and hair styling in New York, expanding his knowledge and expertise on the subject with the Helene Curtis Laboratories. Though a North Carolinian by birth, he came down to Miami to live and make his mark on our community's well-being. Dubbed simply as the irrepressible Mr. Ralph, he involved himself in virtually creating the esthetic appearance of those who came to his beauty salon to design a better look of themselves and thus achieve a more confident self-esteem.

Out of his hard work and diligence, coupled with his business acumen and personal warmth, his fame as Miami's hairstylist par excellence emerged. Under the aegis of his salon, Hairstyles by Mr. Ralph, he became the legendary cosmetologist whose advice on the challenges of beauty culture and intricacies of hairstyling was sought far and wide.

His tremendous entrepreneurship ultimately propelled him to his engagement with the well-being of Miami's innercity residents. In 1983 he was appointed President of the Allapartah Merchants Association where he superbly managed the development and construction of a private/public business venture toward the retailing of beauty products and the consolidation of a series of pharmaceutical operations. While he exercised optimum vigilance over the business aspects of the Association, he became involved with the overall amelioration of the residents in the innercity.

Sensitized by the awesome hurdles which poor families have to contend with in getting affordable housing and access much-needed capital, Mr. Ralph Packingham became the Executive Director of the Word of Life Community Development Corporation under the auspices of the Word of Life Missionary Baptist Church. At the most recent gathering, in Liberty City tendered to acknowledge his countless contributions to our community, the Rev. Richard P. Dunn II, his pastor, described him as ''. . . a man among men (who) has impacted the lives of thousands of people.''

His commitment to affordable housing paved the way for his becoming the driving force of detached, affordable single family homes in Liberty City. The first two of these affordable homes were dedicated last Monday, December 10, 2001. More poor families from Miami's innercity will soon move in and live in their respective dream homes via the low-cost affordable housing initiative born out of the vision and fortitude of this outstanding community leader.

Ever since I have known this quintessential trailblazer who leads by the fortitude of his exemplary sacrifices, Mr. Ralph has always been at the forefront of ensuring equality of opportunity in our community. Countless others have been touched by his unflinching advocacy for those who could least fend for themselves. Though currently ailing and confined to a wheel chair, this 72-year old dynamic personality goes about his leadership role over the faith-based Word of Life CDC in reaching out to poor families, engendering in them genuine hope and optimism.

Buoyed by his sterling Faith in a providential God, he has been and continues to be our community's superlative steward and consummate activist. He is a decent and caring man who thoroughly understands the accouterments of power and leadership by exercising them alongside the mandate of his conviction and the wisdom of his conscience. The uniqueness of his modus operandi genuinely personifies his credo that ''* * * you gotta do a lot of praying and a little politicking'' to ameliorate the lives of others.

Mr. Ralph Packingham epitomizes a refreshing advocate whose unflinching compassion and resilient spirit appeal to our noblest character. Indeed, I feel so privileged but deeply humbled to represent him in the hallowed halls of Congress.

CONGRATULATING STEPHEN JOHNSON AND DENNIS PARKER ON THEIR ESSAYS ABOUT ''WHAT MAKES AMERICA GREAT''

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. KAPTUR. Mr. Speaker, each year Crestwood Elementary School in Swanton, Ohio spends Veterans' Day honoring local veterans. It is an insightful and moving day-long series of events in which both the children and adults fully participate. The 2001 observance featured two essays describing ''What Makes America Great'' which I would like to enter into the RECORD. The first is by 6th grader Stephen Johnson and the second by 6th grader Dennis Parker.

Three things that make America great are: freedom, the land and its climate, and the people.

First of all freedom makes America great because we can choose our government. For example we can elect candidates for president, vice president, mayor, trustee, secretary, and various other offices within our country's governmental system. We have the freedom to go where we want, and how we're going to get there. We also have freedom to buy, and drive what we want. For example, we can buy airplane tickets, cars, houses, and many other things. We are even allowed to choose what we want to do with our lives. For example we could be a doctor, nurse, dentist, president, vice president, and many different jobs within our country.

Secondly America's land and its climate make America an abundant and bountiful country to live in. The land provides us with minerals, food, water, shelter, wildlife, and the clothes such as cotton. The climate provides this country with sunshine, darkness, warmth, coldness,, and the four seasons. The climate has caused America to form oceans, mountains, valleys, plateaus. and hills. The natural resources give us wood for pencils, lumber, paper, and fire, oil for cars and other automobiles, water for drinking, and land for farming.

