

106TH CONGRESS  
1ST SESSION

# H. R. 973

To modify authorities with respect to the provision of security assistance under the Foreign Assistance Act of 1961 and the Arms Export Control Act, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 4, 1999

Mr. GILMAN (for himself and Mr. GEJDENSON) introduced the following bill;  
which was referred to the Committee on International Relations

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## A BILL

To modify authorities with respect to the provision of security assistance under the Foreign Assistance Act of 1961 and the Arms Export Control Act, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Security Assistance  
5       Act of 1999”.

6       **SEC. 2. TABLE OF CONTENTS.**

7       The table of contents of this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

## TITLE I—TRANSFERS OF EXCESS DEFENSE ARTICLES

- Sec. 101. Excess defense articles for central European countries.
- Sec. 102. Excess defense articles for certain independent States of the former Soviet Union.

## TITLE II—FOREIGN MILITARY SALES AUTHORITIES

- Sec. 201. Termination of foreign military financed training.
- Sec. 202. Sales of excess Coast Guard property.
- Sec. 203. Competitive pricing for sales of defense articles.
- Sec. 204. Reporting of offset agreements.
- Sec. 205. Notification of upgrades to direct commercial sales.
- Sec. 206. Expanded prohibition on incentive payments.
- Sec. 207. Administrative fees for leasing of defense articles.

## TITLE III—STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

- Sec. 301. Additions to United States war reserve stockpiles for allies.
- Sec. 302. Transfer of certain obsolete or surplus defense articles in the war reserves stockpile for allies.

## TITLE IV—INTERNATIONAL ARMS SALES CODE OF CONDUCT ACT OF 1999

- Sec. 401. Short title.
- Sec. 402. Findings.
- Sec. 403. International arms sales code of conduct.

## TITLE V—AUTHORITY TO EXEMPT INDIA AND PAKISTAN FROM CERTAIN SANCTIONS

- Sec. 501. Waiver authority.
- Sec. 502. Consultation.
- Sec. 503. Reporting requirement.
- Sec. 504. Appropriate congressional committees defined.

## TITLE VI—MISCELLANEOUS PROVISIONS

- Sec. 601. Annual military assistance reports.
- Sec. 602. Publication of arms sales certifications.
- Sec. 603. Notification requirements for commercial export of significant military equipment on United States Munitions List.
- Sec. 604. Enforcement of Arms Export Control Act.
- Sec. 605. Violations relating to material support to terrorists.
- Sec. 606. Authority to consent to third party transfer of ex-U.S.S. Bowman County to USS LST Ship Memorial, Inc.
- Sec. 607. Exceptions relating to prohibitions on assistance to countries involved in transfer or use of nuclear explosive devices.
- Sec. 608. Penalties for violations of Export Administration Act of 1979.

1 **TITLE I—TRANSFERS OF EXCESS**  
2 **DEFENSE ARTICLES**

3 **SEC. 101. EXCESS DEFENSE ARTICLES FOR CENTRAL EURO-**  
4 **PEAN COUNTRIES.**

5 Section 105 of Public Law 104–164 (110 Stat. 1427)  
6 is amended by striking “1996 and 1997” and inserting  
7 “2000 and 2001”.

8 **SEC. 102. EXCESS DEFENSE ARTICLES FOR CERTAIN INDE-**  
9 **PENDENT STATES OF THE FORMER SOVIET**  
10 **UNION.**

11 (a) USES FOR WHICH FUNDS ARE AVAILABLE.—  
12 Notwithstanding section 516(e) of the Foreign Assistance  
13 Act of 1961 (22 U.S.C. 2321j(e)), during each of the fiscal  
14 years 2000 and 2001, funds available to the Department  
15 of Defense may be expended for crating, packing, han-  
16 dling, and transportation of excess defense articles trans-  
17 ferred under the authority of section 516 of that Act to  
18 Georgia, Kazakhstan, Kyrgyzstan, Moldova,  
19 Turkmenistan, Ukraine, and Uzbekistan.

