to Sudan. If it does so, many of these other issues will take care of themselves.

I support all the provisions in H. Con. Res. 75. The United States must increase support for non-governmental agencies working outside Operation Lifeline Sudan. It must provide aid for capacity-building in Southern Sudan so the areas outside the government of Sudan's control can learn to administer themselves and create some semblance of order. It must work to strengthen the independence of Operation Lifeline Sudan to prevent Khartoum from using aid as a weapon against people it opposes. These provisions will help save lives and make the lives of people of Southern Sudan a little better.

The United States must do more to support the National Democratic Alliance—the coalition of northern and southern parties in opposition to the NIF government.

The time has also come for the U.S. to provide diplomatic and material support for the Southern People's Liberation Army (SPLA).

However, I also believe strongly that the United States must appoint a special envoy for Sudan. It should be a person of stature such as former Senator Paul Simon or Nancy Kassebaum or a similar kind of person. Former Senator George Mitchell want to Northern Ireland some 60 times in pursuit of peace in that region. Aren't the people of Sudan worth the same kind of effort?

Achieving a just peace in Sudan should be the goal of the U.S. government and the international community.

I want to be clear on one point. I believe that the government of Sudan is one of the most evil governments of earth. Its policies have devastated the lives of the people of Northern and Southern Sudan alike. It sponsors international terrorism, allows slavery to take place, uses food as a weapon, engages in coercive practices to force people to change their religion, tortures political opponents and commits many other egregious human rights abuses.

The NIF government has done very little to show themselves serious about peace and have thus made themselves one of them most isolated regimes on earth. The government of Sudan must understand that it will never become a full-fledged and respected member of the international community unless it gets serious about peace and stops its support for international terrorism.

But, the international community has continued to hide behind a flawed peace process, called the Inter-governmental Authority on Development (IGAD), which has produced a laudable Declaration of Principles but very little other real progress.

All the parties in Sudan must work for peace, but the International community must do more to force them to the table.

It's time to do more. For the sake of the people of Sudan, we must do more.

I urge this administration to appoint a special envoy for Sudan. We must get serious about peace in Sudan and put some diplomatic muscle into it.

In my office I have a picture of a young boy from Southern Sudan. It was taken 10 years ago by a member of my staff during my very first trip to Sudan in 1989. The boy is probably dead by now. But if he is not, what kind of life do you think he has been living?

This resolution lays out some excellent steps which must be taken immediately by the United States, the United Nations and the government of Sudan. I hope they will be taken seriously and implemented as soon as possible.

But, I hope the administration will go one step further and appoint a special envoy for Sudan.

Mr. PAYNE. 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 California (Mr. ROYCE) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 75, as amended.

The question was taken.

Mr. ROYCE. 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.

SECURITY ASSISTANCE ACT OF 1999

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and pass the bill (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, as amended.

The Clerk read as follows:

H.R. 973

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 ''Security Assistance Act of 1999''.

SEC. 2. TABLE OF CONTENTS.

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—TRANSFER OF NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES

Sec. 601. Authority to transfer naval vessels.
Sec. 602. Inapplicability of aggregate annual limitation on value of transferred excess defense articles.
Sec. 603. Costs of transfers.
Sec. 604. Expiration of authority.
Sec. 605. Repair and refurbishment of vessels in United States shipyards.
Sec. 606. Sense of Congress relating to transfer of naval vessels and aircraft to the Government of the Philippines.

TITLE VII—MISCELLANEOUS PROVISIONS

Sec. 701. Annual military assistance reports.
Sec. 702. Publication of arms sales certifications.
Sec. 703. Notification requirements for commercial export of significant military equipment on United States Munitions List.
Sec. 704. Enforcement of Arms Export Control Act.
Sec. 705. Violations relating to material support to terrorists.
Sec. 706. Authority to consent to third party transfer of ex-U.S.S. Bowman County to USS LST Ship Memorial, Inc.
Sec. 707. Exceptions relating to prohibitions on assistance to countries involved in transfer or use of nuclear explosive devices.
Sec. 708. Continuation of the export control regulations under IEEPA.

TITLE I—TRANSFERS OF EXCESS DEFENSE ARTICLES

SEC. 101. EXCESS DEFENSE ARTICLES FOR CENTRAL EUROPEAN COUNTRIES.

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

SEC. 102. EXCESS DEFENSE ARTICLES FOR CERTAIN INDEPENDENT STATES OF THE FORMER SOVIET UNION.

(a) USES FOR WHICH FUNDS ARE AVAILABLE.—Notwithstanding section 516(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)), during each of the fiscal years 2000 and 2001, 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 that Act to Georgia, Kazakhstan, Kyrgyzstan, Moldova, Turkmenistan, Ukraine, and Uzbekistan.

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

TITLE II—FOREIGN MILITARY SALES AUTHORITIES

SEC. 201. TERMINATION OF FOREIGN MILITARY FINANCED TRAINING.

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

(1) by inserting in the second sentence ''and the Arms Export Control Act'' after ''under this Act'' the first place it appears;

(2) by striking ''under this Act'' the second place it appears; and

(3) by inserting in the third sentence ''and under the Arms Export Control Act'' after ''this Act''.

SEC. 202. SALES OF EXCESS COAST GUARD PROPERTY.

Section 21(a)(1) of the Arms Export Control Act (22 U.S.C. 2761(a)(1)) is amended in the text above subparagraph (A) by inserting ''and the Coast Guard'' after ''Department of Defense''.

SEC. 203. COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES.

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

(1) by striking ''Procurement contracts'' and inserting ''(1) Procurement contracts''; and

(2) by adding at the end the following:

''(2) Direct costs associated with meeting additional or unique requirements of the purchaser shall be allowable under contracts described in paragraph (1). Loadings applicable to such direct costs shall be permitted at the same rates applicable to procurement of like items purchased by the Department of Defense for its own use.''.

SEC. 204. REPORTING OF OFFSET AGREEMENTS.

(a) GOVERNMENT-TO-GOVERNMENT SALES.—Section 36(b)(1) of the Arms Export Control Act (22 U.S.C. 2776(b)(1)) is amended in the fourth sentence by striking ''(if known on the date of transmittal of such certification)'' and inserting ''and, if known on the date of transmittal of such certification, a description of the offset agreement. Such description may be included in the classified portion of such numbered certification''.

