

In the Senate of the United States,

May 1, 2002.

Resolved, That the bill from the House of Representatives (H.R. 1646) entitled “An Act to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes.”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE; TABLE OF CONTENTS.***

2 (a) *SHORT TITLE.*—*This Act may be cited as the “Se-*
3 *curity Assistance Act of 2002”.*

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

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

*TITLE I—VERIFICATION OF ARMS CONTROL AND
 NONPROLIFERATION AGREEMENTS*

Sec. 101. Verification and Compliance Bureau personnel.

Sec. 102. Key Verification Assets Fund.

Sec. 103. Revised verification and compliance reporting requirements.

TITLE II—MILITARY AND RELATED ASSISTANCE

Subtitle A—Foreign Military Sales and Financing Authorities

Sec. 201. Authorization of appropriations.

Sec. 202. Relationship of foreign military sales to United States nonproliferation interests.

Sec. 203. Special Defense Acquisition Fund for nonproliferation and counter-narcotics purposes.

Sec. 204. Representation allowances.

Sec. 205. Arms Export Control Act prohibition on transactions with countries that have repeatedly provided support for acts of international terrorism.

Sec. 206. Congressional notification of small arms and light weapons license approvals; annual reports.

Subtitle B—International Military Education and Training

Sec. 211. Authorization of appropriations.

Sec. 212. Annual human rights reports.

Subtitle C—Security Assistance for Select Countries

Sec. 221. Security assistance for Israel and Egypt.

Sec. 222. Security assistance for Greece and Turkey.

Sec. 223. Security assistance for certain other countries.

Subtitle D—Excess Defense Article and Drawdown Authorities

Sec. 231. Excess defense articles for certain countries.

Sec. 232. Annual briefing on projected availability of excess defense articles.

Sec. 233. Expanded drawdown authority.

Sec. 234. Duration of security assistance leases.

Subtitle E—Other Political-Military Assistance

Sec. 241. Destruction of surplus weapons stockpiles.

Sec. 242. Identification of funds for demining programs.

Subtitle F—Antiterrorism Assistance

Sec. 251. Authorization of appropriations.

Sec. 252. Specific program objectives.

Subtitle G—Other Matters

Sec. 261. Revised military assistance reporting requirements.

**TITLE III—NONPROLIFERATION AND EXPORT CONTROL
ASSISTANCE**

Subtitle A—General Provisions

Sec. 301. Authorization of appropriations.

Sec. 302. Joint State Department-Defense Department programs.

Sec. 303. Nonproliferation technology acquisition programs for friendly foreign countries.

Sec. 304. International nonproliferation and export control training.

Sec. 305. Relocation of scientists.

Sec. 306. Audits of the International Science and Technology Centers Program.

Sec. 307. International Atomic Energy Agency regular budget assessments.

Sec. 308. Revised nonproliferation reporting requirements.

Subtitle B—Russian Federation Debt Reduction for Nonproliferation

Sec. 311. Short title.

Sec. 312. Findings and purposes.

Sec. 313. Definitions.

Sec. 314. Establishment of the Russian Nonproliferation Investment Facility.

Sec. 315. Reduction of the Russian Federation's Soviet-era debt owed to the United States, generally.

Sec. 316. Reduction of Soviet-era debt owed to the United States as a result of credits extended under title I of the Agricultural Trade Development and Assistance Act of 1954.

Sec. 317. Authority to engage in debt-for-nonproliferation exchanges and debt buybacks.

Sec. 318. Russian Nonproliferation Investment Agreement.

Sec. 319. Structure of debt-for-nonproliferation arrangements.

Sec. 320. Independent media and the rule of law.

Sec. 321. Nonproliferation requirement.

Sec. 322. Discussion of Russian Federation debt reduction for nonproliferation with other creditor states.

Sec. 323. Implementation of United States policy.

Sec. 324. Consultations with Congress.

Sec. 325. Annual report to Congress.

Subtitle C—Nonproliferation Assistance Coordination

Sec. 331. Short title.

Sec. 332. Findings.

Sec. 333. Independent states of the former Soviet Union defined.

Sec. 334. Establishment of Committee on Nonproliferation Assistance to the Independent States of the Former Soviet Union.

Sec. 335. Duties of the Committee.

Sec. 336. Administrative support.

Sec. 337. Confidentiality of information.

Sec. 338. Statutory construction.

TITLE IV—EXPEDITING THE MUNITIONS LICENSING PROCESS

Sec. 401. License officer staffing.

- Sec. 402. *Funding for database automation.*
 Sec. 403. *Information management priorities.*
 Sec. 404. *Improvements to the Automated Export System.*
 Sec. 405. *Adjustment of threshold amounts for congressional review purposes.*
 Sec. 406. *Periodic notification of pending applications for export licenses.*

TITLE V—NATIONAL SECURITY ASSISTANCE STRATEGY

- Sec. 501. *Establishment of the Strategy.*
 Sec. 502. *Security assistance surveys.*

TITLE VI—MISCELLANEOUS PROVISIONS

- Sec. 601. *Nuclear and missile nonproliferation in South Asia.*
 Sec. 602. *Real-time public availability of raw seismological data.*
 Sec. 603. *Detailing United States governmental personnel to international arms control and nonproliferation organizations.*
 Sec. 604. *Diplomatic presence overseas.*
 Sec. 605. *Protection against agricultural bioterrorism.*
 Sec. 606. *Compliance with the Chemical Weapons Convention.*

TITLE VII—AUTHORITY TO TRANSFER NAVAL VESSELS

- Sec. 701. *Authority to transfer naval vessels to certain foreign countries.*

1 **SEC. 2. DEFINITIONS.**

2 *In this Act:*

3 (1) *APPROPRIATE COMMITTEES OF CONGRESS.*—

4 *The term “appropriate committees of Congress”*
 5 *means the Committee on Foreign Relations of the*
 6 *Senate and the Committee on International Relations*
 7 *of the House of Representatives.*

8 (2) *DEFENSE ARTICLE.*—*The term “defense arti-*
 9 *cle” has the meaning given the term in section 47(3)*
 10 *of the Arms Export Control Act (22 U.S.C. 2794*
 11 *note).*

12 (3) *DEFENSE SERVICE.*—*The term “defense serv-*
 13 *ice” has the meaning given the term in section 47(4)*
 14 *of the Arms Export Control Act (22 U.S.C. 2794*
 15 *note).*

1 (4) *EXCESS DEFENSE ARTICLE*.—The term “ex-
2 cess defense article” has the meaning given the term
3 in section 644(g) of the Foreign Assistance Act of
4 1961 (22 U.S.C. 2403(g)).

5 (5) *SECRETARY*.—Except as otherwise provided,
6 the term “Secretary” means the Secretary of State.

7 **TITLE I—VERIFICATION OF**
8 **ARMS CONTROL AND NON-**
9 **PROLIFERATION AGREEMENTS**
10 **MENTS**

11 **SEC. 101. VERIFICATION AND COMPLIANCE BUREAU PER-**
12 **SONNEL.**

13 (a) *IN GENERAL*.—Of the total amounts made avail-
14 able to the Department of State for fiscal years 2002 and
15 2003, not less than \$14,000,000 each such fiscal year shall
16 be provided to the Bureau of Verification and Compliance
17 of the Department of State for Bureau-administered activi-
18 ties, including the Key Verification Assets Fund.

19 (b) *ADDITIONAL PERSONNEL*.—In addition to the
20 amounts made available under subsection (a), not less than
21 \$1,800,000 shall be made available from the Department’s
22 American Salaries Account, for the purpose of hiring new
23 personnel to carry out the Bureau’s responsibilities, as set
24 forth in section 112 of the Arms Export Control and Non-

1 *proliferation Act of 1999 (113 Stat. 1501A–486), as enacted*
2 *into law by section 1000(a)(7) of Public Law 106–113.*

3 **SEC. 102. KEY VERIFICATION ASSETS FUND.**

4 *Of the total amounts made available to the Department*
5 *of State for fiscal years 2002 and 2003, not less than*
6 *\$7,000,000 shall be made available within the Verification*
7 *and Compliance Bureau’s account for each such fiscal year*
8 *to carry out section 1111 of the Arms Control and Non-*
9 *proliferation Act of 1999 (113 Stat. 1501A–486), as enacted*
10 *into law by section 1000(a)(7) of Public Law 106–113.*

11 **SEC. 103. REVISED VERIFICATION AND COMPLIANCE RE-**
12 **PORTING REQUIREMENTS.**

13 *Section 403(a) of the Arms Control and Disarmament*
14 *Act (22 U.S.C. 2593a(a)) is amended by striking “January*
15 *31” and inserting “April 15”.*

16 **TITLE II—MILITARY AND**
17 **RELATED ASSISTANCE**
18 **Subtitle A—Foreign Military Sales**
19 **and Financing Authorities**

20 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

21 *There are authorized to be appropriated to the Presi-*
22 *dent for grant assistance under section 23 of the Arms Ex-*
23 *port Control Act (22 U.S.C. 2763) and for the subsidy cost,*
24 *as defined in section 502(5) of the Federal Credit Reform*
25 *Act of 1990, of direct loans under such section*

1 \$3,674,000,000 for fiscal year 2002 and \$4,267,000,000 for
2 fiscal year 2003.