20 (b) CONTENT OF CONGRESSIONAL NOTIFICATION.—  
21 Each notification required to be submitted under section  
22 516(f) of the Foreign Assistance Act of 1961 (22 U.S.C.  
23 2321j(f)) with respect to a proposed transfer of a defense  
24 article described in subsection (a) shall include an esti-

1 mate of the amount of funds to be expended under sub-  
 2 section (a) with respect to that transfer.

## 3 **TITLE II—FOREIGN MILITARY** 4 **SALES AUTHORITIES**

### 5 **SEC. 201. TERMINATION OF FOREIGN MILITARY FINANCED** 6 **TRAINING.**

7 Section 617 of the Foreign Assistance Act of 1961  
 8 (22 U.S.C. 2367) is amended—

9 (1) by inserting in the second sentence “and the  
 10 Arms Export Control Act” after “under this Act”  
 11 the first place it appears;

12 (2) by striking “under this Act” the second  
 13 place it appears; and

14 (3) by inserting in the third sentence “and  
 15 under the Arms Export Control Act” after “this  
 16 Act”.

### 17 **SEC. 202. SALES OF EXCESS COAST GUARD PROPERTY.**

18 Section 21(a)(1) of the Arms Export Control Act (22  
 19 U.S.C. 2761(a)(1)) is amended in the text above subpara-  
 20 graph (A) by inserting “and the Coast Guard” after “De-  
 21 partment of Defense”.

### 22 **SEC. 203. COMPETITIVE PRICING FOR SALES OF DEFENSE** 23 **ARTICLES.**

24 Section 22(d) of the Arms Export Control Act (22  
 25 U.S.C. 2762(d)) is amended—

1           (1) by striking “Procurement contracts” and  
2           inserting “(1) Procurement contracts”; and

3           (2) by adding at the end the following:

4           “(2) Direct costs associated with meeting additional  
5           or unique requirements of the purchaser shall be allowable  
6           under contracts described in paragraph (1). Loadings ap-  
7           plicable to such direct costs shall be permitted at the same  
8           rates applicable to procurement of like items purchased  
9           by the Department of Defense for its own use.”.

10   **SEC. 204. REPORTING OF OFFSET AGREEMENTS.**

11           (a) GOVERNMENT-TO-GOVERNMENT SALES.—Sec-  
12           tion 36(b)(1) of the Arms Export Control Act (22 U.S.C.  
13           2776(b)(1)) is amended in the fourth sentence by striking  
14           “(if known on the date of transmittal of such certifi-  
15           cation)” and inserting “and, if known on the date of trans-  
16           mittal of such certification, a description of the offset  
17           agreement. Such description may be included in the classi-  
18           fied portion of such numbered certification”.

19           (b) COMMERCIAL SALES.—Section 36(c)(1) of the  
20           Arms Export Control Act (22 U.S.C. 2776(c)(1)) is  
21           amended in the second sentence by striking “(if known  
22           on the date of transmittal of such certification)” and in-  
23           serting “and, if known on the date of transmittal of such  
24           certification, a description of the offset agreement. Such

1 description may be included in the classified portion of  
 2 such numbered certification”.

3 **SEC. 205. NOTIFICATION OF UPGRADES TO DIRECT COM-**  
 4 **MERCIAL SALES.**

5 Section 36(c) of the Arms Export Control Act (22  
 6 U.S.C. 2776(c)) is amended by adding at the end the fol-  
 7 lowing new paragraph:

8 “(4) The provisions of subsection (b)(5) shall apply  
 9 to any equipment, article, or service for which a numbered  
 10 certification has been transmitted to Congress pursuant  
 11 to paragraph (1) in the same manner and to the same  
 12 extent as that subsection applies to any equipment, article,  
 13 or service for which a numbered certification has been  
 14 transmitted to Congress pursuant to subsection (b)(1).  
 15 For purposes of such application, any reference in sub-  
 16 section (b)(5) to ‘a letter of offer’ or ‘an offer’ shall be  
 17 deemed to be a reference to ‘a contract’.”.

18 **SEC. 206. EXPANDED PROHIBITION ON INCENTIVE PAY-**  
 19 **MENTS.**

20 (a) IN GENERAL.—Section 39A(a) of the Arms Ex-  
 21 port Control Act (22 U.S.C. 2779a(a)) is amended—

- 22 (1) by inserting “or licensed” after “sold”; and  
 23 (2) by inserting “or export” after “sale”.