(b) COMMERCIAL SALES.—Section 36(c)(1) of the Arms Export Control Act (22 U.S.C. 2776(c)(1)) is amended in the second sentence by striking ''(if known on the date of transmittal of such certification)'' and inserting ''and, if known on the date of transmittal of such certification, a description of the offset agreement. Such description may be included in the classified portion of such numbered certification''.

SEC. 205. NOTIFICATION OF UPGRADES TO DIRECT COMMERCIAL SALES.

Section 36(c) of the Arms Export Control Act (22 U.S.C. 2776(c)) is amended by adding at the end the following new paragraph:

''(4) The provisions of subsection (b)(5) shall apply to any equipment, article, or service for which a numbered certification has been transmitted to Congress pursuant to paragraph (1) in the same manner and to the same extent as that subsection applies to any equipment, article, or service for which a numbered certification has been transmitted to Congress pursuant to subsection (b)(1). For purposes of such application, any reference in subsection (b)(5) to 'a letter of offer' or 'an offer' shall be deemed to be a reference to 'a contract'.''.

SEC. 206. EXPANDED PROHIBITION ON INCENTIVE PAYMENTS.

(a) IN GENERAL.—Section 39A(a) of the Arms Export Control Act (22 U.S.C. 2779a(a)) is amended—

(1) by inserting ''or licensed'' after ''sold''; and

(2) by inserting ''or export'' after ''sale''.

(b) DEFINITION OF UNITED STATES PERSON.—Section 39A(d)(3)(B)(ii) of the Arms Export Control Act (22 U.S.C. 2779a(d)(3)(B)(ii)) is amended by inserting ''or by an entity described in clause (i)'' after ''subparagraph (A)''.

SEC. 207. ADMINISTRATIVE FEES FOR LEASING OF DEFENSE ARTICLES.

Section 61(a) of the Arms Export Control Act (22 U.S.C. 2796(a)) is amended in paragraph (4) of the first sentence by inserting after ''including reimbursement for depreciation of such articles while leased,'' the following: ''a fee for the administrative services associated with processing such leasing,''.

TITLE III—STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

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

Paragraph (2) of section 514(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(2)) is amended to read as follows:

''(2)(A) The value of such additions to stockpiles of defense articles in foreign countries shall not exceed $340,000,000 for fiscal year 1999 and $60,000,000 for fiscal year 2000.

''(B)(i) Of the amount specified in subparagraph (A) for fiscal year 1999, not more than $320,000,000 may be made available for stockpiles in the Republic of Korea and not more than $20,000,000 may be made available for stockpiles in Thailand.

''(ii) Of the amount specified in subparagraph (A) for fiscal year 2000, not more than $40,000,000 may be made available for stockpiles in the Republic of Korea and not more than $20,000,000 may be made available for stockpiles in Thailand.''.

SEC. 302. TRANSFER OF CERTAIN OBSOLETE OR SURPLUS DEFENSE ARTICLES IN THE WAR RESERVES STOCKPILE FOR ALLIES.

(a) ITEMS IN THE KOREAN STOCKPILE.—

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

(2) COVERED ITEMS.—The items referred to in paragraph (1) are munitions, equipment, and material such as tanks, trucks, artillery, mortars, general purpose bombs, repair parts, ammunition, barrier material, and ancillary equipment, if such items are—

(A) obsolete or surplus items;

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

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

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

(b) ITEMS IN THE THAILAND STOCKPILE.—

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

(2) COVERED ITEMS.—The items referred to in paragraph (1) are munitions, equipment, and material such as tanks, trucks, artillery, mortars, general purpose bombs, repair parts, ammunition, barrier material, and ancillary equipment, if such items are—

(A) obsolete or surplus items;

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

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

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

(c) VALUATION OF CONCESSIONS.—The value of concessions negotiated pursuant to subsections (a) and (b) shall be at least equal to the fair market value of the items transferred. The concessions may include cash compensation, services, waiver of charges otherwise payable by the United States, and other items of value.

(d) PRIOR NOTIFICATIONS OF PROPOSED TRANSFERS.—Not less 30 days before making a transfer under the authority of this section, the President shall transmit to the chairmen of the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives a detailed notification of the proposed transfer, which shall include an identification of the items to be transferred and the concessions to be received.

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

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

SEC. 401. SHORT TITLE.

This title may be cited as the ''International Arms Sales Code of Conduct Act of 1999''.

SEC. 402. FINDINGS.

The Congress finds the following:

(1) The proliferation of conventional arms and conflicts around the globe are multilateral problems. The only way to effectively prevent rogue nations from acquiring conventional weapons is through a multinational ''arms sales code of conduct''.

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

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

(4) It is in the national security and economic interests of the United States to reduce dramatically the $840,000,000,000 that all countries spend on armed forces every year, $191,000,000,000 of which is spent by developing countries, an amount equivalent to 4 times the total bilateral and multilateral foreign assistance such countries receive every year.

(5) The Congress has the constitutional responsibility to participate with the executive branch in decisions to provide military assistance and arms transfers to a foreign government, and in the formulation of a policy designed to reduce dramatically the level of international militarization.

(6) A decision to provide military assistance and arms transfers to a government that is undemocratic, does not adequately protect human rights, or is currently engaged in acts of armed aggression should require a higher level of scrutiny than does a decision to provide such assistance and arms transfers to a government to which these conditions do not apply.

SEC. 403. INTERNATIONAL ARMS SALES CODE OF CONDUCT.

(a) NEGOTIATIONS.—The President shall attempt to achieve the foreign policy goal of an international arms sales code of conduct with all Wassenaar Arrangement countries. The President shall take the necessary steps to begin negotiations with all Wassenaar Arrangement countries within 120 days after the date of the enactment of this Act. The purpose of these negotiations shall be to conclude an agreement on restricting or prohibiting arms transfers to countries that do not meet the following criteria:

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

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

(B) promotes civilian control of the military and security forces and has civilian institutions controlling the policy, operation, and spending of all law enforcement and security institutions, as well as the armed forces;

(C) promotes the rule of law, equality before the law, and respect for individual and

minority rights, including freedom to speak, publish, associate, and organize; and

(D) promotes the strengthening of political, legislative, and civil institutions of democracy, as well as autonomous institutions to monitor the conduct of public officials and to combat corruption.