3 **SEC. 202. RELATIONSHIP OF FOREIGN MILITARY SALES TO**
4 **UNITED STATES NONPROLIFERATION INTER-**
5 **ESTS.**

6 (a) *AUTHORIZED PURPOSES.*—*The first sentence of*
7 *section 4 of the Arms Export Control Act (22 U.S.C. 2754)*
8 *is amended by inserting “for preventing or hindering the*
9 *proliferation of weapons of mass destruction and of the*
10 *means of delivering such weapons,” after “self-defense.”*

11 (b) *DEFINITION OF “WEAPONS OF MASS DESTRUC-*
12 *TION”.*—*Section 47 of the Arms Export Control Act (22*
13 *U.S.C. 2794) is amended—*

14 (1) *by striking “and” at the end of paragraph*
15 *(8);*

16 (2) *by striking the period at the end of para-*
17 *graph (9) and inserting “; and”; and*

18 (3) *by adding at the end the following new para-*
19 *graph:*

20 “(10) ‘*weapons of mass destruction*’ has the
21 *meaning provided by section 1403(1) of the Defense*
22 *Against Weapons of Mass Destruction Act of 1996*
23 *(title XIV of Public Law 104–201; 110 Stat. 2717; 50*
24 *U.S.C. 2302(1)).”*

1 (c) *SENSE OF CONGRESS.*—*It is the sense of Congress*
2 *that the Secretary should ensure, in circumstances where*
3 *the sale of defense articles or defense services to a friendly*
4 *country would serve the nonproliferation interests of the*
5 *United States, but that country cannot afford to purchase*
6 *such defense articles or defense services, that grant assist-*
7 *ance is provided pursuant to section 23 of the Arms Export*
8 *Control Act to facilitate such acquisition.*

9 **SEC. 203. SPECIAL DEFENSE ACQUISITION FUND FOR NON-**
10 **PROLIFERATION AND COUNTER-NARCOTICS**
11 **PURPOSES.**

12 (a) *ESTABLISHMENT.*—*Notwithstanding any other*
13 *provision of law, the President shall direct that the Special*
14 *Defense Acquisition Fund be established pursuant to section*
15 *51 of the Arms Export Control Act (22 U.S.C. 2795).*

16 (b) *USE OF THE SPECIAL DEFENSE ACQUISITION*
17 *FUND.*—*Section 51(a)(4) of the Arms Export Control Act*
18 *(22 U.S.C. 2795(a)(4)) is amended by striking “for use for”*
19 *and all that follows through “equipment” and inserting the*
20 *following: “for use for—*

21 *“(A) narcotics control purposes and are ap-*
22 *propriate to the needs of recipient countries, such*
23 *as small boats, planes (including helicopters),*
24 *and communications equipment; and*

1 “(B) nonproliferation and export control
2 purposes, such as nuclear, radiological, chemical,
3 and biological warfare materials detection equip-
4 ment.”.

5 (c) *LIMITATION.*—Section 51(c) of the Arms Export
6 *Control Act* (22 U.S.C. 2795(c)) is amended—

7 (1) in paragraph (1), by striking all after “ex-
8 ceed” through the period and inserting
9 “\$200,000,000.”; and

10 (2) in paragraph (2), by striking “provided”
11 and all that follows through “Acts” and inserting
12 “specifically authorized by law in advance”.

13 (d) *AUTHORIZATION.*—For fiscal year 2003, not more
14 than \$20,000,000 may be made available for obligation for
15 the procurement of items pursuant to section 51 of the Arms
16 Export Control Act.

17 **SEC. 204. REPRESENTATION ALLOWANCES.**

18 Section 43(c) of the Arms Export Control Act (22
19 U.S.C. 2792(c)) is amended by striking “\$72,500” and in-
20 serting “\$86,500”.

1 **SEC. 205. ARMS EXPORT CONTROL ACT PROHIBITION ON**
2 **TRANSACTIONS WITH COUNTRIES THAT HAVE**
3 **REPEATEDLY PROVIDED SUPPORT FOR ACTS**
4 **OF INTERNATIONAL TERRORISM.**

5 *The second sentence of section 40(d) of the Arms Ex-*
6 *port Control Act (22 U.S.C. 2780(d)) is amended—*

7 *(1) by inserting “or chemical, biological, or radi-*
8 *ological agents” after “nuclear explosive devices”; and*

9 *(2) by inserting “or chemical, biological, or radi-*
10 *ological agents” after “nuclear material”.*

11 **SEC. 206. CONGRESSIONAL NOTIFICATION OF SMALL ARMS**
12 **AND LIGHT WEAPONS LICENSE APPROVALS;**
13 **ANNUAL REPORTS.**

14 *(a) CONGRESSIONAL NOTIFICATION OF EXPORT LI-*
15 *CENSE APPROVALS.—Section 36(c) of the Arms Export*
16 *Control Act (22 U.S.C. 2776(c)) is amended by inserting*
17 *“(or, in the case of a defense article that is a firearm con-*
18 *trolled under category I of the United States Munitions*
19 *List, \$1,000,000 or more)” after “\$50,000,000 or more”.*

20 *(b) REPORT.—Not later than six months after the date*
21 *of enactment of this Act, and annually thereafter, the Sec-*
22 *retary of State shall submit an unclassified report to the*
23 *appropriate congressional committees on the numbers,*
24 *range, and findings of end-use monitoring of United States*
25 *transfers in small arms and light weapons.*

1 (c) *ANNUAL MILITARY ASSISTANCE REPORTS.*—Sec-
2 tion 655(b)(3) of the Foreign Assistance Act of 1961 (22
3 U.S.C. 2415(b)(3)) is amended by inserting before the pe-
4 riod at the end the following: “, including, in the case of
5 defense articles that are firearms controlled under category
6 I of the United States Munitions List, a statement of the
7 aggregate dollar value and quantity of semiautomatic as-
8 sault weapons, or related equipment, the manufacture,
9 transfer, or possession of which is unlawful under section
10 922 of title 18, United States Code, that were licensed for
11 export during the period covered by the report”.

12 (d) *ANNUAL REPORT ON ARMS BROKERING.*—Not
13 later than six months after the date of enactment of this
14 Act, and annually thereafter, the Secretary of State shall
15 submit a report to the appropriate committees of Congress
16 on activities of registered arms brokers, including violations
17 of the Arms Export Control Act.

18 (e) *ANNUAL REPORT ON INVESTIGATIONS OF THE BU-*
19 *REAU OF ALCOHOL, TOBACCO AND FIREARMS.*—Not later
20 than six months after the date of enactment of this Act,
21 and annually thereafter, the Secretary of the Treasury shall
22 submit a report to the appropriate committees of Congress
23 on investigations and other efforts undertaken by the Bu-
24 reau of Alcohol, Tobacco and Firearms (including coopera-
25 tion with other agencies) to stop United States-source weap-

1 *ons from being used in terrorist acts and international*
2 *crime.*

3 ***Subtitle B—International Military***
4 ***Education and Training***

5 ***SEC. 211. AUTHORIZATION OF APPROPRIATIONS.***

6 *There are authorized to be appropriated to the Presi-*
7 *dent \$75,000,000 for fiscal year 2002 and \$85,290,000 for*
8 *fiscal year 2003 to carry out chapter 5 of part II of the*
9 *Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.; re-*
10 *lating to international military education and training).*

11 ***SEC. 212. ANNUAL HUMAN RIGHTS REPORTS.***

12 *(a) WITH RESPECT TO PROHIBITIONS ON NON-*
13 *MILITARY ASSISTANCE.—Section 116(d) of the Foreign As-*
14 *sistance Act of 1961 (22 U.S.C. 2151n(d)) is amended by*
15 *redesignating paragraphs (7) and (8) as paragraphs (8)*
16 *and (9), respectively, and by inserting after paragraph (6)*
17 *the following:*

18 *“(7) to the extent practicable, for any violation*
19 *of internationally recognized human rights reported*
20 *under this subsection, whether any foreign military or*
21 *defense ministry civilian participant in education*
22 *and training activities under chapter 5 of part II of*
23 *this Act was involved;”.*

1 **(b) RECORDS REGARDING FOREIGN PARTICIPANTS.**—
2 *Section 548 of the Foreign Assistance Act of 1961 (22*
3 *U.S.C. 2347e) is amended—*

4 (1) *by striking “In” and inserting “(a) DEVELOPMENT AND MAINTENANCE OF DATABASE.—In”;*
5
6 *and*

7 (2) *by adding at the end the following new sub-*
8 *sections:*

9 **“(b) ANNUAL LIST OF FOREIGN PERSONNEL.**—*For the*
10 *purposes of preparing the report required pursuant to sec-*
11 *tion 116(d), the Secretary of State may annually request*
12 *the Secretary of Defense to provide information contained*
13 *in the database with respect to a list submitted to the Sec-*
14 *retary of Defense by the Secretary of State, containing the*
15 *names of foreign personnel or military units. To the extent*
16 *practicable, the Secretary of Defense shall provide, and the*
17 *Secretary of State may take into account, the information*
18 *contained in the database, if any, relating to the Secretary*
19 *of State’s submission.*

20 **“(c) UPDATING OF DATABASE.**—*If the Secretary of*
21 *State determines and reports to Congress under section*
22 *116(d) that a foreign person identified in the database*
23 *maintained pursuant to this section was involved in a vio-*
24 *lation of internationally recognized human rights, the Sec-*

1 *retary of Defense shall ensure that the database is updated*
2 *to contain such fact and all relevant information.”.*

3 ***Subtitle C—Security Assistance for***
4 ***Select Countries***

5 ***SEC. 221. SECURITY ASSISTANCE FOR ISRAEL AND EGYPT.***

6 *(a) AUTHORIZATION OF APPROPRIATIONS.—*

7 *(1) ISRAEL.—Section 513 of the Security Assist-*
8 *ance Act of 2000 (Public Law 106–280) is amended*
9 *by striking “2001 and 2002” each place that it ap-*
10 *pears and inserting “2002 and 2003”.*