Thirdly the people make America great because history and events are based on people. The people are faithful, and loyal to their country. There are many different kinds of people living in America. The history, and events are based on people because there was the Boston Tea Party, World War I, World War II, and there was the tragedy that happened just recently. The people are faithful, and loyal to their country by recycling, burning waste, not polluting the air, and many other things to help our environment. There are many different kinds of people living in America because in America you are free to pick your job, your house, and many other things that make America a great place to live in.

Here is the second essay:

If you want to know what makes America great, then take a look around you. I think people took America for granted until the terrorists' acts on September 11, 2001. In a heartbeat, innocent lives were destroyed.

Instead of television heroes like Batman and Superman, they became firefighters, policemen, and just ordinary people like moms and dads, every day Americans just like you and me.

Our country's freedom was taken for granted by Americans that was won by our

veterans and forefathers. We fought in wars to end injustices, communism, and nationalism. Now, we are trying to stop terrorists, and our country is united even more.

People show their love and patriotism for our country by flying flags, giving blood, money and food to people in need. They don't care about how much money we have or our skin color. They just want to help out. That is why America is the best country in the world.

If you want to know what freedom is, then look around you. We have freedom of speech, religion, and education. We can go to school, speak, and pray without being punished. We aren't told what job to have, where to live, and what to do. We have many laws, but they are not to punish us, they are to protect us.

America is great because we can vote for whomever we want in a secret ballot. We are allowed to choose our president, governor, or mayor without being punished.

So basically, America is cared for and so are its people. They want to help America and make it even more united. Our veterans played a very important part in American history because they helped us gain freedom.

So remember every time you say the Pledge of Allegiance, or sing the national anthem, be proud, and think of our real heroes. We are united because we are free and we are free because we are United. God Bless America!

HONORING THE DEARBORN/DEARBORN HEIGHTS CHAPTER OF THE LEAGUE OF WOMEN VOTERS ON THE OCCASION OF THEIR 50TH ANNIVERSARY

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. DINGELL. Mr. Speaker, I am pleased to rise today to pay tribute to the Dearborn/Dearborn Heights Chapter of the League of Women Voters on their 50th Anniversary.

Recognized by the National League of Women Voters on December 19th, 1951, the Dearborn/Dearborn Heights Chapter has fulfilled and continues to fulfill it's primary goal of encouraging the informed and active participation of citizens in government, working to increase understanding of major public issues and influencing public policy through education and advocacy.

The Dearborn/Dearborn Heights Chapter has provided numerous services to the community since their inception in 1951. In 1952, they provided election-day childcare in 63 precincts, allowing parents to vote. They helped establish the Northwestern Child Guidance Clinic in 1963. Throughout the years, they have worked with ABC News on election-day exit polling. These fine women have helped pass library proposals and establish a diversity committee which works to engage local students in community discussions. Mr. Speaker, these women have served their community well.

Though they are a non-partisan group, the Dearborn/Dearborn Heights Chapter of the League of Women's Voters is extremely political, focusing their efforts on child health and welfare, juvenile justice, and campaign finance reform. A League representative sits on the Rouge River Advisory Council, as well as the Southeast Michigan Council of Governments Educational Advisory Council. As spelled out in their original charter, the League's actions are always a reflection of their member's priorities.

I would like to recognize the current officers of the Dearborn/Dearborn Heights Chapter of the League of Women Voters: Elizabeth Linick, Janice Berry, Mary Jo Durivage, Mary Anne Wilkinson, Jeni Dunn and Mary Bugeia. I thank all the fine members of this Chapter of the League for all their hard work over the past 50 years, and would ask that they keep it up. On the occasion of their 50th anniversary, I would ask all my colleagues to salute the Dearborn/Dearborn Heights Chapter of the League of Women Voters.

INTRODUCTION OF THE DEFERRED ANNUITANT FAIRNESS ACT OF 2001

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Ms. VELÁZQUEZ. Mr. Speaker, later today I will introduce legislation, the Deferred Annuitant Fairness Act of 2001, to correct a glaring inequity in Federal retirement law. At a time when we are considering legislation to protect the hard-earned retirement benefits of working men and women—and give them more control and responsibility over their income in retirement, at least one class of federal government retirees find themselves at an unfair disadvantage and their retirement benefits eroded through no action of their own.

I speak of deferred annuitants of the federal government—employees who work for the Federal Government for at least five years, vest in the retirement program, and who separate from service before becoming eligible for immediate retirement. When these individuals claim their retirement annuity in later years, the pension benefit they have financed is eroded by inflation and they are put at a financial disadvantage which they cannot overcome.