(2) RESPECTS HUMAN RIGHTS.—The government of the country—

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

(i) extra judicial or arbitrary executions;

(ii) disappearances;

(iii) torture or severe mistreatment;

(iv) prolonged arbitrary imprisonment;

(v) systematic official discrimination on the basis of race, ethnicity, religion, gender, national origin, or political affiliation; and

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

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

(C) permits access on a regular basis to political prisoners by international humanitarian organizations such as the International Committee of the Red Cross;

(D) promotes the independence of the judiciary and other official bodies that oversee the protection of human rights;

(E) does not impede the free functioning of domestic and international human rights organizations; and

(F) provides access on a regular basis to humanitarian organizations in situations of conflict or famine.

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

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

(b) REPORTS TO CONGRESS.—(1) In the report required in sections 116(d) and 502B of the Foreign Assistance Act of 1961, the Secretary of State shall describe the extent to which the practices of each country evaluated meet the criteria in paragraphs (1) through (4) of subsection (a).

(2) Not later than 6 months after the commencement of the negotiations under subsection (a), and not later than the end of every 6-month period thereafter until an agreement described in subsection (a) is concluded, the President shall report to the appropriate committees of the Congress on the progress made during these negotiations.

(c) DEFINITION.—The term ''Wassenaar Arrangement countries'' means Argentina, Australia, Austria, Belgium, Bulgaria, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, the Republic of Korea, Romania, Russia, Slovakia, Spain, Sweden, Switzerland, Turkey, Ukraine, and the United Kingdom.

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

SEC. 501. WAIVER AUTHORITY.

(a) AUTHORITY.—

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

(2) EFFECTIVE DATE.—A waiver of the application of a sanction or prohibition (or portion thereof) under paragraph (1) shall be effective only for a period ending on or before September 30, 2000.

(b) EXCEPTION.—The authority to waive the application of a sanction or prohibition (or portion thereof) under subsection (a) shall not apply with respect to a sanction or prohibition contained in subparagraph (B), (C), or (G) of section 102(b)(2) of the Arms Export Control Act.

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

SEC. 502. CONSULTATION.

Prior to each exercise of the authority provided in section 501, the President shall consult with the appropriate congressional committees.

SEC. 503. REPORTING REQUIREMENT.

Not later than August 31, 2000, the Secretary of State shall prepare and submit to the appropriate congressional committees a report on economic and national security developments in India and Pakistan.

SEC. 504. APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.

In this title, the term ''appropriate congressional committees'' means—

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

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

TITLE VI—TRANSFER OF NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES

SEC. 601. AUTHORITY TO TRANSFER NAVAL VESSELS.

(a) DOMINICAN REPUBLIC.—The Secretary of the Navy is authorized to transfer to the Government of the Dominican Republic the medium auxiliary floating dry dock AFDM 2. Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(b) ECUADOR.—The Secretary of the Navy is authorized to transfer to the Government of Ecuador the ''OAK RIDGE'' class medium auxiliary repair dry dock ALAMOGORDO (ARDM 2). Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(c) EGYPT.—The Secretary of the Navy is authorized to transfer to the Government of Egypt the ''NEWPORT'' class tank landing ships BARBOUR COUNTY (LST 1195) and PEORIA (LST 1183). Such transfers shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(d) GREECE.—(1) The Secretary of the Navy is authorized to transfer to the Government of Greece the ''KNOX'' class frigate CONNOLE (FF 1056). Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(2) The Secretary of the Navy is authorized to transfer to the Government of Greece the medium auxiliary floating dry dock COMPETENT (AFDM 6). Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(e) MEXICO.—The Secretary of the Navy is authorized to transfer to the Government of Mexico the ''NEWPORT'' class tank landing ship NEWPORT (LST 1179) and the ''KNOX'' class frigate WHIPPLE (FF 1062). Such transfers shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(f) POLAND.—The Secretary of the Navy is authorized to transfer to the Government of Poland the ''OLIVER HAZARD PERRY'' class guided missile frigate CLARK (FFG 11). Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(g) TAIWAN.—The Secretary of the Navy is authorized to transfer to the Taipei Economic and Cultural Representative Office in the United States (which is the Taiwan instrumentality designated pursuant to section 10(a) of the Taiwan Relations Act) the ''NEWPORT'' class tank landing ship SCHENECTADY (LST 1185). Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(h) THAILAND.—The Secretary of the Navy is authorized to transfer to the Government of Thailand the ''KNOX'' class frigate TRUETT (FF 1095). Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(i) TURKEY.—The Secretary of the Navy is authorized to transfer to the Government of Turkey the ''OLIVER HAZARD PERRY'' class guided missile frigates FLATLEY (FFG 21) and JOHN A. MOORE (FFG 19). Such transfers shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

SEC. 602. INAPPLICABILITY OF AGGREGATE ANNUAL LIMITATION ON VALUE OF TRANSFERRED EXCESS DEFENSE ARTICLES.

The value of a vessel transferred to another country on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) pursuant to authority provided by section 601 shall not be counted for the purposes of section 516(g) of the Foreign Assistance Act of 1961 in the aggregate value of excess defense articles transferred to countries under that section in any fiscal year.

SEC. 603. COSTS OF TRANSFERS.

Any expense incurred by the United States in connection with a transfer of a vessel authorized by section 601 shall be charged to the recipient.

SEC. 604. EXPIRATION OF AUTHORITY.

The authority to transfer vessels under section 601 shall expire at the end of the 2-year period beginning on the date of the enactment of this Act.

SEC. 605. REPAIR AND REFURBISHMENT OF VESSELS IN UNITED STATES SHIPYARDS.

The Secretary of the Navy shall require, to the maximum extent possible, as a condition of a transfer of a vessel under section 601, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a shipyard located in the United States, including a United States Navy shipyard.

SEC. 606. SENSE OF CONGRESS RELATING TO TRANSFER OF NAVAL VESSELS AND AIRCRAFT TO THE GOVERNMENT OF THE PHILIPPINES.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the President should transfer to the Government of the Philippines, on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j), the excess defense articles described in subsection (b); and

(2) the United States should not oppose the transfer of F–5 aircraft by a third country to the Government of the Philippines.

(b) EXCESS DEFENSE ARTICLES.—The excess defense articles described in this subsection are the following:

(1) UH–1 helicopters, A–4 aircraft, and the ''POINT'' class Coast Guard cutter POINT EVANS.