24 (b) DEFINITION OF UNITED STATES PERSON.—Sec-  
 25 tion 39A(d)(3)(B)(ii) of the Arms Export Control Act (22

1 U.S.C. 2779a(d)(3)(B)(ii)) is amended by inserting “or by  
 2 an entity described in clause (i)” after “subparagraph  
 3 (A)”.

4 **SEC. 207. ADMINISTRATIVE FEES FOR LEASING OF DE-**  
 5 **FENSE ARTICLES.**

6 Section 61(a) of the Arms Export Control Act (22  
 7 U.S.C. 2796(a)) is amended in paragraph (4) of the first  
 8 sentence by inserting after “including reimbursement for  
 9 depreciation of such articles while leased,” the following:  
 10 “a fee for the administrative services associated with proc-  
 11 essing such leasing,”.

12 **TITLE III—STOCKPILING OF DE-**  
 13 **FENSE ARTICLES FOR FOR-**  
 14 **IGN COUNTRIES**

15 **SEC. 301. ADDITIONS TO UNITED STATES WAR RESERVE**  
 16 **STOCKPILES FOR ALLIES.**

17 Paragraph (2) of section 514(b) of the Foreign As-  
 18 sistance Act of 1961 (22 U.S.C. 2321h(b)(2)) is amended  
 19 to read as follows:

20 “(2)(A) The value of such additions to stock-  
 21 piles of defense articles in foreign countries shall not  
 22 exceed \$340,000,000 for fiscal year 1999 and  
 23 \$60,000,000 for fiscal year 2000.

24 “(B)(i) Of the amount specified in subpara-  
 25 graph (A) for fiscal year 1999, not more than

1       \$320,000,000 may be made available for stockpiles  
2       in the Republic of Korea and not more than  
3       \$20,000,000 may be made available for stockpiles in  
4       Thailand.

5           “(ii) Of the amount specified in subparagraph  
6       (A) for fiscal year 2000, not more than \$40,000,000  
7       may be made available for stockpiles in the Republic  
8       of Korea and not more than \$20,000,000 may be  
9       made available for stockpiles in Thailand.”.

10 **SEC. 302. TRANSFER OF CERTAIN OBSOLETE OR SURPLUS**

11 **DEFENSE ARTICLES IN THE WAR RESERVES**

12 **STOCKPILE FOR ALLIES.**

13 (a) **ITEMS IN THE KOREAN STOCKPILE.**—

14           (1) **IN GENERAL.**—Notwithstanding section 514  
15       of the Foreign Assistance Act of 1961 (22 U.S.C.  
16       2321h), the President is authorized to transfer to  
17       the Republic of Korea, in return for concessions to  
18       be negotiated by the Secretary of Defense, with the  
19       concurrence of the Secretary of State, any or all of  
20       the items described in paragraph (2).

21           (2) **COVERED ITEMS.**—The items referred to in  
22       paragraph (1) are munitions, equipment, and mate-  
23       rial such as tanks, trucks, artillery, mortars, general  
24       purpose bombs, repair parts, ammunition, barrier



1 material, and ancillary equipment, if such items  
2 are—

3 (A) obsolete or surplus items;

4 (B) in the inventory of the Department of  
5 Defense;

6 (C) intended for use as reserve stocks for  
7 the Republic of Korea; and

8 (D) as of the date of enactment of this  
9 Act, located in a stockpile in the Republic of  
10 Korea.

11 (b) ITEMS IN THE THAILAND STOCKPILE.—

12 (1) IN GENERAL.—Notwithstanding section 514  
13 of the Foreign Assistance Act of 1961 (22 U.S.C.  
14 2321h), the President is authorized to transfer to  
15 Thailand, in return for concessions to be negotiated  
16 by the Secretary of Defense, with the concurrence of  
17 the Secretary of State, any or all of the items in the  
18 WRS–T stockpile described in paragraph (2).