Under current law and practice, the Civil Service Retirement and Disability Fund invests employee contributions but gives no added value to a retiree for the time his or her money was invested before the deferred annuity starts to be paid out. As a consequence, if two employees gave identical service, with the first retiring in 1970 and the second in 2000 with annuities for each starting in 2000, the second retiree receives nearly five times the annuity of the first. In addition, the spouse of a CSRS retiree is not protected during the deferral period. (This protection is already afforded to FERS spouses and spouses of Members of Congress participating in CSRS.)

This legislation will make two primary changes in current law to correct this inequity. First, it will compensate deferred annuitants for the added value generated over the deferred period from investing what was deposited into the trust fund on behalf of the employee up to the time of separation from service is compensated. Second, it will eliminate the disparity in spousal protection for deferred annuitants covered under CSRS and FERS.

Mr. Speaker, fairness and equity should be the watchword when it comes to the treatment of our federal workforce—the hundreds of thousands of men and women who dedicate their lives to service to this nation and our people. With the changes proposed in the legislation I introduce today, federal employees who take a hiatus from their federal service before retiring will be protected from inflation and the erosion of their pension benefit available upon retirement. I urge my colleagues to join me in support of these changes.

This measure is endorsed by the National Association of Retired Federal Employees.

RETIREMENT OF TOM MILLER, PRINCIPAL OF ST. JOSEPH HIGH SCHOOL IN ST. JOSEPH, MICHIGAN

HON. FRED UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. UPTON. Mr. Speaker, I rise tonight to offer heartfelt congratulations to Tom Miller. Throughout his career, Tom Miller has constantly demonstrated a commitment to the educational and athletic development of the future leaders of our society. His professional life has consisted of numerous positions of leadership at various schools in Southwest Michigan, including his current post as principal of St. Joseph High School, which he has served for over 23 years. Tom's dedication to the enhancement of the educational experience of young people is a truly noble quality, and one that will be sorely missed.

Additionally, Tom's involvement in the athletic arena of the school system has earned him a place in the Battle Creek St. Philip High School Athletic Hall of Fame. Tom spent numerous years involved in student athletics, his basketball teams enjoying a host of victories during his tenure. I would like to wish the best of luck to Tom in his retirement, which will allow him to spend the coming years with his family, including his wife Mary Lou and all of his loved ones.

CONFERENCE REPORT ON H.R. 1, NO CHILD LEFT BEHIND ACT OF 2001

SPEECH OF

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. CRANE. Mr. Speaker, I want to praise President Bush for putting forth an education plan that offered children in failing schools a chance to get a better education. It is too bad that Democrats and supporters of the failing status quo were allowed to gut the legislation, H.R. 1, at the Committee level to remove any chance for failing schools to successfully improve their performance or to let parents have the option to move their children to better schools.

I believe that control of education should be retained at the local level. Last year, Illinois

high school students led the nation in Advanced Placement scores. With a few exceptions we have good schools in the 8th District, and I don't want to force parents, school boards, and teachers into a one-size fits all approach that might work in New York City or Atlanta but not in Barrington or Wauconda.

One of the reasons I supported broad-based tax relief, including eliminating the marriage tax penalty and doubling the child tax credit, is because it lets 70,000 married couples and families with 125,000 children in the 8th District of Illinois keep $162 million per year in their pockets. That is $162 million per year that families could spend in our district on education if they chose to do so.

Former President Ronald Reagan, in a March 12, 1983 radio address to the nation on education, said, ''Better education doesn't mean a bigger Department of Education. In fact, that Department should be abolished. Instead, we must do a better job teaching the basics, insisting on discipline and results, encouraging competition and, above all, remembering that education does not begin with Washington officials or even State and local officials. It begins in the home, where it is the right and responsibility of every American.''

When we send a dollar to the federal government from Illinois, we only get 75 cents back. In my district, we send more than $2 to Washington and only get $1 back. With a return like this, it is easy to see why I support letting taxpayers keep more of their hard-earned money and having parents decide locally how their money should be spent on education.

Federal education funding is at an all-time high, and H.R. 1 increases it by a huge amount. Yet, student achievement continues to lag. Most Republicans in Congress want to give local schools more freedom to use new models to solve old problems while maintaining high accountability standards. I am saddened that H.R. 1 does not accomplish this worthy goal.

One concept that has strong support from parents is President Bush's proposal to improve public education by testing children in reading and math in grades three through eight once each year. Under President Bush's proposal, schools would be held accountable for either improving scores or losing their federal money, which accounts for seven cents of every education dollar.