(2) Amphibious landing craft, naval patrol vessels (including patrol vessels of the Coast Guard), and other naval vessels (such as frigates), if such vessels are available.

TITLE VII—MISCELLANEOUS PROVISIONS

SEC. 701. ANNUAL MILITARY ASSISTANCE REPORTS.

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

''(b) INFORMATION RELATING TO MILITARY ASSISTANCE AND MILITARY EXPORTS.—Each such report shall show the aggregate dollar value and quantity of defense articles (including excess defense articles), defense services, and international military education and training activities authorized by the United States and of such articles, services, and activities provided by the United States, excluding any activity that is reportable under title V of the National Security Act of 1947, to each foreign country and international organization. The report shall specify, by category, whether such defense articles—

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

''(2) were furnished with the financial assistance of the United States Government, including through loans and guarantees; or

''(3) were licensed for export under section 38 of the Arms Export Control Act.''.

SEC. 702. PUBLICATION OF ARMS SALES CERTIFICATIONS.

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

(1) by inserting ''in a timely manner'' after ''to be published''; and

(2) by striking ''the full unclassified text of'' and all that follows and inserting the following: ''the full unclassified text of—

''(1) each numbered certification submitted pursuant to subsection (b);

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

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

SEC. 703. NOTIFICATION REQUIREMENTS FOR COMMERCIAL EXPORT OF SIGNIFICANT MILITARY EQUIPMENT ON UNITED STATES MUNITIONS LIST.

(a) NOTIFICATION REQUIREMENT.—Section 38 of the Arms Export Control Act (22 U.S.C. 2778) is amended by adding at the end the following:

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

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

(A) in paragraph (11), by striking ''and'' at the end;

(B) in paragraph (12), by striking ''third-party transfers.'' and inserting ''third-party transfers; and''; and

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

''(13) a report on all exports of significant military equipment for which information has been provided pursuant to section 38(i).''.

SEC. 704. ENFORCEMENT OF ARMS EXPORT CONTROL ACT.

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

SEC. 705. VIOLATIONS RELATING TO MATERIAL SUPPORT TO TERRORISTS.

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

SEC. 706. AUTHORITY TO CONSENT TO THIRD PARTY TRANSFER OF EX-U.S.S. BOWMAN COUNTY TO USS LST SHIP MEMORIAL, INC.

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

(1) It is the long-standing policy of the United States Government to deny requests for the retransfer of significant military equipment that originated in the United States to private entities.

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

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

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

(5) The Government of Greece has requested the consent of the United States Government to the retransfer of HS Rodos (ex-U.S.S. Bowman County (LST 391)) to the USS LST Ship Memorial, Inc.

(b) AUTHORITY TO CONSENT TO RETRANSFER.—

(1) IN GENERAL.—Subject to paragraph (2), the President may consent to the retransfer by the Government of Greece of HS Rodos (ex-U.S.S. Bowman County (LST 391)) to the USS LST Ship Memorial, Inc..

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

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

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

(C) complies with regulatory policy requirements related to the facilitation of monitoring by the Federal Government of, and the mitigation of potential environmental hazards associated with, aging vessels, and has a demonstrated financial capability to so comply.

SEC. 707. EXCEPTIONS RELATING TO PROHIBITIONS ON ASSISTANCE TO COUNTRIES INVOLVED IN TRANSFER OR USE OF NUCLEAR EXPLOSIVE DEVICES.

(a) IN GENERAL.—Section 2 of the Agriculture Export Relief Act of 1998 (Public Law 105–194; 112 Stat. 627) is amended—

(1) by striking subsection (d); and

(2) by striking the second sentence of subsection (e).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act or September 30, 1999, whichever occurs earlier.

SEC. 708. CONTINUATION OF THE EXPORT CONTROL REGULATIONS UNDER IEEPA.

To the extent that the President exercises the authorities of the International Emergency Economic Powers Act to carry out the provisions of the Export Administration Act of 1979 in order to continue in full force and effect the export control system maintained by the Export Administration regulations issued under that Act, including regulations issued under section 8 of that Act, the following shall apply:

(1) The penalties for violations of the regulations continued pursuant to the International Emergency Economic Powers Act shall be the same as the penalties for violations under section 11 of the Export Administration Act of 1979, as if that section were amended—

(A) by amending subsection (a) to read as follows:

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

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

''(2) in the case of an individual, shall be fined not more than $250,000 or 5 times the value of any exports involved, whichever is greater, or imprisoned not more than 5 years, or both.'';

(B) in subsection (b)—

(i) in paragraphs (1)(A) and (2)(A) by striking ''five times'' and inserting ''10 times''; and

(ii) in paragraph (1)(B) by striking ''$250,000'' and inserting ''$500,000''; and

(iii) in paragraph (2)(B) by striking ''$250,000, or imprisoned not more than 5 years'' and inserting ''$500,000, or imprisoned not more than 10 years'';

(C) in subsection (c)(1)—

(i) by striking ''$10,000'' and inserting ''$250,000''; and

(ii) by striking ''except that the civil penalty'' and all that follows through the end of the paragraph and inserting ''except that the civil penalty for a violation of the regulations issued pursuant to section 8 may not exceed $50,000.''; and

(D) in subsection (h)(1), by inserting after ''Arms Export Control Act (22 U.S.C. 2778)'' the following: ''section 16 of the Trading with the enemy Act (50 U.S.C. 16), or, to the extent the violation involves the export of goods or technology controlled under this or any other Act or defense articles or defense services controlled under the Arms Export Control Act, section 371 or 1001 of title 18, United States Code,''.

(2) The authorities set forth in section 12(a) of the Export Administration Act of 1979 may be exercised in carrying out the regulations continued pursuant to the International Emergency Economic Powers Act.

(3) The provisions of sections 12(c) and 13 of the Export Administration Act of 1979 shall apply in carrying out the regulations continued pursuant to the International Emergency Economic Powers Act.

(4) The continuation of the provisions of the Export Administration Regulations pursuant to the International Emergency Economic Powers Act shall not be construed as not having satisfied the requirements of that Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from Connecticut (Mr. GEJDENSON) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

GENERAL LEAVE

Mr. GILMAN. 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. 973.

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

There was no objection.

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

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

Mr. Speaker, I am pleased to bring to the House floor H.R. 973, the Security Assistance Act of 1999.