19 (2) COVERED ITEMS.—The items referred to in  
20 paragraph (1) are munitions, equipment, and mate-  
21 rial such as tanks, trucks, artillery, mortars, general  
22 purpose bombs, repair parts, ammunition, barrier  
23 material, and ancillary equipment, if such items  
24 are—

25 (A) obsolete or surplus items;

1 (B) in the inventory of the Department of  
2 Defense;

3 (C) intended for use as reserve stocks for  
4 Thailand; and

5 (D) as of the date of enactment of this  
6 Act, located in a stockpile in Thailand.

7 (c) VALUATION OF CONCESSIONS.—The value of con-  
8 cessions negotiated pursuant to subsections (a) and (b)  
9 shall be at least equal to the fair market value of the items  
10 transferred. The concessions may include cash compensa-  
11 tion, services, waiver of charges otherwise payable by the  
12 United States, and other items of value.

13 (d) PRIOR NOTIFICATIONS OF PROPOSED TRANS-  
14 FERS.—Not less 30 days before making a transfer under  
15 the authority of this section, the President shall transmit  
16 to the chairmen of the Committee on Foreign Relations  
17 of the Senate and the Committee on International Rela-  
18 tions of the House of Representatives a detailed notifica-  
19 tion of the proposed transfer, which shall include an iden-  
20 tification of the items to be transferred and the conces-  
21 sions to be received.

22 (e) TERMINATION OF AUTHORITY.—No transfer may  
23 be made under the authority of this section more than five  
24 years after the date of enactment of this Act.

1 **TITLE** **IV—INTERNATIONAL**  
2 **ARMS SALES CODE OF CON-**  
3 **DUCT ACT OF 1999**

4 **SEC. 401. SHORT TITLE.**

5 This title may be cited as the “International Arms  
6 Sales Code of Conduct Act of 1999”.

7 **SEC. 402. FINDINGS.**

8 The Congress finds the following:

9 (1) The proliferation of conventional arms and  
10 conflicts around the globe are multilateral problems.

11 The only way to effectively prevent rogue nations  
12 from acquiring conventional weapons is through a  
13 multinational “arms sales code of conduct”.

14 (2) Approximately 40,000,000 people, over 75  
15 percent of whom were civilians, died as a result of  
16 civil and international wars fought with conventional  
17 weapons during the 45 years of the cold war, dem-  
18 onstrating that conventional weapons can in fact be  
19 weapons of mass destruction.

20 (3) Conflict has actually increased in the post  
21 cold war era.

22 (4) It is in the national security and economic  
23 interests of the United States to reduce dramatically  
24 the \$840,000,000,000 that all countries spend on  
25 armed forces every year, \$191,000,000,000 of which

1 is spent by developing countries, an amount equiva-  
2 lent to 4 times the total bilateral and multilateral  
3 foreign assistance such countries receive every year.

4 (5) The Congress has the constitutional respon-  
5 sibility to participate with the executive branch in  
6 decisions to provide military assistance and arms  
7 transfers to a foreign government, and in the formu-  
8 lation of a policy designed to reduce dramatically the  
9 level of international militarization.

10 (6) A decision to provide military assistance  
11 and arms transfers to a government that is undemo-  
12 cratic, does not adequately protect human rights, or  
13 is currently engaged in acts of armed aggression  
14 should require a higher level of scrutiny than does  
15 a decision to provide such assistance and arms  
16 transfers to a government to which these conditions  
17 do not apply.

18 **SEC. 403. INTERNATIONAL ARMS SALES CODE OF CON-**  
19 **DUCT.**

20 (a) **NEGOTIATIONS.**—The President shall attempt to  
21 achieve the foreign policy goal of an international arms  
22 sales code of conduct with all Wassenaar Arrangement  
23 countries. The President shall take the necessary steps to  
24 begin negotiations with all Wassenaar Arrangement coun-  
25 tries within 120 days after the date of the enactment of

1 this Act. The purpose of these negotiations shall be to con-  
2 clude an agreement on restricting or prohibiting arms  
3 transfers to countries that do not meet the following cri-  
4 teria:

5 (1) PROMOTES DEMOCRACY.—The government  
6 of the country—

7 (A) was chosen by and permits free and  
8 fair elections;

9 (B) promotes civilian control of the mili-  
10 tary and security forces and has civilian institu-  
11 tions controlling the policy, operation, and  
12 spending of all law enforcement and security in-  
13 stitutions, as well as the armed forces;

14 (C) promotes the rule of law, equality be-  
15 fore the law, and respect for individual and mi-  
16 nority rights, including freedom to speak, pub-  
17 lish, associate, and organize; and

18 (D) promotes the strengthening of politi-  
19 cal, legislative, and civil institutions of democ-  
20 racy, as well as autonomous institutions to  
21 monitor the conduct of public officials and to  
22 combat corruption.