I fully support this provision and am gratified it has been included in the conference report before us today. In fact, during debate on H.R. 1 in May of this year, I voted against the amendment co-sponsored by Congressmen PETER HOEKSTRA and BARNEY FRANK to remove President Bush's test requirement from the bill. The tough new testing regimen designed to identify failing public schools—an idea at the heart of President Bush's education plan—survived when the amendment failed. But the rest of the President's plan to give local schools more control to make the changes necessary to improve and to give parents the option to move their children to a better private school were stripped out of the bill.

For the reasons I have outlined, I have decided to vote against H.R. 1. Again, I want to praise President Bush for his leadership in proposing creative solutions to improving the education of our children. I encourage him to continue to move the federal government out of the way and to give schools more flexibility and parents more choices for their children.

TRIBUTE TO THE STUDENTS AND STAFF OF BECKEMEYER GRADE SCHOOL, HILLSBORO, ILLINOIS

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. SHIMKUS. Mr. Speaker, I rise today to pay tribute to the students and staff of Beckemeyer Grade School in Hillsboro, Illinois, and the heartwarming project they undertook to bring comfort to the victims of the recent tragedies.

The attacks of September 11th were a horrible shock to everyone in the United States, but to none were they more devastating than to the victims and their families. American hearts went out to those who would now have to struggle on without the light and laughter of their loved ones who had died. The outpouring of support for these families was enormous, like a bright light of kindness that shone out through the darkness of the disaster. Money, well-wishes and prayers poured in from all across the nation.

Mr. Speaker, the students and staff of Beckemeyer Grade School were part of that outpouring. They purchased several thousand small, glass figurines, called Comfort Angels. These beautiful angels were meant to bring hope and well-wishes to all who viewed them. The people of Hillsboro, lead by their coordinator Pamela Hopper, then set an ambitious goal: to distribute an angel to the families of every victim of the tragedy.

They have come astonishingly close to that goal—thousands of Comfort Angels have been distributed to families all over the world. They have found their way to embassies, fire stations, Congressional offices, and homes in New York and Washington. Two thousand of them were distributed by the Salvation Army alone, at the Memorial for the Pentagon on October 11th. And the results have been equally amazing. Letters have poured into Hillsboro, filled with thanks and touching stories.

Mr. Speaker, I am convinced that the terrorists of September wished to divide and demoralize our country. Instead, in many ways they have energized us and brought us closer together. The amazing success of the people of Beckemeyer Grade School is a wonderful example of this—their faith and hard work has allowed them to make a difference in many lives, and they deserve my thanks and the thanks of these chambers.

COMMENDING THE CANADIAN PACIFIC RAILWAY HOLIDAY TRAIN

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. NADLER. Mr. Speaker, this year, the Canadian Pacific Railway Holiday Train embarked on its third annual ''journey of goodwill'' to collect food throughout Canada and the United States for those most in need. The two previous drives have collected 18 tons of food, and have raised more than $500,000 to combat hunger. On December 4th, one of the three trains traveling throughout the United States and Canada embarked on its journey from the Fresh Pond Junction Rail Yard in Queens, New York. There, the Canadian Pacific Railway hosted a special ceremony honoring and remembering the heroes of September 11th.

I would like to sincerely thank the Canadian Pacific Railway for having one of their beautifully decorated trains originate in New York City. This was a tribute to the men and women who lost their lives in the September 11th tragedy, as well as a tribute to their families. The victims' families were invited to the ceremony, and Christmas trees were given to all of the families of the firefighters and police officers who were killed. In addition, Canadian Pacific Railway donated $100,000 to the NYSE Fund for Fallen Heroes. This kindness and generosity is just the most recent example of Canadian Pacific Railway's long standing commitment to the people of New York.

I commend the Canadian Pacific Railway on their benevolent gestures towards the city of New York, and thank them for not only supporting the United States and our families in this time of tragedy, but also for continuing their plight to feed the hungry.

IN HONOR OF MARY LOU WEISS UPON HER RETIREMENT FROM HERMOSA BEACH SCHOOL BOARD

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Ms. HARMAN. Mr. Speaker, I rise today to honor a good friend, Mary Lou Weiss, who retires this month from the Hermosa Beach Unified School District Board of Trustees, on which she has served as Trustee for 16 years, including 6 tours as President.

In her capacity as a School Board Trustee, Mary Lou has been a strong advocate for Hermosa Beach children, helping to ensure they receive the best educational opportunities. Because of her knowledge and expertise, I asked her to serve on my Education Advisory Committee.

A long time resident of Hermosa Beach, Mary Lou has contributed to the community in so many other ways as well. She has served as an advisory member for the Hermosa Beach Chamber of Commerce, coached AYSO boys soccer, and served on the advisory board for the Hermosa Beach Education

Foundation. For her active contributions, she was named 1989 Hermosa Beach Woman of the Year.