I want to extend my appreciation to the gentleman from Connecticut (Mr. GEJDENSON), the ranking member on our committee, for his support of this legislation.

This bill modifies authorities with respect to the provision of security assistance under the Foreign Assistance Act of 1961 and the Arms Export Control Act.

These provisions address the transfer of excess defense articles, and amendments to our foreign military sales program including additional notification requirements for arms sales, new reporting requirements for offset agreements associated with arms transfers, and ensuring DOD charges foreign customers for the administrative cost of processing leases.

This bill also modifies authorities to provide for the stockpiling of defense articles in foreign countries for use by our U.S. forces. Two additional provisions regarding annual military assistance reports and publications of arms sales certifications will bring greater transparency to our arms transfer process.

This measure also extends for 1 fiscal year the waiver authority which exempts India and Pakistan from certain sanctions imposed pursuant to the nuclear tests last year. Last week the other Chamber passed legislation suspending many of these sanctions for a period of 5 years.

It is my intention to work with Senator BROWNBACK and other Senators and House Members to ensure that legislation suspending India and Pakistan from certain sanctions becomes law.

I do have specific concerns about the bill passed in the other Chamber, and we want to carefully analyze it before proceeding. In particular, we need to consider linking any changes in current law regarding transfers of sales of military equipment to Pakistan to verifiable evidence that Pakistan ceases all destabilizing activities in Kashmir.

In addition, the bill also contains a permanent exemption for USDA export credits and credit guarantees of those programs subject to termination for nations that violate our nuclear proliferation laws. Extending these waivers recognizes the small but important steps each of these countries have taken to move forward on the nonproliferation agenda as well as improved bilateral ties between the countries.

This bill contains compromise language on a Code of Conduct governing arms sales, which was worked out by the gentleman from Connecticut (Mr. GEJDENSON), our ranking member, and the gentlewoman from Georgia (Ms. MCKINNEY), who have long championed this important issue.

This legislation also authorizes the transfer of 10 vessels to 8 nations: to the Dominican Republic, to Equador, Egypt, Greece, Mexico, Poland, Taiwan, and Turkey. These transfers, which have been requested by the DOD, will generate over $80 million for our Treasury, in addition to an additional $250 million for training, for supplies and for support and repair services, and U.S. Government and U.S. private shipyards are going to realize between $100 million and $140 million to accomplish the required reactivation work in order to transfer these vessels.

Finally, this legislation protects our national security and enacts one of the key bipartisan Cox committee recommendations by increasing the criminal and civil penalties that can be imposed against any U.S. company that violates U.S. export control laws.

The Department of State and Department of Defense support this measure. Many of the provisions have been requested by the administration.

In sum, H.R. 973 helps protect our national security by modifying U.S. laws that govern the provision of security assistance worldwide. It enacts a key bipartisan recommendation of the Cox committee to impose stiffer penalties against companies that violate our export control laws. It helps our farmers and exporters by providing permanent waiver authority for agricultural products and for medicine for export to India and to Pakistan. And it generates revenue for our Treasury and our Government and private shipyards by the sale of naval vessels to foreign nations.

Accordingly, I urge my colleagues to fully support this legislation.

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

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

Mr. Speaker, I am privileged to be here with the chairman of the committee and to support this legislation. The gentleman from New York (Mr. GILMAN) has done a yeoman's work here in working with Members on both sides of the aisle.

I am particularly pleased to see two major provisions in this legislation, at first the Code of Conduct that I think is so important. And I am a great believer that we need to focus on nuclear, chemical and biological weapons, but conventional weapons still kill more people than almost anything else, and we should not be in the process of an arms race in the poorest countries on this planet.

We need to make sure that we take the major producers of these systems and try to restrain the kind of sales that will only impoverish these nations and not make them stronger or more secure. To the contrary, spending massive amounts of money on these system also impoverish and destabilize these countries.

Additionally, we have the Glenn amendment sanctions and the waiver for another year in India and Pakistan, both important countries to the United States. India, the largest, most populous democracy on this planet, is a country that we have strong ties with and relationships that we want to develop.

□ 1145

My own State of Connecticut and district had Chet Bowles as Ambassador twice to India who is credited for establishing a good relationship with India and saving it through some of the toughest times. India is the most populous democracy. We need to work with them and be closer to that great democratic society.

Also, the bill increases penalties for violations of the export control regulations, the Export Administration Act of 1979, and strengthens the enforcement of the Arms Export Control Act.

Particularly important to me are the increased penalties. I have often argued that what we want to do is focus on a smaller number of challenges, but when we get to those challenges, we find somebody who is violating dual use or selling to countries like Iran, Iraq or North Korea, that we should make sure the penalties are significant and not simply look at it as a cost of doing business. There has been such a time lag between when the original legislation passed that some of these companies may be making millions of dollars on a sale, and if the penalty is tens of thousands of dollars, it may simply be, well, that is the price of doing business.

So I think this is the right kind of action, and I think we need to again continue to focus on the problem areas and not just have a broad net that frankly does more damage to our country than good.

This is important legislation, it is bipartisan and broadly supported.

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

Mr. GILMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from South Carolina (Mr. SPENCE) the distinguished chairman of the Committee on Armed Services, for the purposes of a colloquy.

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

Let me begin by first thanking the gentleman for working with me and my

staff on mutually agreeable modifications to section 608 of this bill dealing with penalties under the Export Administration Act or the EAAA. The issue of how best to control the export of sensitive, dual-use military technology lies at the heart of most of the recent revelations and scandals over militarily sensitive technologies being acquired by China and other potential adversaries around the world.

Our two communities have over the years done considerable work in this area. While not always in agreement on the best approach, mutually we recognize these issues to be of critical importance to both the national security and economic well-being of the Nation.

As such, it is my strong belief that any effort by Congress to modify or reform the statutory framework underlying the United States export control policy should only occur after careful debate, consideration and deliberation afforded through the regular legislative process. Therefore, I ask the gentleman to confirm that it is his understanding and commitment that this legislation, which does contain an important improvement in this level of sanctions imposed on firms that violate the EAA will not be used as a legislative vehicle for any broader policy change or revision to the EAA itself or to United States export control policy.