11 *(2) EGYPT.—Section 514 of the Security Assist-*
12 *ance Act of 2000 (Public Law 106–280) is amended*
13 *by striking “2001 and 2002” each place that it ap-*
14 *pears and inserting “2002 and 2003”.*

15 *(b) BALLISTIC MISSILE DEFENSE.—Of the amounts*
16 *made available for fiscal years 2002 and 2003 under section*
17 *513 of the Security Assistance Act of 2000 (Public Law*
18 *106–280), as amended by subsection (a), \$100,000,000 may*
19 *be used each such fiscal year for the establishment, in co-*
20 *operation with a United States company, of a production*
21 *line for the Arrow missile in the United States.*

22 ***SEC. 222. SECURITY ASSISTANCE FOR GREECE AND TUR-***

23 ***KEY.***

24 *(a) IN GENERAL.—Of the amounts made available for*
25 *the fiscal years 2002 and 2003 to carry out chapter 5 of*

1 *part II of the Foreign Assistance Act of 1961 (22 U.S.C.*
2 *2347 et seq.)—*

3 (1) *\$1,000,000 for fiscal year 2002 and*
4 *\$1,170,000 for fiscal year 2003 are authorized to be*
5 *available for Greece; and*

6 (2) *\$2,500,000 for fiscal year 2002 and*
7 *\$2,920,000 for fiscal year 2003 are authorized to be*
8 *available for Turkey.*

9 **(b) USE FOR PROFESSIONAL MILITARY EDUCATION.—**
10 *Of the amounts available under paragraphs (1) and (2) of*
11 *subsection (a) for each of fiscal years 2002 and 2003,*
12 *\$500,000 of each such amount should be available for pur-*
13 *poses of professional military education.*

14 **(c) USE FOR JOINT TRAINING.—***It is the sense of Con-*
15 *gress that, to the maximum extent practicable, amounts*
16 *available under subsection (a) that are used in accordance*
17 *with subsection (b) should be used for joint training of*
18 *Greek and Turkish officers.*

19 **(d) REPEAL.—***Section 512 of the Security Assistance*
20 *Act of 2000 (Public Law 106–280; 114 Stat. 856) is re-*
21 *pealed.*

22 **SEC. 223. SECURITY ASSISTANCE FOR CERTAIN OTHER**
23 **COUNTRIES.**

24 **(a) FMF FOR CERTAIN OTHER COUNTRIES.—***Of the*
25 *amounts made available for the fiscal years 2002 and 2003*

1 *under section 23 of the Arms Export Control Act (22 U.S.C.*
2 *2763), the following amounts are authorized to be available*
3 *on a grant basis for the following countries for the fiscal*
4 *years specified:*

5 (1) *THE BALTIC STATES.—For all of the Baltic*
6 *states of Estonia, Latvia, and Lithuania, \$21,000,000*
7 *for fiscal year 2002 and \$24,400,000 for fiscal year*
8 *2003.*

9 (2) *BULGARIA.—For Bulgaria, \$10,000,000 for*
10 *fiscal year 2002 and \$11,620,000 for fiscal year 2003.*

11 (3) *THE CZECH REPUBLIC.—For the Czech Re-*
12 *public, \$12,000,000 for fiscal year 2002 and*
13 *\$14,000,000 for fiscal year 2003.*

14 (4) *GEORGIA.—For Georgia, \$5,650,000 for fis-*
15 *cal year 2002 and \$6,560,000 for fiscal year 2003.*

16 (5) *HUNGARY.—For Hungary, \$12,000,000 for*
17 *fiscal year 2002 and \$14,000,000 for fiscal year 2003.*

18 (6) *JORDAN.—For Jordan, \$75,000,000 for fiscal*
19 *year 2002 and \$87,300,000 for fiscal year 2003.*

20 (7) *MALTA.—For Malta, \$1,000,000 for fiscal*
21 *year 2002 and \$1,170,000 for fiscal year 2003.*

22 (8) *THE PHILIPPINES.—For the Philippines,*
23 *\$19,000,000 for fiscal year 2002 and \$22,100,000 for*
24 *fiscal year 2003.*

1 (9) *POLAND*.—*For Poland, \$15,000,000 for fiscal*
2 *year 2002 and \$17,500,000 for fiscal year 2003.*

3 (10) *ROMANIA*.—*For Romania, \$11,500,000 for*
4 *fiscal year 2002 and \$13,400,000 for fiscal year 2003.*

5 (11) *SLOVAKIA*.—*For Slovakia, \$8,500,000 for*
6 *fiscal year 2002 and \$9,900,000 for fiscal year 2003.*

7 (12) *SLOVENIA*.—*For Slovenia, \$4,500,000 for*
8 *fiscal year 2002 and \$5,250,000 for fiscal year 2003.*

9 (b) *IMET*.—*Of the amounts made available for the fis-*
10 *cal years 2002 and 2003 to carry out chapter 5 of part*
11 *II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347*
12 *et seq.), the following amounts are authorized to be available*
13 *for the following countries for the fiscal years specified:*

14 (1) *THE BALTIC STATES*.—*For all of the Baltic*
15 *states of Estonia, Latvia, and Lithuania, \$3,000,000*
16 *for fiscal year 2002 and \$3,420,000 for fiscal year*
17 *2003.*

18 (2) *BULGARIA*.—*For Bulgaria, \$1,200,000 for*
19 *fiscal year 2002 and \$1,370,000 for fiscal year 2003.*

20 (3) *THE CZECH REPUBLIC*.—*For the Czech Re-*
21 *public, \$1,800,000 for fiscal year 2002 and*
22 *\$2,050,000 for fiscal year 2003.*

23 (4) *GEORGIA*.—*For Georgia, \$850,000 for fiscal*
24 *year 2002 and \$970,000 for fiscal year 2003.*

1 (5) *HUNGARY.*—*For Hungary, \$1,800,000 for*
2 *fiscal year 2002 and \$2,050,000 for fiscal year 2003.*

3 (6) *JORDAN.*—*For Jordan, \$1,800,000 for fiscal*
4 *year 2002 and \$2,050,000 for fiscal year 2003.*

5 (7) *MALTA.*—*For Malta, \$300,000 for fiscal year*
6 *2002 and \$350,000 for fiscal year 2003.*

7 (8) *THE PHILIPPINES.*—*For the Philippines,*
8 *\$1,710,000 for fiscal year 2002 and \$2,000,000 for*
9 *fiscal year 2003.*

10 (9) *POLAND.*—*For Poland, \$1,900,000 for fiscal*
11 *year 2002 and \$2,160,000 for fiscal year 2003.*

12 (10) *ROMANIA.*—*For Romania, \$1,400,000 for*
13 *fiscal year 2002 and \$1,600,000 for fiscal year 2003.*

14 (11) *SLOVAKIA.*—*For Slovakia, \$850,000 for fis-*
15 *cal year 2002 and \$970,000 for fiscal year 2003.*

16 (12) *SLOVENIA.*—*For Slovenia, \$800,000 for fis-*
17 *cal year 2002 and \$910,000 for fiscal year 2003.*

18 (c) *WRITTEN EXPLANATION OF PRESIDENTIAL DETER-*
19 *MINATIONS.*—*In the event that the President determines not*
20 *to provide, or determines to exceed, the funding allocated*
21 *for any country specified in this section by an amount that*
22 *is more than five percent of that specified in this section,*
23 *the President shall submit to the appropriate committees*
24 *of Congress within 15 days of such determination a written*
25 *explanation of the reasons therefor.*

1 (d) *REPEALS.*—Sections 511 (a) and (b) and 515 of
2 *the Security Assistance Act of 2000 are repealed.*

3 ***Subtitle D—Excess Defense Article***
4 ***and Drawdown Authorities***

5 ***SEC. 231. EXCESS DEFENSE ARTICLES FOR CERTAIN COUN-***
6 ***TRIES.***

7 (a) *AUTHORITY.*—Notwithstanding section 516(e) of
8 *the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e), dur-*
9 *ing each of the fiscal years 2002 and 2003, funds available*
10 *to the Department of Defense may be expended for crating,*
11 *packing, handling, and transportation of excess defense ar-*
12 *ticles transferred under the authority of section 516 of such*
13 *Act to Albania, Bulgaria, Croatia, Estonia, Former Yugo-*
14 *slavia Republic of Macedonia, Georgia, India, Kazakhstan,*
15 *Kyrgyzstan, Latvia, Lithuania, Moldova, Mongolia, Paki-*
16 *stan, Romania, Slovakia, Slovenia, Tajikistan,*
17 *Turkmenistan, Ukraine, and Uzbekistan.*

18 (b) *SENSE OF CONGRESS.*—*The authority provided*
19 *under this section should be utilized only for those countries*
20 *demonstrating a genuine commitment to democracy and*
21 *human rights.*

22 ***SEC. 232. ANNUAL BRIEFING ON PROJECTED AVAILABILITY***
23 ***OF EXCESS DEFENSE ARTICLES.***

24 *Not later than 90 days prior to the commencement of*
25 *each fiscal year, the Department of Defense shall brief the*

1 *Department of State and the appropriate committees of*
2 *Congress regarding the expected availability of excess de-*
3 *fense articles during the next fiscal year, for the purpose*
4 *of enabling the Department of State to factor such avail-*
5 *ability into annual security assistance plans.*

6 **SEC. 233. EXPANDED DRAWDOWN AUTHORITY.**

7 *Section 506(c) of the Foreign Assistance Act of 1961*
8 *(22 U.S.C. 2318(c)) is amended to read as follows:*