Of special interest, she has managed several local farmers' markets, making sure the vendors get the space they need and that the markets run smoothly. I have taken advantage of these markets many times—during my campaigns, the farmers' markets have always been a great way to reach a lot of people, and as a member of Congress, my staff and I often bring our office resources to the community by setting up our own booth. Mary Lou not only accommodates these important visits for me, but she is always thoughtful enough to provide flowers and to remember that I like Diet Coke.

Mary Lou also is a tremendous resource to my staff, always available to answer questions about policy, politics, or which vendor has the best produce. My staff members over the years consider Mary Lou as an additional "mother."

This year, Mary Lou chose not to run for another term as a School Board Trustee in order to apply her years of experience to a run for Hermosa Beach City Council. Although she was not successful in this endeavor, she once again demonstrated her leadership and commitment to the community through the classy way she ran her campaign,

I will miss Mary Lou on the School Board, but I know we will continue to work together to ensure that we do the best we can for the children of our community. I join the citizens of Hermosa Beach in wishing Mary Lou and her family well in their future endeavors.]

DO REGISTRATION REQUIREMENTS THWART RELIGIOUS FREEDOM?

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. SMITH of New Jersey. Mr. Speaker, the "Helsinki" Commission on Security and Cooperation in Europe recently convened a briefing which examined the policies of various governments which require registration of religious groups and the effect of such policies on the freedom of religious belief and practice. There was evidence that such requirements can be, and often are, a threat to religious freedom among countries in the Organization for Security and Cooperation in Europe (OSCE).

As Co-Chairman of the Helsinki Commission, mandated to monitor and encourage compliance with the Helsinki Final Act and other OSCE commitments, I have become alarmed over the past decade by the creation of new laws and regulations in some OSCE countries that serve as a roadblock to the free exercise of religious belief. These actions have not been limited to emerging democracies, but include Western European countries such as Austria.

Many of these laws are crafted with the intent to repress religious communities deemed nefarious and dangerous to public safety. One cannot deny that certain groups have hidden behind the veil of religion in perpetrating monstrous and perfidious acts. The September 11th tragedies have been a grim reminder of that. Yet, while history does hold examples of religion employed as a tool for evil, these are exceptions and not the rule. In our own country, during the Civil Rights Movement, religious communities were the driving force in the effort to overturn the immoral "separate but equal" laws and provide legal protections. If strict religious registration laws had existed in this country, government officials could have clamped down on this just movement, possibly delaying long overdue reform.

While OSCE commitments do not forbid basic registration of religious groups, governments often use the pretext of "state security" to quell groups espousing views contrary to the ruling powers' party line.

Registration laws are often designed on the premise that minority faiths are inimical to governmental goals. Proponents of more strenuous provisions cite crimes committed by individuals in justifying stringent registration requirements against religious groups, ignoring the fact that criminal laws should be adequate to combat criminal activity. In other situations, some governments have crafted special church-state agreements, or concordats, which exclusively give one religious group powers and rights not available to other communities. By creating tiers or hierarchies, governments run the risk of dispersing privileges and authority in an inequitable fashion, ensuring that other religious groups will never exist on a level playing field, if at all. In a worst case scenario, by officially recognizing "traditional" or "historic" communities, governments can reflect an ambivalence towards minority religious groups. Such ambivalence can, in turn, create an atmosphere in which hostility or violence is perpetrated with impunity. The persistent brutality against Jehovah's Witnesses and evangelical groups in Georgia is an example of State authorities' failure to bring to justice the perpetrators of such violence.

Mr. Speaker, religious registration laws do not operate in a vacuum; other rights, such as freedom of association or freedom of speech, are often enveloped by these provisions. Clamping down on a group's ability to exist not only contravenes numerous, long-standing OSCE commitments, but can effectively remove from society forces that operate for the general welfare. The recent liquidation of the Salvation Army in Moscow is a lucent example. Who will suffer most? The poor and hungry who now benefit from the Salvation Army's ministries of mercy.

Each OSCE participating State has committed to full compliance with the provisions enumerated in the various Helsinki documents. The Bush Administration's commitment to religious freedom has been clearly articulated. In a March 9, 2001 letter, Dr. Condoleezza Rice, National Security Advisor, wrote: "President Bush is deeply committed to promoting the right of individuals around the world to practice freely their religious beliefs." She also expressed her concern about religious discrimination. In a separate letter on March 30th of this year, Vice President DICK CHENEY echoed this commitment when he referred to the promotion of religious freedom as "a defining element of the American character." He went on to declare the Bush Administration's commitment "to advancing the protection of individual religious freedom as an integral part of our foreign policy agenda."