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

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

Mr. GILMAN. The gentleman is absolutely correct. This legislation narrowly focuses on a much needed increase in the level of penalties that would result from violations to the EAA and associated implementing regulations. The distinguished chairman has my commitment and assurance that this bill will not be transformed into a broader rewrite of the EAA or U.S. export control policy.

Mr. SPENCE. Mr. Speaker, I thank the gentleman for that assurance and further would inquire as to whether or not it is the gentleman's understanding that this same understanding and commitment is shared by the Speaker of the House.

Mr. GILMAN. It is my understanding that the Speaker shares my position on this matter and would similarly not support using a legislative vehicle to pursue any broader reform of U.S. export control policy.

Mr. SPENCE. Again, I would thank the gentleman for his commitment and for his cooperation on this important issue.

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

Mr. GEJDENSON. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, the legislation introduced by the distinguished chairman of the Committee on International Relations, the gentleman from New York (Mr. GILMAN), contains an important provision regarding the sanctions that were imposed last year on India and Pakistan following the nuclear tests conducted by the two south Asian nations. The legislation would extend for another year the waiver authority provided for under the Omnibus Appropriations Act for Fiscal Year 1999, giving the President the authority to waive the unilateral U.S. sanctions that were imposed pursuant to the Glenn amendment of the Arms/Export Control Act.

Mr. Speaker, I want to thank both the gentleman from New York (Mr. GILMAN) and our ranking member, the gentleman from Connecticut (Mr. GEJDENSON), for their leadership on this issue. They have clearly been working for progress on resolving the sanctions issue.

I would, however, stress that I believe we should be going further than the 1-year extension provided for in this legislation. Last week the other body, the Senate, approved an amendment to the fiscal year 2000 defense appropriations bill that would suspend for 5 years the sanctions against India and Pakistan, and I would note that our chairman already indicated in the speech that he made just prior to mine or earlier today that he, too, would like to go much further.

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

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

Mr. GILMAN. Mr. Speaker, I want the gentleman to know I look forward to working with him on this important issue. It is my intention to introduce a bill shortly which mirrors in most instances the provisions that are contained in the bill recently adopted by the other body, and I hope the gentleman from New Jersey will be able to work with me in supporting that legislation as we move through the legislative process to make certain that we change our law to suspend certain sanctions against both India and Pakistan.

Mr. PALLONE. Mr. Speaker, I want to thank the gentleman from New York for his leadership on this issue and agree with what he just said about the need to move more towards what the Senate has proposed in most respects.

Let me just say briefly, if I could, Mr. Speaker, that I believe that giving the administration waiver authority does not fully accomplish the goal of getting the U.S.-India relationship back on track and restoring confidence in the future of that relationship. The problem with the waiver authority that we have had in the last year is that the broad discretion given to the President means more of the same incremental carrot and stick approach. In other words, one of the requirements of the Glenn amendment is that the United States oppose World Bank loans to India that do not meet the strict definition of humanitarian needs. World Bank projects have the ability to improve the health and welfare of the people of India, and we should support those.

Similarly, USAID projects in India that do not meet strict humanitarian criteria but which still make a huge difference for the quality of the life of people have been blocked by the President's refusal to grant the waiver, and we should not allow these important development projects to be held hostage to our diplomatic considerations.

I just wanted to mention that I have introduced legislation to permanently repeal the sanctions. I am also drafting a sense of the Congress resolution similar to the provision in the Senate bill that states that export control should be applied only to those Indian and Pakistani entities that make direct and material contributions to weapons of mass destruction and missile programs and only those items that can contribute to such programs.

I have long been critical of the administration's so-called entities list which has targeted a wide range of commercial and government entities in India but have no bearing on nuclear proliferation or other national security concerns but which have been prohibited from contacts with U.S. entities.

Now I wanted to say one thing, and I do not know what the position of the gentleman from New York (Mr. GILMAN) is on this, but one negative provision in the Senate bill in the Brownback amendment, which I hope we do not include in the House, is the language to repeal the Pressler amendment which bans U.S. military assistance to Pakistan. I think we should retain the Pressler amendment since nothing has changed to justify its repeal, and I do want to emphasize that I do support removing the economic sanctions on Pakistan, but not military cooperation.

Mr. Speaker, as is demonstrated by the Senate action last week and today's action in the House and a statement by our chairman, the gentleman from New York (Mr. GILMAN) there is bipartisan and bicameral support for putting the U.S.-India relationship back on track, and I just want to thank both the chairman and the ranking member for their leadership and look forward to working with them for continued progress.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from New Jersey (Mr. PALLONE) for his intercession on this and for his comments.

Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. ROHRABACHER), a member of our committee.

Mr. ROHRABACHER. Mr. Speaker, I want to thank the gentleman from New York (Mr. GILMAN) and the gentleman from Connecticut (Mr. GEJDENSON) for incorporating my amendment into this legislation, H.R. 963, that calls for the transfer of excess naval and Coast Guard patrol vessels and fixed wing aircraft and helicopters to the Republic of the Philippines.

We should be under no illusion. The Philippines is a strategic partner, and I

think those words have been misused by this administration in regard to China, but certainly the Philippines with a democratic government is a strategic, a vital strategic, partner of the United States and is a front line Nation in the growing designs of China to militarily control the Pacific in the 21st century. The ongoing Chinese construction of naval bases and facilities and fortifications in the Spratley Islands and repeated incursions of warships and fishing fleets into Philippine territorial waters has increased the urgency of our longtime ally's need to modernize its naval and air patrol capabilities. I believe that the current availability of excess U.S. defense articles such as POINT class Coast Guard cutters, and in this case it is the Point Evans, and UH–1 helicopters and A–4 aircraft would make an immediate impact on strengthening the Philippines' defense capabilities.

And the section also instructs our government to offer the naval vessels such as frigates, amphibious landing craft and cutters to the Philippines when available, and the section instructs our government not to oppose the transfer of F–5 aircraft by third countries to the Philippines.

This section of H.R. 9063 reaffirms the importance of America's friendship and mutual defense partnership with the people of the Philippines and their democratic government, and the most important phrase is ''their democratic government.'' They have just recently passed a Visiting Forces Agreement in which American military personnel will be able to, permitted, to come to the Philippines and transit and to land there for rest and relaxation purposes. They are strengthening ties with the Philippines, and all of this happening while the Philippines has been expanding the concepts of democracy and freedom and liberty and justice that we hold so dear here in the United States.