9 *“(c) For the purposes of any provision of law that au-*
10 *thorizes the drawdown of defense or other articles or com-*
11 *modities, or defense or other services from an agency of the*
12 *United States Government, such drawdown may include the*
13 *supply of commercial transportation and related services*
14 *and defense or other articles or commodities, or defense or*
15 *other services, that are acquired by contract for the purposes*
16 *of the drawdown in question, if the cost to acquire such*
17 *items or services is less than the cost to the United States*
18 *Government of providing such items or services from exist-*
19 *ing agency assets.”.*

20 **SEC. 234. DURATION OF SECURITY ASSISTANCE LEASES.**

21 *Section 61 of the Arms Export Control Act (22 U.S.C.*
22 *2796) is amended—*

23 *(1) in subsection (b), by striking “of not to ex-*
24 *ceed five years” and inserting “that may not exceed*
25 *5 years, plus a period of time specified in the lease*

1 *as may be necessary for major refurbishment work to*
2 *be performed prior to final delivery by the lessor of*
3 *the defense articles,”; and*

4 *(2) by adding at the end the following new sub-*
5 *section:*

6 *“(d) In this section, the term ‘major refurbishment*
7 *work’ means refurbishment work performed over a period*
8 *estimated to be 6 months or more.”.*

9 ***Subtitle E—Other Political-Military***
10 ***Assistance***

11 ***SEC. 241. DESTRUCTION OF SURPLUS WEAPONS STOCK-***
12 ***PILES.***

13 *Of the funds authorized to be appropriated to the*
14 *President for fiscal years 2002 and 2003 to carry out chap-*
15 *ters 1 and 10 of part I of the Foreign Assistance Act of*
16 *1961 (22 U.S.C. 2151 et seq.), relating to development as-*
17 *sistance, up to \$10,000,000 is authorized to be made avail-*
18 *able each such fiscal year for the destruction of surplus*
19 *stockpiles of small arms, light weapons, and other muni-*
20 *tions.*

21 ***SEC. 242. IDENTIFICATION OF FUNDS FOR DEMINING PRO-***
22 ***GRAMS.***

23 *Of the funds authorized to be appropriated under sec-*
24 *tion 201 for nonproliferation, antiterrorism, demining, and*
25 *related programs, \$40,000,000 is authorized to be appro-*

1 *priated for fiscal year 2002 for demining programs and*
2 *program support costs.*

3 ***Subtitle F—Antiterrorism***
4 ***Assistance***

5 ***SEC. 251. AUTHORIZATION OF APPROPRIATIONS.***

6 *Section 574(a) of the Foreign Assistance Act of 1961*
7 *(22 U.S.C. 2349aa-4(a)) is amended by striking*
8 *“\$72,000,000 for fiscal year 2001 and \$73,000,000 for fiscal*
9 *year 2002” and inserting “\$73,000,000 for fiscal year 2002*
10 *and \$75,000,000 for fiscal year 2003”.*

11 ***SEC. 252. SPECIFIC PROGRAM OBJECTIVES.***

12 *Of the amounts authorized to be appropriated to the*
13 *President pursuant to section 574(a) of the Foreign Assist-*
14 *ance Act of 1961 (22 U.S.C. 2349aa-4(a)), \$2,000,000 may*
15 *be made available for the provision of the Pisces system to*
16 *the governments of the Philippines and Pakistan.*

17 ***Subtitle G—Other Matters***

18 ***SEC. 261. REVISED MILITARY ASSISTANCE REPORTING RE-***

19 ***QUIREMENTS.***

20 *(a) ANNUAL FOREIGN MILITARY TRAINING RE-*
21 *PORTS.—Section 656(a) of the Foreign Assistance Act of*
22 *1961 (22 U.S.C. 2416) does not apply to any NATO or*
23 *major non-NATO ally unless the chairman or ranking*
24 *member of one of the appropriate committees of Congress*
25 *has specifically requested, in writing, inclusion of such*

1 country in the report. Such request shall be made not later
 2 than 45 calendar days prior to the date on which the report
 3 is required to be transmitted.

4 (b) ANNUAL MILITARY ASSISTANCE REPORTS.—Sec-
 5 tion 655 of the Foreign Assistance Act of 1961 (22 U.S.C.
 6 2415) is amended—

7 (1) by striking subsection (c); and

8 (2) by redesignating subsection (d) as subsection
 9 (c).

10 (c) QUARTERLY REPORTS ON GOVERNMENT-TO-GOV-
 11 ERNMENT ARMS EXPORTS.—Section 36(a) of the Arms Ex-
 12 port Control Act (22 U.S.C. 2776(a)) is amended—

13 (1) by striking paragraph (7); and

14 (2) by redesignating paragraphs (8), (9), (10),
 15 (11), (12), and (13) as paragraphs (7), (8), (9), (10),
 16 (11), and (12), respectively.

17 **TITLE III—NONPROLIFERATION**
 18 **AND EXPORT CONTROL AS-**
 19 **SISTANCE**

20 **Subtitle A—General Provisions**

21 **SEC. 301. AUTHORIZATION OF APPROPRIATIONS.**

22 (a) AUTHORIZATION.—Section 585 of the Foreign As-
 23 sistance Act of 1961 (22 U.S.C. 2349bb-4) is amended—

1 (1) *in subsection (a), by striking all after “chap-*
2 *ter” and inserting “\$142,000,000 for fiscal year 2002*
3 *and \$152,000,000 for fiscal year 2003.”; and*

4 (2) *in subsection (c), by striking “2001” each*
5 *place that it appears and inserting “2002”.*

6 (b) *SUBALLOCATIONS.—Of the amounts authorized to*
7 *be appropriated to the President for fiscal years 2002 and*
8 *2003 under chapter 9 of part II of the Foreign Assistance*
9 *Act of 1961 (22 U.S.C. 2349bb et seq.)—*

10 (1) *not less than \$2,000,000 shall be made avail-*
11 *able each such fiscal year for the purpose of carrying*
12 *out section 584 of the Foreign Assistance Act of 1961,*
13 *as added by section 304 of this Act; and*

14 (2) *\$65,000,000 for fiscal year 2002 and*
15 *\$65,000,000 for fiscal year 2003 are authorized to be*
16 *appropriated for science and technology centers in the*
17 *independent states of the former Soviet Union.*

18 (c) *CONFORMING AMENDMENT.—Section 302 of the Se-*
19 *curity Assistance Act of 2000 (Public Law 106–280) is re-*
20 *pealed.*

21 **SEC. 302. JOINT STATE DEPARTMENT-DEFENSE DEPART-**
22 **MENT PROGRAMS.**

23 *Of the amounts authorized to be appropriated to the*
24 *President for fiscal years 2002 and 2003 under chapter 9*
25 *of part II of the Foreign Assistance Act of 1961 (22 U.S.C.*

1 2349bb et seq.), the Secretary is authorized to make avail-
2 able not more than \$1,000,000 for international
3 counterproliferation programs administered by the Depart-
4 ment of Defense.

5 **SEC. 303. NONPROLIFERATION TECHNOLOGY ACQUISITION**
6 **PROGRAMS FOR FRIENDLY FOREIGN COUN-**
7 **TRIES.**

8 (a) *IN GENERAL.*—For the purpose of enhancing the
9 nonproliferation and export control capabilities of friendly
10 countries, of the amounts authorized to be appropriated for
11 fiscal years 2002 and 2003 under chapter 9 of part II of
12 the Foreign Assistance Act of 1961 (22 U.S.C. 2349bb et
13 seq.), the Secretary is authorized to expend not more than—

14 (1) \$5,000,000 for the procurement and provi-
15 sion of nuclear, chemical, and biological detection sys-
16 tems, including spectroscopic and pulse echo tech-
17 nologies; and

18 (2) \$10,000,000 for the procurement and provi-
19 sion of x-ray systems capable of imaging sea-cargo
20 containers.

21 (b) *TRAINING REQUIREMENT.*—The Secretary shall
22 not provide any equipment or technology pursuant to this
23 section without having first developed and budgeted for a
24 multiyear training plan to assist foreign personnel in the
25 utilization of those items.

1 (c) *PROCUREMENT AUTHORITIES.*—For fiscal year
2 2003, the Secretary shall utilize, to the maximum extent
3 practicable, the Special Defense Acquisition Fund for pro-
4 curements authorized under this section.

5 **SEC. 304. INTERNATIONAL NONPROLIFERATION AND EX-**
6 **PORT CONTROL TRAINING.**

7 Chapter 9 of part II of the Foreign Assistance Act of
8 1961 (22 U.S.C. 2349bb et seq.) is amended—

9 (1) by redesignating sections 584 and 585 as sec-
10 tions 585 and 586, respectively; and

11 (2) by inserting after section 583 the following:

12 **“SEC. 584. INTERNATIONAL NONPROLIFERATION EXPORT**
13 **CONTROL TRAINING.**

14 “(a) *GENERAL AUTHORITY.*—The President is author-
15 ized to furnish, on such terms and conditions consistent
16 with this chapter (but whenever feasible on a reimbursable
17 basis), education and training to foreign personnel for the
18 purpose of enhancing the nonproliferation and export con-
19 trol capabilities of such personnel through their attendance
20 in special courses of instruction conducted by the United
21 States.

22 “(b) *ADMINISTRATION OF COURSES.*—The Secretary of
23 State shall have overall responsibility for the development
24 and conduct of international nonproliferation education
25 and training programs, but may utilize other departments

1 and agencies, as appropriate, to recommend personnel for
2 the education and training, and to administer specific
3 courses of instruction.