Since the war on terrorism was declared, the President has made clear the distinction between acts of terrorism and religious practice. In his address to the country, Mr. Bush stated: "The enemy of America is not our many Muslim friends. . . . Our enemy is a radical network of terrorists and every government that supports them." He further stated, "The terrorists are traitors to their own faith, trying, in effect, to hijack Islam itself." Accordingly, I believe this administration will not stray from supporting religious freedom during this challenging time.

Out of concern about recent developments and trends in the OSCE region, the Helsinki Commission conducted this briefing to discuss registration roadblocks affecting religious freedom. I was pleased by the panel of experts and practitioners assembled who were kind enough to travel from Europe to share their thoughts and insights, including Dr. Sophie van Bijsterveld, a professor of law in The Netherlands and current Co-Chair of the OSCE Advisory Panel of Experts on Freedom of Religion or Belief, Dr. Gerhard Robbers, a member of the OSCE Advisory Panel of Experts and professor of law in Germany; Mr. Vassilios Tsirbas, interim executive director and senior legal counsel for the European Centre for Law and Justice in Strasbourg; and Col. Kenneth Baillie, commanding officer for the Salvation Army in Eastern Europe.

Dr. van Bijsterveld made the point that "the assessment of registration from the point of view of religious liberty depends entirely on the function that registration fulfills in the legal system, and the consequences that are attached to registration."

She continued: "A requirement of registration of religious groups as a pre-condition for the lawful exercise of religious freedom is worrisome in the light of international human rights standards. [Needing the government's] permission for a person to exercise his religion in community with others is, indeed, problematic in the light of internationally acknowledged religious liberty standards. Religious liberty should not be made dependent on a prior government clearance. This touches the very essence of religious liberty."

Dr. Robbers noted that registration of religious communities is often a requirement but "it need not be a roadblock to religious freedom. In fact, it can free the way to more positive religious freedom if correctly performed." If utilized, "registration and registration procedures must meet certain standards. Registration must be based on equal treatment of all religious communities. . . . [and] the process of registration must follow due process of law." He further noted that "religious activity in and as community, must be possible even without being registered as religious community." He made clear that the minimum number of members required for registration need not be too many and there should be no minimum period of existence before registration is allowed.

The third panelist, Mr. Tsirbas, opined, "Within this proliferation of the field of human rights, the Helsinki Final Act is a more than promising note. The commitment to respect

human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief for all, without distinction as to race, sex, language or religion, basically summarizes the . . . protection of international and domestic legal documents. Religious liberty stands out as one of those *sine qua non* conditions for an atmosphere of respect for the rights of individuals or whole communities.''

Mr. Tsirbas also stated, ''If the protection of the individual is considered the cornerstone of our modern legal system, religious freedom should be considered the cornerstone of all other rights. The right itself is one of the most recent to be recognized and protected, yet it embraces and reflects the inevitable outworking through the course of time of the fundamental truths of belief in the worth of a person.''

Lastly, Col. Kenneth Baillie, spokesman for the Salvation Army in Eastern Europe, outlined the experience of registering his organization in Moscow. ''In Russia, as of February this year, we are registered nationwide as a centralized religious organization, [however] the city of Moscow is another story. We have been registered as a religious group in Moscow since 1992. In response to the 1997 law, like everyone else, we applied for re-registration, thinking that it would be merely pro forma. Our application documents were submitted, and a staff person in the city Ministry of Justice said everything was in order, we would have our signed and stamped registration in two days.

''Two days later,'' Col. Baillie continued, ''the same staffer called to say, in a sheepish voice, 'There's a problem.' Well, it is now three years later, and there is still a problem. Someone took an ideological decision to deny us, that is absolutely clear to me, and three years of meetings and documents and media statements and legal briefs are all window-dressing. Behind it all is an arbitrary, discriminatory, and secret decision, and to this day I do not know who made the decision, or why.''

Based on the difficult experience of trying to register in Moscow and the Salvation Army's subsequent ''liquidation'' by a Moscow court, Col. Baillie offered some observations. He noted how ''the law's ambiguity gives public officials the power to invent arbitrary constructions of the law.'' Col. Baillie concluded by stating, ''We will not give up,'' but added he is ''understandably skeptical about religious registration law, and particularly the will to uphold what the law says in regard to religious freedom.''

Mr. Speaker, this Helsinki Commission briefing offered a clear picture of how the law and practice affecting, registration of religious groups have become critical aspects in the defense of the right to freedom of conscience, religion or belief. No doubt registration requirements can serve as a roadblock which is detrimental to religious freedom. The Commission will continue to monitor this trend among the region's governments which are instituting more stringent registration requirements and will encourage full compliance with the Helsinki commitments to ensure the protection of this fundamental right.