23 (2) RESPECTS HUMAN RIGHTS.—The govern-  
24 ment of the country—

1 (A) does not engage in gross violations of  
2 internationally recognized human rights,  
3 including—

4 (i) extra judicial or arbitrary execu-  
5 tions;

6 (ii) disappearances;

7 (iii) torture or severe mistreatment;

8 (iv) prolonged arbitrary imprisonment;

9 (v) systematic official discrimination  
10 on the basis of race, ethnicity, religion,  
11 gender, national origin, or political affili-  
12 ation; and

13 (vi) grave breaches of international  
14 laws of war or equivalent violations of the  
15 laws of war in internal conflicts;

16 (B) vigorously investigates, disciplines, and  
17 prosecutes those responsible for gross violations  
18 of internationally recognized human rights;

19 (C) permits access on a regular basis to  
20 political prisoners by international humani-  
21 tarian organizations such as the International  
22 Committee of the Red Cross;

23 (D) promotes the independence of the judi-  
24 ciary and other official bodies that oversee the  
25 protection of human rights;

1 (E) does not impede the free functioning of  
2 domestic and international human rights orga-  
3 nizations; and

4 (F) provides access on a regular basis to  
5 humanitarian organizations in situations of con-  
6 flict or famine.

7 (3) NOT ENGAGED IN CERTAIN ACTS OF ARMED  
8 AGGRESSION.—The government of the country is not  
9 currently engaged in acts of armed aggression in  
10 violation of international law.

11 (4) FULL PARTICIPATION IN U.N. REGISTER OF  
12 CONVENTIONAL ARMS.—The government of the  
13 country is fully participating in the United Nations  
14 Register of Conventional Arms.

15 (b) REPORTS TO CONGRESS.—(1) In the report re-  
16 quired in sections 116(d) and 502B of the Foreign Assist-  
17 ance Act of 1961, the Secretary of State shall describe  
18 the extent to which the practices of each country evaluated  
19 meet the criteria in paragraphs (1) through (4) of sub-  
20 section (a).

21 (2) Not later than 6 months after the commencement  
22 of the negotiations under subsection (a), and not later  
23 than the end of every 6-month period thereafter until an  
24 agreement described in subsection (a) is concluded, the

1 President shall report to the appropriate committees of the  
 2 Congress on the progress made during these negotiations.

3 (c) DEFINITION.—The term “Wassenaar Arrange-  
 4 ment countries” means Argentina, Australia, Austria, Bel-  
 5 gium, Bulgaria, Canada, the Czech Republic, Denmark,  
 6 Finland, France, Germany, Greece, Hungary, Ireland,  
 7 Italy, Japan, Luxembourg, Netherlands, New Zealand,  
 8 Norway, Poland, Portugal, the Republic of Korea, Roma-  
 9 nia, Russia, Slovakia, Spain, Sweden, Switzerland, Tur-  
 10 key, Ukraine, and the United Kingdom.

11 **TITLE V—AUTHORITY TO EX-**  
 12 **EMPT INDIA AND PAKISTAN**  
 13 **FROM CERTAIN SANCTIONS**

14 **SEC. 501. WAIVER AUTHORITY.**

15 (a) AUTHORITY.—

16 (1) IN GENERAL.—Except as provided in sub-  
 17 section (b), the President may waive, with respect to  
 18 India or Pakistan, the application of any sanction or  
 19 prohibition (or portion thereof) contained in section  
 20 101 or 102 of the Arms Export Control Act (22  
 21 U.S.C. 2799aa or 2799aa–1), section 620E(e) of the  
 22 Foreign Assistance Act of 1961 (22 U.S.C.  
 23 2375(e)), or section 2(b)(4) of the Export Import  
 24 Bank Act of 1945 (12 U.S.C. 635(b)(4)).