4 “(c) *PURPOSES.*—*Education and training activities*
5 *conducted under this section shall be—*

6 “(1) *of a technical nature, emphasizing tech-*
7 *niques for detecting, deterring, monitoring, inter-*
8 *dicting, and countering proliferation;*

9 “(2) *designed to encourage effective and mutu-*
10 *ally beneficial relations and increased understanding*
11 *between the United States and friendly countries; and*

12 “(3) *designed to improve the ability of friendly*
13 *countries to utilize their resources with maximum ef-*
14 *fectiveness, thereby contributing to greater self-reli-*
15 *ance by such countries.*

16 “(d) *PRIORITY TO CERTAIN COUNTRIES.*—*In selecting*
17 *military and foreign governmental personnel for education*
18 *and training pursuant to this section, priority shall be*
19 *given to personnel from countries for which the Secretary*
20 *of State has given priority under section 583(b).”.*

21 **SEC. 305. RELOCATION OF SCIENTISTS.**

22 (a) *REINSTATEMENT OF CLASSIFICATION AUTHOR-*
23 *ITY.*—*Section 4 of the Soviet Scientists Immigration Act*
24 *of 1992 (Public Law 102–509; 106 Stat. 3316; 8 U.S.C.*

1 1153 note) is amended by striking subsection (d) and insert-
2 ing the following:

3 “(d) *DURATION OF AUTHORITY.*—The authority under
4 subsection (a) shall be in effect during the following periods:

5 “(1) The period beginning on the date of the en-
6 actment of this Act and ending 4 years after such
7 date.

8 “(2) The period beginning on the date of the en-
9 actment of the Security Assistance Act of 2002 and
10 ending 4 years after such date.”.

11 (b) *LIMITATION ON NUMBER OF SCIENTISTS ELIGIBLE*
12 *FOR VISAS UNDER AUTHORITY.*—Subsection (c) of such sec-
13 tion is amended by striking “750” and inserting “950”.

14 (c) *LIMITATION ON ELIGIBILITY.*—Subsection (a) of
15 such section is amended by adding at the end the following
16 new sentence: “A scientist is not eligible for designation
17 under this subsection if the scientist has previously been
18 granted the status of an alien lawfully admitted for perma-
19 nent residence (as defined in section 101(a)(20) of the Im-
20 migration and Nationality Act (8 U.S.C. 1101(a)(20))).”.

21 (d) *CONSULTATION REQUIREMENT.*—The Attorney
22 General shall consult with the Secretary, the Secretary of
23 Defense, the Secretary of Energy, and the heads of other
24 appropriate agencies of the United States regarding—

1 (1) *previous experience in implementing the So-*
2 *viet Scientists Immigration Act of 1992; and*

3 (2) *any changes that those officials would rec-*
4 *ommend in the regulations prescribed under that Act.*

5 **SEC. 306. AUDITS OF THE INTERNATIONAL SCIENCE AND**
6 **TECHNOLOGY CENTERS PROGRAM.**

7 *Consistent with section 303(b) of the Security Assist-*
8 *ance Act of 2000 (Public Law 106–280; 114 Stat. 853), not*
9 *later than 60 days after the date of enactment of this Act,*
10 *the Secretary shall submit a detailed report to the appro-*
11 *priate committees of Congress on United States audit prac-*
12 *tices with respect to the “International Science and Tech-*
13 *nology Centers Program”.*

14 **SEC. 307. INTERNATIONAL ATOMIC ENERGY AGENCY REG-**
15 **ULAR BUDGET ASSESSMENTS.**

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

17 (1) *The Department of State has concluded that*
18 *the International Atomic Energy Agency (hereafter in*
19 *this section referred to as the “IAEA”) is a critical*
20 *and effective instrument for verifying compliance*
21 *with international nuclear nonproliferation agree-*
22 *ments, and that it serves as an essential barrier to the*
23 *spread of nuclear weapons.*

24 (2) *The IAEA furthers United States national*
25 *security objectives by helping to prevent the prolifera-*

1 *tion of nuclear weapons material, especially through*
2 *its work on effective verification and safeguards meas-*
3 *ures.*

4 *(3) The IAEA can also perform a critical role in*
5 *monitoring and verifying aspects of nuclear weapons*
6 *reduction agreements between nuclear weapons states.*

7 *(4) As the IAEA has negotiated and developed*
8 *more effective verification and safeguards measures, it*
9 *has experienced significant real growth in its mission,*
10 *especially in the vital area of nuclear safeguards in-*
11 *spections.*

12 *(5) Nearly two decades of zero budget growth*
13 *have affected the ability of the IAEA to carry out its*
14 *mission and to hire and retain the most qualified in-*
15 *spectors and managers, as evidenced in the decreasing*
16 *proportion of such personnel who hold doctorate de-*
17 *grees.*

18 *(6) Although voluntary contributions by the*
19 *United States lessen the IAEA's budgetary con-*
20 *straints, they cannot readily be used for the long-term*
21 *capital investments or permanent staff increases nec-*
22 *essary to an effective IAEA safeguards regime.*

23 *(7) It was not the intent of Congress that the*
24 *United States contributions to all United Nations-re-*
25 *lated organizations and activities be reduced pursu-*

1 *ant to the Admiral James W. Nance and Meg Dono-*
2 *van Foreign Relations Authorization Act, Fiscal*
3 *Years 2000 and 2001 (as enacted into law by section*
4 *1000(a)(7) of Public Law 106–113; 113 Stat. 1501A–*
5 *405 et seq.), which sets 22 percent assessment rates as*
6 *benchmarks for the general United Nations budget, the*
7 *Food and Agricultural Organization, the World*
8 *Health Organization, and the International Labor*
9 *Organization. Rather, contributions for important*
10 *and effective agencies such as the IAEA should be*
11 *maintained at levels commensurate with the criti-*
12 *cality of its mission.*

13 *(b) ADDITIONAL FUNDING FOR THE INTERNATIONAL*
14 *ATOMIC ENERGY AGENCY.—It is the sense of Congress*
15 *that—*

16 *(1) the Secretary should negotiate a gradual and*
17 *sustained increase in the regular budget of the Inter-*
18 *national Atomic Energy Agency, which should begin*
19 *with the 2002 budget;*

20 *(2) if a regular budget increase for the IAEA is*
21 *achieved, the Secretary should seek to gain consensus*
22 *within the IAEA Board of Governors for allocation of*
23 *a larger proportion of that budget to nuclear non-*
24 *proliferation activities; and*

1 (3) if such a reallocation of the regular IAEA
2 budget cannot be obtained, the United States should
3 decrease its voluntary contribution by \$400,000 for
4 each \$1,000,000 increase in its annual assessment.

5 (c) *AUTHORIZATION OF APPROPRIATIONS.*—Of the
6 funds authorized to be appropriated for international orga-
7 nizations, \$60,000,000 are authorized to be appropriated
8 in fiscal year 2002 for the payment of the United States
9 assessment to the International Atomic Energy Agency, and
10 \$75,000,000 shall be available for that purpose in fiscal
11 year 2003.

12 **SEC. 308. REVISED NONPROLIFERATION REPORTING RE-**
13 **QUIREMENTS.**

14 Section 308 of Public Law 102–182 (22 U.S.C. 5606)
15 is hereby repealed.

16 **Subtitle B—Russian Federation**
17 **Debt Reduction for Non-**
18 **proliferation**

19 **SEC. 311. SHORT TITLE.**

20 This subtitle may be cited as the “Russian Federation
21 Debt Reduction for Nonproliferation Act of 2001”.

22 **SEC. 312. FINDINGS AND PURPOSES.**

23 (a) *FINDINGS.*—Congress finds the following:

24 (1) It is in the vital security interests of the
25 United States to prevent the spread of weapons of

1 *mass destruction to additional states or to terrorist*
2 *organizations, and to ensure that other nations' obli-*
3 *gations to reduce their stockpiles of such arms in ac-*
4 *cordance with treaties, executive agreements, or polit-*
5 *ical commitments are fulfilled.*

6 *(2) In particular, it is in the vital national secu-*
7 *rity interests of the United States to ensure that—*

8 *(A) all stocks of nuclear weapons and weap-*
9 *ons-usable nuclear material in the Russian Fed-*
10 *eration are secure and accounted for;*

11 *(B) stocks of nuclear weapons and weapons-*
12 *usable nuclear material that are excess to mili-*
13 *tary needs in the Russian Federation are mon-*
14 *itored and reduced;*

15 *(C) any chemical or biological weapons, re-*
16 *lated materials, and facilities in the Russian*
17 *Federation are destroyed;*

18 *(D) the Russian Federation's nuclear weap-*
19 *ons complex is reduced to a size appropriate to*
20 *its post-Cold War missions, and its experts in*
21 *weapons of mass destruction technologies are*
22 *shifted to gainful and sustainable civilian em-*
23 *ployment;*

24 *(E) the Russian Federation's export control*
25 *system blocks any proliferation of weapons of*

1 *mass destruction, the means of delivering such*
2 *weapons, and materials, equipment, know-how,*
3 *or technology that would be used to develop,*
4 *produce, or deliver such weapons; and*

5 *(F) these objectives are accomplished with*
6 *sufficient monitoring and transparency to pro-*
7 *vide confidence that they have in fact been ac-*
8 *complished and that the funds provided to ac-*
9 *complish these objectives have been spent effi-*
10 *ciently and effectively.*

11 *(3) United States programs should be designed to*
12 *accomplish these vital objectives in the Russian Fed-*
13 *eration as rapidly as possible, and the President*
14 *should develop and present to Congress a plan for*
15 *doing so.*

16 *(4) Substantial progress has been made in*
17 *United States-Russian Federation cooperative pro-*
18 *grams to achieve these objectives, but much more re-*
19 *mains to be done to reduce the urgent risks to United*
20 *States national security posed by the current state of*
21 *the Russian Federation's weapons of mass destruction*
22 *stockpiles and complexes.*