TO RECOGNIZE THE ARGYRO LALOS SCHOLARSHIP FUND AT ARIZONA STATE UNIVERSITY, AND THE OUTSTANDING CITIZEN IT HONORS

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. PASTOR. Mr. Speaker, I stand before you today to recognize the Argyro Lalos Scholarship Fund at Arizona State University (ASU), and the outstanding citizen it honors, Ms. Argyro Lalos of Phoenix, Arizona.

Recently, the Lalos family, with the help of 20 contributors, endowed a scholarship fund on behalf of 93-year-old Yia Yia (ya-ya, which is ''grandmother'' in Greek), as she is affectionately known, to honor her lifelong respect for quality education. Each year, Ms. Lalos will help select a recipient of the award, which is in the amount of $500, from among the engineering students at ASU that apply. Engineering students are the focus because the Lalos family believes that Yia Yia would have excelled in this field had she been given the opportunity. Applicants are judged on academic standing and essays they write explaining obstacles they have overcome in achieving a higher education.

Her desire to learn was prominent at an early age. Raised in Greece, she was pulled out of elementary school because of the perceived lack of value in educating young women in that society. Often sneaking to school and borrowing school books, she eventually taught herself how to read, while never receiving a formal education. She continues to be an avid reader of novels and biographies and reads the Greek newspapers daily.

After World War II, Yia Yia came to America with her husband and worked as a seamstress while he worked at a dry cleaning and tailor shop. Achieving an education was stressed in the household and their goal was always to be able to provide their children the opportunity to receive a quality education. Throughout the years, with the money they saved, this goal was accomplished as Yia Yia's children and four grandchildren have all received a higher education.

Having endured World War I, the flu epidemic of 1918, the economic depression of the 1930's, German occupation during World War II, and the Greek Civil War, the only heartache Argyro Lalos holds is over never having received a formal education. However, assisting today's students in overcoming the financial obstacles to higher education is a selfless way to give to others the opportunity she never had and therefore a fitting tribute to the much beloved matriarch of the Lalos family.

INTRODUCING THE RETIREMENT ACCOUNT PROTECTION ACT OF 2001

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Mr. BENTSEN. Mr. Speaker, I am introducing legislation to address one troubling issue raised in the wake of the Enron Corporation's sudden stunning demise—the lockdown of Enron employee 401(k) accounts. The Retirement Account Protection Act of 2001 (RAPA) will bar employers from unilaterally and arbitrarily freezing sales of company stock by an employee from their 401(k) pension plans or other Employee Stock Ownership Plans (ESOPs).

Mr. Speaker, while we accept that lockdowns are often ordered in the routine course of plan management by a business, the simple fact is that they unfairly tie the hands of employees. The sudden collapse of the Enron Corporation illustrates how the impact of a lockdown can damage the retirement security of employees. As part of a routine switch of administrators for its employees' 401(k) program, Enron froze employee retirement accounts, packed with its stock, right as shares plummeted in late October and early November. When all was said and done, Enron Corporation's 401(k) plan lost about $1 billion in value. Enron employees assert that during the lockdown, they could only watch in horror as the value of their company stock fell from $30.72 at the close of trading on October 16 to $11.69 on November 19. The anxiety about their jobs was compounded by their inability to protect their retirement savings from decimation.

Under RAPA, employers would have to petition the Secretary of Labor for permission to order an administrative lockdown or freeze of employee defined contribution plans. The Secretary would apply a three-part test and the lockdown would be permitted if the Secretary found it to be administratively feasible, in the interests of the plan and its participants and, most importantly, ''protective of the rights of participants and beneficiaries of the plan.'' Presently, freezes or lockdowns of employee transactions in the Employer stock plans are routinely ordered for administrative reasons such as switches in benefit administrators or during transition times associated with corporate mergers. My bill also orders the appropriate regulators to study the advisability of imposing a cap on company stock purchases by employees for their defined contribution plans, in the wake of Enron's demise and the devastation of thousands of retirement accounts. There are serious questions about the prudence of imposing diversification requirements on employee investments.

Under RAPA, employers who are granted an exemption by the Secretary of Labor could then order a lockdown or freeze of account activity, but not before giving employees adequate notice. Under my bill, current employees, former employees and pension plan beneficiaries would receive written notice of the lockdown at least ninety days prior to the effective date. The importance of providing timely, adequate written notice to all effected parties, regardless of whether they still are employed, cannot be overstated. Former Enron employees who were plan participants, but no longer had access to Enron's internal e-mail network, report that the first time they received notice of the lockdown was when they tried to sell their company stock.