1           (2) **EFFECTIVE DATE.**—A waiver of the applica-  
2           tion of a sanction or prohibition (or portion thereof)  
3           under paragraph (1) shall be effective only for a pe-  
4           riod ending on or before September 30, 2000.

5           (b) **EXCEPTION.**—The authority to waive the applica-  
6           tion of a sanction or prohibition (or portion thereof) under  
7           subsection (a) shall not apply with respect to a sanction  
8           or prohibition contained in subparagraph (B), (C), or (G)  
9           of section 102(b)(2) of the Arms Export Control Act.

10          (c) **NOTIFICATION.**—A waiver of the application of a  
11          sanction or prohibition (or portion thereof) contained in  
12          section 541 of the Foreign Assistance Act of 1961 shall  
13          not become effective until 15 days after notice of such  
14          waiver has been reported to the congressional committees  
15          specified in section 634A(a) of such Act in accordance  
16          with the procedures applicable to reprogramming notifica-  
17          tions under that section.

18   **SEC. 502. CONSULTATION.**

19          Prior to each exercise of the authority provided in  
20          section 601, the President shall consult with the appro-  
21          priate congressional committees.

22   **SEC. 503. REPORTING REQUIREMENT.**

23          Not later than August 31, 2000, the Secretary of  
24          State shall prepare and submit to the appropriate congres-

1 sional committees a report on economic and national secu-  
 2 rity developments in India and Pakistan.

3 **SEC. 504. APPROPRIATE CONGRESSIONAL COMMITTEES**

4 **DEFINED.**

5 In this title, the term “appropriate congressional  
 6 committees” means—

7 (1) the Committee on International Relations  
 8 and the Committee on Appropriations of the House  
 9 of Representatives; and

10 (2) the Committee on Foreign Relations and  
 11 the Committee on Appropriations of the Senate.

12 **TITLE VI—MISCELLANEOUS**  
 13 **PROVISIONS**

14 **SEC. 601. ANNUAL MILITARY ASSISTANCE REPORTS.**

15 Section 655(b) of the Foreign Assistance Act of 1961  
 16 (22 U.S.C. 2415(b)) is amended to read as follows:

17 “(b) INFORMATION RELATING TO MILITARY ASSIST-  
 18 ANCE AND MILITARY EXPORTS.—Each such report shall  
 19 show the aggregate dollar value and quantity of defense  
 20 articles (including excess defense articles), defense serv-  
 21 ices, and international military education and training ac-  
 22 tivities authorized by the United States and of such arti-  
 23 cles, services, and activities provided by the United States,  
 24 excluding any activity that is reportable under title V of  
 25 the National Security Act of 1947, to each foreign country

1 and international organization. The report shall specify,  
2 by category, whether such defense articles—

3 “(1) were furnished by grant under chapter 2  
4 or chapter 5 of part II of this Act or under any  
5 other authority of law or by sale under chapter 2 of  
6 the Arms Export Control Act;

7 “(2) were furnished with the financial assist-  
8 ance of the United States Government, including  
9 through loans and guarantees; or

10 “(3) were licensed for export under section 38  
11 of the Arms Export Control Act.”.

12 **SEC. 602. PUBLICATION OF ARMS SALES CERTIFICATIONS.**

13 Section 36 of the Arms Export Control Act (22  
14 U.S.C. 2776) is amended in the second subsection (e) (as  
15 added by section 155 of Public Law 104–164)—

16 (1) by inserting “in a timely manner” after “to  
17 be published”; and

18 (2) by striking “the full unclassified text of”  
19 and all that follows and inserting the following: “the  
20 full unclassified text of—

21 “(1) each numbered certification submitted pur-  
22 suant to subsection (b);

23 “(2) each notification of a proposed commercial  
24 sale submitted under subsection (c); and

1 “(3) each notification of a proposed commercial  
2 technical assistance or manufacturing licensing  
3 agreement submitted under subsection (d).”.