23 *(5) The threats posed by inadequate management*
24 *of weapons of mass destruction stockpiles and com-*
25 *plexes in the Russian Federation remain urgent. Inci-*

1 *dents in years immediately preceding 2001, which*
2 *have been cited by the Russia Task Force of the Sec-*
3 *retary of Energy's Advisory Board, include—*

4 *(A) a conspiracy at one of the Russian Fed-*
5 *eration's largest nuclear weapons facilities to*
6 *steal nearly enough highly enriched uranium for*
7 *a nuclear bomb;*

8 *(B) an attempt by an employee of the Rus-*
9 *sian Federation's premier nuclear weapons facil-*
10 *ity to sell nuclear weapons designs to agents of*
11 *Iraq and Afghanistan; and*

12 *(C) the theft of radioactive material from a*
13 *Russian Federation submarine base.*

14 *(6) Addressing these threats to United States and*
15 *world security will ultimately consume billions of dol-*
16 *lars, a burden that will have to be shared by the Rus-*
17 *sian Federation, the United States, and other govern-*
18 *ments, if this objective is to be achieved.*

19 *(7) The creation of new funding streams could*
20 *accelerate progress in reducing these threats to United*
21 *States security and help the government of the Rus-*
22 *sian Federation to fulfill its responsibility for secure*
23 *management of its weapons stockpiles and complexes*
24 *as United States assistance phases out.*

1 (8) *The Russian Federation suffers from a sig-*
2 *nificant foreign debt burden, a substantial proportion*
3 *of which it inherited from the Soviet Union. The Rus-*
4 *sian Federation is taking full responsibility for this*
5 *debt, but the burden of debt repayment could threaten*
6 *Russian Federation economic reform, particularly in*
7 *2003 and beyond.*

8 (9) *The Russian Federation's need for debt relief*
9 *has been the subject of discussions between the United*
10 *States and the Russian Federation at the highest lev-*
11 *els and is cited by United States officials as one rea-*
12 *son why the Russian Federation has recognized that*
13 *its future lies with the West.*

14 (10) *Past debt-for-environment exchanges, in*
15 *which a portion of a country's foreign debt is canceled*
16 *in return for certain environmental commitments or*
17 *payments by that country, provide a model for a pos-*
18 *sible debt-for-nonproliferation exchange with the Rus-*
19 *sian Federation, which could be designed to provide*
20 *additional funding for nonproliferation and arms re-*
21 *duction initiatives.*

22 (11) *Most of the Russian Federation's official bi-*
23 *lateral debt is held by United States allies that are*
24 *advanced industrial democracies. Since the issues de-*
25 *scribed pose threats to United States allies as well,*

1 *United States leadership that results in a larger con-*
2 *tribution from United States allies to cooperative*
3 *threat reduction activities will be needed.*

4 *(b) PURPOSES.—The purposes of this subtitle are—*

5 *(1) to recognize the vital interests of the United*
6 *States, its allies, and the Russian Federation in re-*
7 *ducing the threats to international security described*
8 *in the findings set forth in subsection (a);*

9 *(2) to facilitate the accomplishment of the United*
10 *States objectives described in the findings set forth in*
11 *subsection (a) by providing for the alleviation of a*
12 *portion of the Russian Federation’s foreign debt, thus*
13 *allowing the use of additional resources for these pur-*
14 *poses; and*

15 *(3) to ensure that resources freed from debt in*
16 *the Russian Federation are targeted to the accom-*
17 *plishment of the United States objectives described in*
18 *the findings set forth in subsection (a).*

19 **SEC. 313. DEFINITIONS.**

20 *In this subtitle:*

21 *(1) AGREEMENT.—The term “Agreement” means*
22 *the Russian Nonproliferation Investment Agreement*
23 *provided for in section 318.*

1 (2) *APPROPRIATE CONGRESSIONAL COMMIT-*
2 *TEES.*—*The term “appropriate congressional commit-*
3 *tees” means—*

4 (A) *the Committee on International Rela-*
5 *tions and the Committee on Appropriations of*
6 *the House of Representatives; and*

7 (B) *the Committee on Foreign Relations*
8 *and the Committee on Appropriations of the*
9 *Senate.*

10 (3) *COST.*—*The term “cost” has the meaning*
11 *given that term in section 502(5) of the Federal Cred-*
12 *it Reform Act of 1990 (2 U.S.C. 661a(5)).*

13 (4) *FACILITY.*—*The term “Facility” means the*
14 *Russian Nonproliferation Investment Facility estab-*
15 *lished in the Department of the Treasury by section*
16 *314.*

17 (5) *SOVIET-ERA DEBT.*—*The term “Soviet-era*
18 *debt” means debt owed as a result of loans or credits*
19 *provided by the United States (or any agency of the*
20 *United States) to the Union of Soviet Socialist Re-*
21 *publics.*

22 **SEC. 314. ESTABLISHMENT OF THE RUSSIAN NON-**
23 **PROLIFERATION INVESTMENT FACILITY.**

24 *There is established in the Department of the Treasury*
25 *an entity to be known as the “Russian Nonproliferation In-*

1 *vestment Facility” for the purpose of providing for the ad-*
2 *ministration of debt reduction in accordance with this sub-*
3 *title.*

4 **SEC. 315. REDUCTION OF THE RUSSIAN FEDERATION’S SO-**
5 **VIET-ERA DEBT OWED TO THE UNITED**
6 **STATES, GENERALLY.**

7 *(a) AUTHORITY TO REDUCE SOVIET-ERA DEBT.—*

8 *(1) AUTHORITY.—*

9 *(A) IN GENERAL.—Except as provided in*
10 *subparagraph (B), and subject to section 321, the*
11 *President may reduce the amount of Soviet-era*
12 *debt owed by the Russian Federation to the*
13 *United States (or any agency of the United*
14 *States) that is outstanding as of October 1, 2001.*

15 *(B) EXCEPTION.—The authority of sub-*
16 *paragraph (A) to reduce Soviet-era debt does not*
17 *include any debt that is described in section*
18 *316(a)(1).*

19 *(2) CONGRESSIONAL NOTIFICATION.—The Presi-*
20 *dent shall notify the appropriate congressional com-*
21 *mittees of his intention to reduce the amount of the*
22 *Russian Federation’s Soviet-era debt at least 15 days*
23 *in advance of any formal determination to do so.*

24 *(3) AUTHORIZATION OF APPROPRIATIONS.—*

1 (A) *IN GENERAL.*—*For the cost of the reduc-*
2 *tion of any Soviet-era debt pursuant to this sec-*
3 *tion, there are authorized to be appropriated to*
4 *the President—*

5 (i) *\$50,000,000 for fiscal year 2002;*

6 *and*

7 (ii) *\$100,000,000 for fiscal year 2003.*

8 (B) *LIMITATION.*—*The authority provided*
9 *by this section shall be available only to the ex-*
10 *tent that appropriations for the cost of the modi-*
11 *fication of any Soviet-era debt pursuant to this*
12 *section are made in advance.*

13 (4) *CERTAIN PROHIBITIONS INAPPLICABLE.*—

14 (A) *IN GENERAL.*—*A reduction of Soviet-era*
15 *debt pursuant to this section shall not be consid-*
16 *ered assistance for the purposes of any provision*
17 *of law limiting assistance to a country.*

18 (B) *ADDITIONAL REQUIREMENT.*—*The au-*
19 *thority of this section may be exercised notwith-*
20 *standing section 620(r) of the Foreign Assistance*
21 *Act of 1961 or section 321 of the International*
22 *Development and Food Assistance Act of 1975.*

23 (b) *IMPLEMENTATION OF SOVIET-ERA DEBT REDUC-*
24 *TION.*—

1 (1) *IN GENERAL.*—*Any reduction of Soviet-era*
2 *debt pursuant to subsection (a) shall be—*

3 (A) *implemented pursuant to the terms of a*
4 *Russian Nonproliferation Investment Agreement*
5 *authorized under section 318; and*

6 (B) *accomplished at the direction of the Fa-*
7 *cilility by the exchange of a new obligation for ob-*
8 *ligations of the type referred to in such sub-*
9 *section that are outstanding as of October 1,*
10 *2001.*

11 (2) *EXCHANGE OF OBLIGATIONS.*—

12 (A) *IN GENERAL.*—*The Facility shall notify*
13 *the agency primarily responsible for admin-*
14 *istering part I of the Foreign Assistance Act of*
15 *1961 of an agreement entered into under para-*
16 *graph (1) with the Russian Federation to ex-*
17 *change a new obligation for outstanding obliga-*
18 *tions.*

19 (B) *ADDITIONAL REQUIREMENT.*—*At the di-*
20 *rection of the Facility, the old obligations that*
21 *are the subject of the agreement shall be canceled*
22 *and a new debt obligation for the Russian Fed-*
23 *eration shall be established relating to the agree-*
24 *ment, and the agency primarily responsible for*
25 *administering part I of the Foreign Assistance*

1 *Act of 1961 shall make an adjustment in its ac-*
2 *counts to reflect the debt reduction.*

3 (c) *ADDITIONAL TERMS AND CONDITIONS.*—*The fol-*
4 *lowing additional terms and conditions shall apply to the*
5 *reduction of Soviet-era debt under subsection (a)(1) in the*
6 *same manner as such terms and conditions apply to the*
7 *reduction of debt under section 704(a)(1) of the Foreign As-*
8 *istance Act of 1961:*

9 (1) *The provisions relating to repayment of*
10 *principal under section 705 of the Foreign Assistance*
11 *Act of 1961.*

12 (2) *The provisions relating to interest on new ob-*
13 *ligations under section 706 of the Foreign Assistance*
14 *Act of 1961.*