Mr. Speaker, the Employee Retirement Income Security Act (ERISA) has done a good

job of protecting the interests of plan participants and beneficiaries, particularly with respect to defined benefit plans. But, since enactment of the ERISA in 1974, the nation's landscape has changed substantially. Though the number of employer-sponsored pension plans have steadily increased, proportionately fewer employers offer traditional defined benefit plans and, instead, offer defined contribution plans such as 401(k) or ESOPs. The growth in defined contribution plans has resulted in a shift of responsibility, from the employer to the employee, with respect to how the funds should be invested. Mr. Speaker, my bill seeks to amend ERISA to ensure that employees continue to have the right to oversee their investments without interference by their employer.

Under RAPA, employers would no longer have the unfettered discretion to undertake such actions. While there is nothing that the Congress can do to guarantee against downturns in the value of company stock, we can ensure that employees retain the same right that any investor has to take whatever actions they deem necessary to protect their retirement savings, including selling company stock.

RECOGNITION OF MRS. CORA HIDALGO HOLLAND'S DEATH

HON. HILDA L. SOLIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 18, 2001

Ms. SOLIS. Mr. Speaker, I rise to recognize Mrs. Cora Hidalgo Holland, my dear friend Michael Aldaco's aunt, who was a victim of the terrorist attacks on September 11, 2001.

Mrs. Hidalgo Holland led an exemplary life that touched many people's lives. She exercised a subtle kind of leadership and made numerous contributions to her community. Throughout her life of service she became a role model to many. She was very active in her community, helping young, severely ''at-risk'' mothers, Spanish-speaking teenagers, who were largely on their own. Mrs. Hidalgo Holland taught them the basics of parenting and basics of child-rearing and about nutrition, hygiene and intellectual development. She also volunteered at a center that collected and provided free groceries to needy families.

Mrs. Hidalgo Holland played an integral role in her family. She showed her unbounded love to those dearest to her because family was of utmost importance to her. Thus, she contributed greatly to their development and happiness. She will be missed by those who loved her dearly for the many blessings she brought. Although her death brought much pain, it served to bring her family closer and to realize the fragility of life and the importance of voicing our love for those we love.

I am saddened by the loss of such a fine member of our community. I extend my sincerest condolence to Mrs. Hidalgo Holland's family, as we all mourn the loss of a role model and a exceptional person.

EXPRESSING THANKS TO THE GOVERNMENT PRINTING OFFICE

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 19, 2001

Mr. HOYER. Mr. Speaker, with my strong support the House recently approved resolutions expressing gratitude to the General Accounting Office for accommodating the House during the recent closure of the House office buildings, and honoring the Capitol Police for their commitment to security at the Capitol in the wake of the September 11 attacks. I wish to bring to the House's attention yet another legislative-branch agency that has gone the extra mile to support the Congress in this period of crisis: the Government Printing Office.

We would be remiss in overlooking the GPO's many contributions of the last three months. When the presence of anthrax necessitated the closure of House and Senate office buildings in October and November, GPO was ready to lend a hand. GPO provided conference room and office space for personnel from the Office of the Clerk of the House and the Senate's Office of Legislative Counsel to continue their important operations. For the Capitol Police, GPO made available the loading docks in its North Capitol Street warehouse for use in screening deliveries to Capitol Hill. Each day, up to 70 trucks destined for the Capitol complex pass through this operation, and it has been an enormous help to us.

GPO has provided other help since September 11. For example, when the Equal Employment Opportunity Commission's regional office was destroyed in the collapse of the World Trade Center complex, GPO established a secure, password-protected area on their web site, so displaced EEOC employees could log-on from home or other places and resume the Commission's work. Personnel from GPO's Inspector General office even helped with recovery efforts at the Pentagon and in New York.

While GPO has provided support in these extraordinary ways, it has also carried on its routine but essential work in printing and information dissemination under the leadership of Public Printer Michael F. DiMario. GPO's printing operation recently earned accolades as the ''Number One In-Plant in the Nation'' from In-Plant Graphics magazine, a printing-industry journal, for the fourth consecutive year.

Mr. Speaker, the past three months have been unlike any in recent memory. People are working hard the world over to see that such a period never recurs, and to rid the world of terrorism once and for all. We are reminded that at times we must meet extraordinary challenges in extraordinary ways in order to fulfill our responsibilities. As a citizen, and as a Representative in Congress, I find it tremendously gratifying to know that we have in the GPO the creativity, the capability, and the willingness to keep the wheels of our democracy turning on behalf of the American people. I thank the dedicated employees of the GPO for doing their part of a job well done.