4 **SEC. 603. NOTIFICATION REQUIREMENTS FOR COMMER-**  
5 **CIAL EXPORT OF SIGNIFICANT MILITARY**  
6 **EQUIPMENT ON UNITED STATES MUNITIONS**  
7 **LIST.**

8 (a) NOTIFICATION REQUIREMENT.—Section 38 of  
9 the Arms Export Control Act (22 U.S.C. 2778) is amend-  
10 ed by adding at the end the following:

11 “(i) As prescribed in regulations issued under this  
12 section, a United States person to whom a license has been  
13 granted to export an item identified as significant military  
14 equipment on the United States Munitions List shall, not  
15 later than 15 days after the item is exported, submit to  
16 the Department of State a report containing all shipment  
17 information, including a description of the item and the  
18 quantity, value, port of exit, and destination of the item.”.

19 (b) QUARTERLY REPORTS TO CONGRESS.—Section  
20 36(a) of the Arms Export Control Act (22 U.S.C.  
21 2776(a)) is amended—

22 (1) in paragraph (11), by striking “and” at the  
23 end;

1           (2) in paragraph (12), by striking “third-party  
2       transfers.” and inserting “third-party transfers;  
3       and”; and

4           (3) by adding after paragraph (12) (but before  
5       the last sentence of the subsection), the following:

6           “(13) a report on all exports of significant mili-  
7       tary equipment for which information has been pro-  
8       vided pursuant to section 38(i).”.

9       **SEC. 604. ENFORCEMENT OF ARMS EXPORT CONTROL ACT.**

10       The Arms Export Control Act (22 U.S.C. 2751 et  
11       seq.) is amended in sections 38(e), 39A(c), and 40(k) by  
12       inserting after “except that” each place it appears the fol-  
13       lowing: “section 11(c)(2)(B) of such Act shall not apply,  
14       and instead, as prescribed in regulations issued under this  
15       section, the Secretary of State may assess civil penalties  
16       for violations of this Act and regulations prescribed there-  
17       under and further may commence a civil action to recover  
18       such civil penalties, and except further that”.

19       **SEC. 605. VIOLATIONS RELATING TO MATERIAL SUPPORT**  
20               **TO TERRORISTS.**

21       Section 38(g)(1)(A)(iii) of the Arms Export Control  
22       Act (22 U.S.C. 2778(g)(1)(A)(iii)) is amended by adding  
23       at the end before the comma the following: “or section  
24       2339A of such title (relating to providing material support  
25       to terrorists)”.

1 **SEC. 606. AUTHORITY TO CONSENT TO THIRD PARTY**  
2 **TRANSFER OF EX-U.S.S. BOWMAN COUNTY TO**  
3 **USS LST SHIP MEMORIAL, INC.**

4 (a) FINDINGS.—Congress makes the following find-  
5 ings:

6 (1) It is the long-standing policy of the United  
7 States Government to deny requests for the retrans-  
8 fer of significant military equipment that originated  
9 in the United States to private entities.

10 (2) In very exceptional circumstances, when the  
11 United States public interest would be served by the  
12 proposed retransfer and end-use, such requests may  
13 be favorably considered.

14 (3) Such retransfers to private entities have  
15 been authorized in very exceptional circumstances  
16 following appropriate demilitarization and receipt of  
17 assurances from the private entity that the item to  
18 be transferred would be used solely in furtherance of  
19 Federal Government contracts or for static museum  
20 display.

21 (4) Nothing in this section should be construed  
22 as a revision of long-standing policy referred to in  
23 paragraph (1).

24 (5) The Government of Greece has requested  
25 the consent of the United States Government to the

1 retransfer of HS Rodos (ex-U.S.S. Bowman County  
2 (LST 391)) to the USS LST Ship Memorial, Inc.

3 (b) AUTHORITY TO CONSENT TO RETRANSFER.—

4 (1) IN GENERAL.—Subject to paragraph (2),  
5 the President may consent to the retransfer by the  
6 Government of Greece of HS Rodos (ex-U.S.S. Bow-  
7 man County (LST 391)) to the USS LST Ship Me-  
8 morial, Inc.