In fact, part of this overall legislation, part of H.R. 963, is a code of conduct provision that has been spearheaded by the gentlewoman from Georgia (Ms. MCKINNEY) and myself, and I would like to take this opportunity to congratulate Ms. MCKINNEY on her efforts to ensure that American military equipment not be sent to dictatorships.

So I would like to add my congratulations to the gentlewoman from Georgia (Ms. MCKINNEY) who spent a lot of time and effort to make sure that when we are transferring weapons, especially modern weapons of mass destruction that we built for the Cold War, trying to deter war with the Soviet Union, that now those weapons will not find their way in into the hands of dictatorships, nor should weapons manufacturers who are building weapons today be selling weapons that will permit these dictatorships to oppress their own people and to commit acts of aggression against their neighbors.

So I salute the gentlewoman from Georgia (Ms. MCKINNEY) and have been very happy to join with her on this effort.

I think it is a tragedy that the United States of America, that our government, has been treating dictatorships the same as we do democracies. We have most-favored-nation status with China which encourages people to invest in China, while democratic countries like the Philippines and countries like Indonesia, struggling to be democracies, and other countries around the world that are trying to develop their democratic institutions that could use investment in their countries; but instead here we provide Vietnam with an equivalent of a most-favored-nation status; China, a communist China, dictatorships like that, in order to encourage American businessmen to invest in those countries that are ruled by vicious dictatorships rather than investing in countries like the Philippines.

Again I thank the chairman and the ranking member of the committee for including my provisions into H.R. 963 which will, at the very least, help the Philippines and aim towards the Philippines, a country that is struggling now with a major national security threat while at the same time having democratic elections, freedom of the press and freedom of religion, the things that we hold true, and they want to be friends of the United States.

So this is a very good sign to the people of Philippines and the other people throughout the world struggling to have democratic government.

□ 1200

Mr. GEJDENSON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Massachusetts (Mr. MCGOVERN).

Mr. MCGOVERN. Mr. Speaker, I thank the gentleman for yielding me this time. I rise in support of H.R. 973, the Security Assistance Act of 1999. I want to thank the distinguished chairman, the gentleman from New York (Mr. GILMAN), and the ranking member, the gentleman from Connecticut (Mr. GEJDENSON), for bringing this bipartisan bill before the House for consideration.

Mr. Speaker, section 706 of this bill has special meaning for me and for hundreds of World War II Navy veterans in Massachusetts. It will allow the transfer of the U.S.S. *Bowman County*, currently in Greece, to the veterans who make up the LST Ship Memorial, Incorporated, a nonprofit organization. They will operate the vessel as a memorial to the veterans of World War II amphibious landings so that all Americans might learn of their deeds, their bravery and their sacrifice.

The U.S.S. *Bowman County* is the last of her kind and played an important role during D-Day, the invasion of Normandy on June 6, 1944. Time and again, this gallant landing craft returned to Omaha Beach, through murderous gunfire, to unload more men and replenish equipment. It was during one of these return trips that she struck a German mine.

Prior to Normandy, the U.S.S. *Bowman County* served in the invasions of North Africa and Sicily. After World War II, it transported prisoners of war until transferred to Greece. Today, Greece has requested the transfer of this ship back to the United States and to the control of the U.S.S. LST Ship Memorial. This is a third-party transfer, Mr. Speaker, at no cost to the United States Government.

This transfer will recognize a group of veterans who put their lives in harm's way for all of us. Many of their shipmates lost their lives during amphibious assaults, and returning the LST to their care is one way we can all honor the men who carried out their duties, who are still with us, and to honor those who gave their lives for our freedom. Among those living veterans is Peter Leasca of Worcester, Massachusetts, and other members of the LST Association of Massachusetts, who have worked so long to bring the U.S.S. *Bowman County* home.

In the last Congress, the House approved a bill to provide for this transfer, but the Senate failed to act. In January, the gentleman from Texas (Mr. HALL) and I introduced H.R. 146 to provide for this transfer, and I am pleased that that bill has been incorporated into H.R. 973, as well as into the Defense Authorization bill that passed the House last week.

Mr. Speaker, I urge my colleagues to honor these Navy veterans by approving H.R. 973 today.

Mr. POMEROY. Mr. Speaker, I rise in strong support of the Security Assistance Act of 1999, I commend Chairman GILMAN and Mr. GEDJENSON for their bipartisan work on this legislation.

The Security Assistance Act includes several important measures that will enhance our nation's security. The bill updates and codifies U.S. policy with respect to the transfer of military items, it directs the President to negotiate an international ''code of conduct'' to control the sale of arms to governments that violate human rights, it increases penalties for violations of the arms export laws, and it strengthens the role of Congress in overseeing arms exports. This bill is especially timely and appropriate in light of recent revelations of Chinese espionage activities and our ongoing concern over the proliferation of advanced weapons among rogue nations.

In addition to its national security provisions, the Security Assistance Act is one of two bills the House will consider today that together represent a significant victory for American farmers in the fight to reform our sanctions policy. This bill, and the Selective Agriculture Embargoes Act considered earlier, reflects a growing bipartisan acknowledgment that unilateral food sanctions have failed to achieve our foreign policy objectives while causing significant harm to American farmers by denying them access to valuable export markets. This bill recognizes that we have many tools in our arsenal to fight the proliferation of weapons, but that food should not be among them.

Specifically, I would like to thank Chairman GILMAN for including Section 602 in this bill, which permanently excludes USDA export programs from the list of programs subject to

elimination under the Arms Export Control Act. My colleagues will remember that this issue surfaced last spring following the nuclear detonations by India and Pakistan. At the time, the Administration determined that the Arms Export Control Act required the termination of credit guarantees to both countries. In the case of Pakistan, the loss of credit guarantees threatened to halt the sale of U.S. wheat to the third largest market in the world for our wheat farmers. The Canadians, Australians, and Europeans were eagerly standing by to fill the vacuum. Fortunately, Congress acted swiftly with the support of the Administration to enact legislation exempting agriculture export programs from the Arms Export Control Act for a period of one year, ending September 30, 1999. With the expiration of this earlier legislation now only 14 weeks away, however, the Security Assistance Act is needed to provide permanent assurance that our vital agriculture export tools will remain at our disposal.

In summary, I thank the Chairman and his staff for including this provision in the bill, and I strongly urge my colleagues to support the Security Assistance Act.