15 **SEC. 316. REDUCTION OF SOVIET-ERA DEBT OWED TO THE**
16 **UNITED STATES AS A RESULT OF CREDITS**
17 **EXTENDED UNDER TITLE I OF THE AGRICUL-**
18 **TURAL TRADE DEVELOPMENT AND ASSIST-**
19 **ANCE ACT OF 1954.**

20 (a) *AUTHORITY TO REDUCE CERTAIN SOVIET-ERA*
21 *DEBT.*—

22 (1) *AUTHORITY.*—*Notwithstanding any other*
23 *provision of law, and subject to section 321, the Presi-*
24 *dent may reduce the amount of Soviet-era debt owed*
25 *to the United States (or any agency of the United*

1 *States) by the Russian Federation that is outstanding*
2 *as of October 1, 2001, as a result of any credits ex-*
3 *tended under title I of the Agricultural Trade Devel-*
4 *opment and Assistance Act of 1954 (7 U.S.C. 1701 et*
5 *seq.).*

6 (2) *CONGRESSIONAL NOTIFICATION.—The Presi-*
7 *dent shall notify the appropriate congressional com-*
8 *mittees of his intention to reduce the amount of the*
9 *Russian Federation’s Soviet-era debt described in*
10 *paragraph (1) at least 15 days in advance of any for-*
11 *mal determination to do so.*

12 (3) *AUTHORIZATION OF APPROPRIATIONS.—*

13 (A) *IN GENERAL.—For the cost of the reduc-*
14 *tion of any Soviet-era debt pursuant to this sec-*
15 *tion, there are authorized to be appropriated to*
16 *the President—*

17 (i) *\$50,000,000 for fiscal year 2002;*

18 *and*

19 (ii) *\$100,000,000 for fiscal year 2003.*

20 (B) *LIMITATION.—The authority provided*
21 *by this section shall be available only to the ex-*
22 *tent that appropriations for the cost of the modi-*
23 *fication of any Soviet-era debt pursuant to this*
24 *section are made in advance.*

1 (b) *IMPLEMENTATION OF SOVIET-ERA DEBT REDUC-*
2 *TION.—*

3 (1) *IN GENERAL.—Any reduction of Soviet-era*
4 *debt pursuant to subsection (a) shall be—*

5 (A) *implemented pursuant to the terms of a*
6 *Russian Nonproliferation Investment Agreement*
7 *authorized under section 318; and*

8 (B) *accomplished at the direction of the Fa-*
9 *ility by the exchange of a new obligation for ob-*
10 *ligations of the type referred to in such sub-*
11 *section that are outstanding as of October 1,*
12 *2001.*

13 (2) *EXCHANGE OF OBLIGATIONS.—*

14 (A) *IN GENERAL.—The Facility shall notify*
15 *the Commodity Credit Corporation of an agree-*
16 *ment entered into under paragraph (1) with an*
17 *eligible country to exchange a new obligation for*
18 *outstanding obligations.*

19 (B) *ADDITIONAL REQUIREMENT.—At the di-*
20 *rection of the Facility, the old obligations that*
21 *are the subject of the agreement shall be canceled*
22 *and a new debt obligation shall be established for*
23 *the Russian Federation relating to the agree-*
24 *ment, and the Commodity Credit Corporation*

1 *shall make an adjustment in its accounts to re-*
 2 *flect the debt reduction.*

3 (c) *ADDITIONAL TERMS AND CONDITIONS.—The fol-*
 4 *lowing additional terms and conditions shall apply to the*
 5 *reduction of Soviet-era debt under subsection (a)(1) in the*
 6 *same manner as such terms and conditions apply to the*
 7 *reduction of debt under section 604(a)(1) of the Agricultural*
 8 *Trade Development and Assistance Act of 1954 (7 U.S.C.*
 9 *1738c):*

10 (1) *The provisions relating to repayment of*
 11 *principal under section 605 of such Act.*

12 (2) *The provisions relating to interest on new ob-*
 13 *ligations under section 606 of such Act.*

14 **SEC. 317. AUTHORITY TO ENGAGE IN DEBT-FOR-NON-**
 15 **PROLIFERATION EXCHANGES AND DEBT**
 16 **BUYBACKS.**

17 (a) *LOANS AND CREDITS ELIGIBLE FOR SALE, REDUC-*
 18 *TION, OR CANCELLATION.—*

19 (1) *DEBT-FOR-NONPROLIFERATION EX-*
 20 *CHANGES.—*

21 (A) *IN GENERAL.—Notwithstanding any*
 22 *other provision of law, and subject to section*
 23 *321, the President may, in accordance with this*
 24 *section, sell to any purchaser eligible under sub-*
 25 *paragraph (B), any loan or credit described in*

1 *section 315(a)(1), or any credit described in sec-*
2 *tion 316(a)(1), or on receipt of payment from an*
3 *eligible purchaser, reduce or cancel any such*
4 *loan or credit or portion thereof, only for the*
5 *purpose of facilitating a debt-for-nonprolifera-*
6 *tion exchange to support activities that further*
7 *United States objectives described in the findings*
8 *set forth in section 312(a).*

9 *(B) ELIGIBLE PURCHASER.—A loan or*
10 *credit may be sold, reduced, or canceled under*
11 *subparagraph (A) with respect to a purchaser*
12 *who presents plans satisfactory to the President*
13 *for using the loan or credit for the purpose of en-*
14 *gaging in debt-for-nonproliferation exchange to*
15 *support activities that further United States ob-*
16 *jectives described in the findings set forth in sec-*
17 *tion 312(a).*

18 *(C) CONSULTATION REQUIREMENT.—Before*
19 *the sale under subparagraph (A) to any pur-*
20 *chaser eligible under subparagraph (B), or any*
21 *reduction or cancellation under subparagraph*
22 *(A), of any loan or credit made to the Russian*
23 *Federation, the President shall consult with that*
24 *country concerning the amount of loans or cred-*
25 *its to be sold, reduced, or canceled and their uses*

1 *for debt-for-nonproliferation exchanges to sup-*
2 *port activities that further United States objec-*
3 *tives described in the findings set forth in section*
4 *312(a).*

5 (D) *AUTHORIZATION OF APPROPRIA-*
6 *TIONS.—For the cost of the reduction of any debt*
7 *pursuant to subparagraph (A), amounts author-*
8 *ized to be appropriated under sections 315(a)(3)*
9 *and 316(a)(3) shall be made available for such*
10 *reduction of debt pursuant to subparagraph (A).*

11 (2) *DEBT BUYBACKS.—Notwithstanding any*
12 *other provision of law, the President may, in accord-*
13 *ance with this section, sell to the Russian Federation*
14 *any loan or credit described in section 315(a)(1) or*
15 *any credit described in section 316(a)(1), or on re-*
16 *ceipt of payment from the Russian Federation, reduce*
17 *or cancel such loan or credit or portion thereof, if the*
18 *purpose of doing so is to facilitate a debt buyback by*
19 *the Russian Federation of its own qualified debt and*
20 *the Russian Federation uses a substantial additional*
21 *amount of its local currency to support activities that*
22 *further United States objectives described in the find-*
23 *ings set forth in section 312(a).*

24 (3) *LIMITATION.—The authority provided by*
25 *paragraphs (1) and (2) shall be available only to the*

1 *extent that appropriations for the cost of the modi-*
2 *fication of any debt pursuant to such paragraphs are*
3 *made in advance.*

4 (4) *TERMS AND CONDITIONS.*—*Notwithstanding*
5 *any other provision of law, the President shall, in ac-*
6 *cordance with this section, establish the terms and*
7 *conditions under which loans and credits may be sold,*
8 *reduced, or canceled pursuant to this section.*

9 (5) *ADMINISTRATION.*—

10 (A) *IN GENERAL.*—*The Facility shall notify*
11 *the Administrator of the agency primarily re-*
12 *sponsible for administering part I of the Foreign*
13 *Assistance Act of 1961 or the Commodity Credit*
14 *Corporation, as the case may be, of purchasers*
15 *that the President has determined to be eligible*
16 *under paragraph (1)(B), and shall direct such*
17 *agency or Corporation, as the case may be, to*
18 *carry out the sale, reduction, or cancellation of*
19 *a loan pursuant to such paragraph.*

20 (B) *ADDITIONAL REQUIREMENT.*—*Such*
21 *agency or Corporation, as the case may be, shall*
22 *make an adjustment in its accounts to reflect the*
23 *sale, reduction, or cancellation.*

24 (b) *DEPOSIT OF PROCEEDS.*—*The proceeds from a*
25 *sale, reduction, or cancellation of a loan sold, reduced, or*

1 *canceled pursuant to this section shall be deposited in the*
2 *United States Government account or accounts established*
3 *for the repayment of such loan.*

4 **SEC. 318. RUSSIAN NONPROLIFERATION INVESTMENT**
5 **AGREEMENT.**

6 (a) *AUTHORITY.*—Subject to section 321, the Secretary
7 is authorized, in consultation with other appropriate offi-
8 cials of the Federal Government, to enter into an agreement
9 with the Russian Federation concerning the use of the funds
10 saved by that country as a result of any debt relief provided
11 pursuant to this subtitle. An agreement entered into under
12 this section may be referred to as the “Russian Non-
13 proliferation Investment Agreement”.