9 (2) CONDITIONS FOR CONSENT.—The President  
10 should not exercise the authority under paragraph  
11 (1) unless USS LST Memorial, Inc.—

12 (A) utilizes the vessel for public, nonprofit,  
13 museum-related purposes;

14 (B) submits a certification with the import  
15 application that no firearms frames or receivers,  
16 ammunition, or other firearms as defined in  
17 section 5845 of the National Firearms Act (26  
18 U.S.C. 5845) will be imported with the vessel;  
19 and

20 (C) complies with regulatory policy re-  
21 quirements related to the facilitation of mon-  
22 itoring by the Federal Government of, and the  
23 mitigation of potential environmental hazards  
24 associated with, aging vessels, and has a dem-  
25 onstrated financial capability to so comply.

1 **SEC. 607. EXCEPTIONS RELATING TO PROHIBITIONS ON AS-**  
2 **SISTANCE TO COUNTRIES INVOLVED IN**  
3 **TRANSFER OR USE OF NUCLEAR EXPLOSIVE**  
4 **DEVICES.**

5 (a) IN GENERAL.—Section 2 of the Agriculture Ex-  
6 port Relief Act of 1998 (Public Law 105–194; 112 Stat.  
7 627) is amended—

8 (1) by striking subsection (d); and

9 (2) by striking the second sentence of sub-  
10 section (e).

11 (b) EFFECTIVE DATE.—The amendments made by  
12 subsection (a) shall take effect on the date of the enact-  
13 ment of this Act or September 30, 1999, whichever occurs  
14 earlier.

15 **SEC. 608. PENALTIES FOR VIOLATIONS OF EXPORT ADMIN-**  
16 **ISTRATION ACT OF 1979.**

17 (a) INCREASED PENALTIES.—Section 11 of the Ex-  
18 port Administration Act of 1979 (50 U.S.C. App. 2410)  
19 is amended—

20 (1) by amending subsection (a) to read as fol-  
21 lows:

22 “(a) IN GENERAL.—Except as provided in subsection  
23 (b), whoever knowingly violates or conspires to or attempts  
24 to violate any provision of this Act or any license, order,  
25 or regulation issued under this Act—



1           “(A) except in the case of an individual, shall  
2           be fined not more than \$500,000 or 5 times the  
3           value of any exports involved, whichever is greater;  
4           and

5           “(B) in the case of an individual, shall be fined  
6           not more than \$250,000 or 5 times the value of any  
7           exports involved, whichever is greater, or imprisoned  
8           not more than 5 years, or both.”;

9           (2) in subsection (b)—

10           (A) in paragraphs (1)(A) and (2)(A) by  
11           striking “five times” and inserting “10 times”;

12           (B) in paragraph (1)(B) by striking  
13           “\$250,000” and inserting “\$500,000”; and

14           (C) in paragraph (2)(B) by striking  
15           “\$250,000, or imprisoned not more than 5  
16           years” and inserting “\$500,000, or imprisoned  
17           not more than 10 years”;

18           (3) in subsection (c)(1)—

19           (A) by striking “\$10,000” and inserting  
20           “\$250,000”; and

21           (B) by striking “except that the civil pen-  
22           alty” and all that follows through the end of  
23           the paragraph and inserting “except that the  
24           civil penalty for a violation of the regulations

1           issued pursuant to section 8 may not exceed  
2           \$50,000.”; and

3           (4) in subsection (h)(1), by inserting after  
4           “Arms Export Control Act (22 U.S.C. 2778)” the  
5           following: “section 16 of the Trading With the  
6           Enemy Act (50 U.S.C. 16), or, to the extent the vio-  
7           lation involves the export of goods or technology con-  
8           trolled under this or any other Act or defense arti-  
9           cles or defense services controlled under the Arms  
10          Export Control Act, section 371 or 1001 of title 18,  
11          United States Code,”.

12          (b) EFFECTIVENESS OF ACT.—(1) The authority of  
13          the Export Administration Act of 1979 shall be in effect  
14          during the period beginning on the date of the enactment  
15          of this Act and ending on September 30, 2001.

16          (2) The Export Administration Act of 1979 is  
17          amended by striking section 20 (50 U.S.C. 2419).

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