Mr. BEREUTER. Mr. Speaker, this Member rises in strong support of H.R. 973, the Security Assistance Act of 1999. This Member congratulates the Chairman of the Committee on International Relations, the distinguished gentleman from New York [Mr. GILMAN] for his action in bringing this legislation before this body.

There are many important elements to the legislation before this body today. This Member will draw attention only to two key elements.

Representing the great state of Nebraska, this Member is keenly aware of the crisis that continues to affect the American farmer. As was made clear in the discussion of H.R. 17, food commodities are the lowest they have been in many years. Our farmers need markets to sell their grain and other produce. Thus, the loss of the Indian and Pakistani agricultural markets—which occurred following the imposition of the mandatory sanctions that resulted from the May 1998 testing of nuclear devices in South Asia—was particularly devastating for American farmers. A one-year legislative waiver was granted last year, and this waiver permitted the sale of several hundred thousand tons of wheat to Pakistan. H.R. 973 extends that waiver on agricultural sanctions to India and Pakistan for an additional year, permitting this important market to remain open. This Member would thank the distinguished gentleman from North Dakota [Mr. POMEROY] for his important work on this issue, and would thank the Chairman for incorporating this matter into his legislation.

Other issues in H.R. 973 are also significant. The legislation transfers certain forward-based but outdated defensive stockpiles to South Korea and Thailand. While these items were no longer of use to the United States, they are of great significance to the recipient countries. This is particularly true of South Korea, which faces a volatile neighbor to the North. Indeed, in an unfortunate coincidence just yesterday North and South Korea wages a dangerous naval gun-battle as the North attempted to seize control of what appear to be South Korean territorial waters. Certainly, South Korea rightly hopes that its ''sunshine policy'' towards the North will bring better relations. Until better relations are achieved, however, South Korea must be prepared to defend itself. House Resolution 973 assists in that effort.

Mr. Speaker, this Member urges strong support for H.R. 973.

Mr. FARR of California. Mr. Speaker, I am pleased that the House of Representatives finally passed an International Arms Sales Code of Conduct today as part of H.R. 973, the Security Assistance Act. During the 104th and 105th Congresses, I cosponsored legislation calling for an Arms Transfer Code of Conduct on international arms sales.

Many of my constituents share my concern with the escalating problem of conventional weapons proliferation and the role of the United States in foreign arms sales. If we are concerned about rogue nations acquiring conventional weapons, we must establish a multinational arms sales code of conduct. If we are concerned about human rights, we must establish a multinational arms sales code of conduct. If we are concerned about national security, we must establish a multinational arms sales code of conduct. If we learned only one lesson from the fall of the former Soviet Union, it would be that the Soviet leadership chose to fuel the international arms race at the expense of their citizens' domestic tranquility.

Specifically, the bill lays out four criteria for the Administration that would restrict or prohibit arms transfers to countries that: do not respect democratic processes and the rule of law; do not adhere to internationally recognized norms on human rights; engage in acts of armed aggression; or, are not fully participating in the United National Register of Conventional Weapons. The language in H.R. 973 also directs the president to attempt to achieve the foreign policy goal of an international arms sales code of conduct with all Wassenaar Arrangement (to control weapons of mass destruction) countries.

I urge my colleagues in the Senate to pass comparable legislation and close the loophole on international arms sales to countries that are undemocratic, abuse the civil rights of their citizens, are engaged in armed aggression, and fail to comply with the UN Registry of Arms.

Mr. LANTOS. Mr. Speaker, I join my colleagues in supporting H.R. 973—the Security Assistance Act of 1999—a bipartisan bill that contains many important initiatives that will enhance our national security and promote our national interests.

Mr. Speaker, I welcome the provisions in this legislation that require the President to seek to negotiate a multilateral Code of Conduct for arms sales, which would take into account when deciding whether to sell weapons such issues as human rights, the state of democracy and involvement of the government seeking to purchase arms in military aggression. Mr. Speaker, multilateral action is the only approach that will work. Unilateral American restrictions on arms sales deals only with a part of the problem, and non-American suppliers of arms will simply move in to fill the gap. I want to comment our distinguished colleague from Georgia, Ms. MCKINNEY, and our distinguished colleague from Connecticut, Mr. GEJDENSON, for their contribution to these provisions.

Another provision that I want to note, Mr. Speaker, is the authority this legislation includes for the President to waive the so-called ''Glenn Amendment'' sanctions against India and Pakistan for one additional year. The Administration—under the able and dedicated leadership of Deputy Secretary Strobe Talbot and Assistant Secretary Rick Inderfurth—has made significant progress with India and Pakistan, and I am delighted that we have seen important progress in coming to grips with the problems of nuclear non-proliferation. The nuclear threat in South Asia remains a serious problem, Mr. Speaker, and the Administration needs the flexibility and negotiating leverage which the waiver authority provides. I strongly support the inclusion of this provision.

Mr. Speaker, I also support the provisions of this legislation which increase the penalties for violation of the export control regulations under the Export Administration Act of 1979, and the provisions which strengthen the enforcement of the Arms Export Control Act. This will increase the penalties on American companies selling dual-use items to rogue nations such as Iran, Iraq, Libya and North Korea in violation of United States export controls. As my colleagues know, strengthening our export administration provisions through increasing penalties for violation of these regulations was strongly recommended in the report on ''U.S. National Security and Military/Commercial Concerns with the People's Republic of China'' issued by the Select Committee under the leadership of Congressman CHRIS COX of California and Congressman NORM DICKS of Washington.

I also support, Mr. Speaker, this bill's authorization of the sale and transfer of American naval vessels that are no longer required by our navy. These ships can support the security of countries in which we have a political and a national security interest. Furthermore, these sales will produce some $90 million for the United States Treasury, whereas decommissioning these vessels will be a significant cost to the American taxpayers. The legislation also authorizes an increase in the War Reserve Stockpile for our allies, South Korea and Thailand, and authorizes the Secretary of Defense to transfer such items to these countries in return for certain concessions to be negotiated. This provision is in our national security interest.

Mr. Speaker, I urge my colleagues to support the adoption of this legislation.

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

Mr. GEJDENSON. 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 New York (Mr. GILMAN) that the House suspend the rules and pass the bill, H.R. 973, 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.

ANNUAL REPORT OF COMMODITY CREDIT CORPORATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message