14 (b) *CONTENT OF AGREEMENT.*—The Russian Non-
15 proliferation Investment Agreement shall ensure that—

16 (1) *a significant proportion of the funds saved*
17 *by the Russian Federation as a result of any debt re-*
18 *lief provided pursuant to this subtitle is devoted to*
19 *nonproliferation programs and projects;*

20 (2) *funding of each such program or project is*
21 *approved by the United States Government, either di-*
22 *rectly or through its representation on any governing*
23 *board that may be directed or established to manage*
24 *these funds;*

1 (3) *administration and oversight of nonprolifera-*
2 *tion programs and projects incorporate best practices*
3 *from established threat reduction and nonprolifera-*
4 *tion assistance programs;*

5 (4) *each program or project funded pursuant to*
6 *the Agreement is subject to audits conducted by or for*
7 *the United States Government;*

8 (5) *unobligated funds for investments pursuant*
9 *to the Agreement are segregated from other Russian*
10 *Federation funds and invested in financial instru-*
11 *ments guaranteed or insured by the United States*
12 *Government;*

13 (6) *the funds that are devoted to programs and*
14 *projects pursuant to the Agreement are not subject to*
15 *any taxation by the Russian Federation;*

16 (7) *all matters relating to the intellectual prop-*
17 *erty rights and legal liabilities of United States firms*
18 *in a given project are agreed upon before the expendi-*
19 *ture of funds is authorized for that project; and*

20 (8) *not less than 75 percent of the funds made*
21 *available for each nonproliferation program or project*
22 *under the Agreement is spent in the Russian Federa-*
23 *tion.*

24 (c) *USE OF EXISTING MECHANISMS.—It is the sense*
25 *of Congress that, to the extent practicable, the boards and*

1 *administrative mechanisms of existing threat reduction and*
2 *nonproliferation programs should be used in the adminis-*
3 *tration and oversight of programs and projects under the*
4 *Agreement.*

5 **SEC. 319. STRUCTURE OF DEBT-FOR-NONPROLIFERATION**
6 **ARRANGEMENTS.**

7 *It is the sense of Congress that any debt-for-non-*
8 *proliferation arrangements with the Russian Federation*
9 *should provide for gradual debt relief over a period of years,*
10 *with debt relief to be suspended if more than two years'*
11 *worth of funds remain unobligated for approved non-*
12 *proliferation programs or projects.*

13 **SEC. 320. INDEPENDENT MEDIA AND THE RULE OF LAW.**

14 *Subject to section 321, of the agreed funds saved by*
15 *the Russian Federation as a result of any debt relief pro-*
16 *vided pursuant to this subtitle, up to 10 percent may be*
17 *used to promote a vibrant, independent media sector and*
18 *the rule of law in the Russian Federation through an en-*
19 *dowment to support the establishment of a “Center for an*
20 *Independent Press and the Rule of Law” in the Russian*
21 *Federation, which shall be directed by a joint United*
22 *States-Russian Board of Directors in which the majority*
23 *of members, including the chairman, shall be United States*
24 *personnel, and which shall be responsible for management*
25 *of the endowment, its funds, and the Center’s programs.*

1 **SEC. 321. NONPROLIFERATION REQUIREMENT.**

2 (a) *PROLIFERATION TO STATE SPONSORS OF TER-*
3 *RORISM.*—*The authorities granted under sections 315, 316,*
4 *317, 318, and 320 may not be exercised, and funds may*
5 *not be expended, unless and until—*

6 (1) *the Russian Federation makes material*
7 *progress in stemming the flow of sensitive goods, tech-*
8 *nologies, material, and know-how related to the de-*
9 *sign, development, and production of weapons of mass*
10 *destruction and the means to deliver them to coun-*
11 *tries that have been determined by the Secretary, for*
12 *the purposes of section 40 of the Arms Export Control*
13 *Act, section 620A of the Foreign Assistance Act, or*
14 *section 6(j) of the Export Administration Act of 1979,*
15 *to have repeatedly provided support for acts of inter-*
16 *national terrorism; and*

17 (2) *the President certifies to the appropriate con-*
18 *gressional committees that the condition required in*
19 *paragraph (1) has been met.*

20 (b) *ANNUAL DETERMINATION.*—*If, in any annual re-*
21 *port to Congress submitted pursuant to section 325, the*
22 *President cannot certify that the Russian Federation con-*
23 *tinues to meet the condition required in subsection (a)(1),*
24 *then, subject to the provisions of subsection (c), the authori-*
25 *ties granted under under sections 315, 316, 317, 318, and*
26 *320 may not be exercised, and funds may not be expended,*

1 *unless and until such certification is made to the appro-*
2 *priate congressional committees.*

3 (c) *PRESIDENTIAL WAIVER.—The President may*
4 *waive the requirements of subsection (b) for a fiscal year*
5 *if the President determines that imposition of those require-*
6 *ments in that fiscal year would be counter to the national*
7 *interest of the United States and so reports to the appro-*
8 *priate congressional committees.*

9 **SEC. 322. DISCUSSION OF RUSSIAN FEDERATION DEBT RE-**
10 **DUCTION FOR NONPROLIFERATION WITH**
11 **OTHER CREDITOR STATES.**

12 *The President and such other appropriate officials as*
13 *the President may designate shall institute discussions in*
14 *the Paris Club of creditor states with the objectives of—*

15 (1) *reaching agreement that each member of the*
16 *Paris Club is authorized to negotiate debt exchanges*
17 *with the Russian Federation covering a portion of its*
18 *bilateral debt, to finance the accomplishment of non-*
19 *proliferation and arms reduction activities;*

20 (2) *convincing other member states of the Paris*
21 *Club, especially the largest holders of Soviet-era Rus-*
22 *sian debt, to dedicate significant proportions of their*
23 *bilateral debt with the Russian Federation to these*
24 *purposes; and*

1 (3) reaching agreement, as appropriate, to estab-
2 lish a unified debt exchange fund to manage and pro-
3 vide financial transparency for the resources provided
4 through the debt exchanges.

5 **SEC. 323. IMPLEMENTATION OF UNITED STATES POLICY.**

6 It is the sense of Congress that implementation of debt-
7 for-nonproliferation programs with the Russian Federation
8 should be overseen by the Committee on Nonproliferation
9 Assistance to the Independent States of the Former Soviet
10 Union (established pursuant to section 334 of this Act).

11 **SEC. 324. CONSULTATIONS WITH CONGRESS.**

12 The President shall consult with the appropriate con-
13 gressional committees on a periodic basis to review the oper-
14 ations of the Facility and the Russian Federation's eligi-
15 bility for benefits from the Facility.

16 **SEC. 325. ANNUAL REPORT TO CONGRESS.**

17 Not later than December 31, 2002, and not later than
18 December 31 of each year thereafter, the President shall pre-
19 pare and transmit to Congress a report concerning the oper-
20 ation of the Facility during the fiscal year preceding the
21 fiscal year in which the report is transmitted. The report
22 on a fiscal year shall include—

23 (1) a description of the activities undertaken by
24 the Facility during the fiscal year;

1 (2) a description of any agreement entered into
2 under this subtitle;

3 (3) a description of any grants that have been
4 provided pursuant to the agreement; and

5 (4) a summary of the results of audits performed
6 in the fiscal year pursuant to the agreement.

7 **Subtitle C—Nonproliferation**
8 **Assistance Coordination**

9 **SEC. 331. SHORT TITLE.**

10 *This subtitle may be cited as the “Nonproliferation As-*
11 *sistance Coordination Act of 2002”.*

12 **SEC. 332. FINDINGS.**

13 *Congress finds that—*

14 (1) *United States nonproliferation efforts in the*
15 *independent states of the former Soviet Union have*
16 *achieved important results in ensuring that weapons*
17 *of mass destruction, weapons-usable material and*
18 *technology, and weapons-related knowledge remain be-*
19 *yond the reach of terrorists and weapons-proliferating*
20 *states;*

21 (2) *although these efforts are in the United*
22 *States national security interest, the effectiveness of*
23 *these efforts suffers from a lack of coordination within*
24 *and among United States Government agencies;*

1 (3) increased spending and investment by the
2 United States private sector on nonproliferation ef-
3 forts in the independent states of the former Soviet
4 Union, specifically, spending and investment by the
5 United States private sector in job creation initiatives
6 and proposals for unemployed Russian Federation
7 weapons scientists and technicians, are making an
8 important contribution in ensuring that knowledge
9 related to weapons of mass destruction remains be-
10 yond the reach of terrorists and weapons-proliferating
11 states; and

12 (4) increased spending and investment by the
13 United States private sector on nonproliferation ef-
14 forts in the independent states of the former Soviet
15 Union require the establishment of a coordinating
16 body to ensure that United States public and private
17 efforts are not in conflict, and to ensure that public
18 spending on efforts by the independent states of the
19 former Soviet Union is maximized to ensure effi-
20 ciency and further United States national security
21 interests.

1 **SEC. 333. INDEPENDENT STATES OF THE FORMER SOVIET**
2 **UNION DEFINED.**

3 *In this subtitle, the term “independent states of the*
4 *former Soviet Union” has the meaning given the term in*
5 *section 3 of the FREEDOM Support Act (22 U.S.C. 5801).*

6 **SEC. 334. ESTABLISHMENT OF COMMITTEE ON NON-**
7 **PROLIFERATION ASSISTANCE TO THE INDE-**
8 **PENDENT STATES OF THE FORMER SOVIET**
9 **UNION.**

10 *(a) ESTABLISHMENT.—There is established within the*
11 *executive branch of the Government an interagency com-*
12 *mittee known as the “Committee on Nonproliferation As-*
13 *sistance to the Independent States of the Former Soviet*
14 *Union” (in this subtitle referred to as the “Committee”).*

15 *(b) MEMBERSHIP.—*

16 *(1) IN GENERAL.—The Committee shall be com-*
17 *posed of five members, as follows:*

18 *(A) A representative of the Department of*
19 *State designated by the Secretary of State.*

20 *(B) A representative of the Department of*
21 *Energy designated by the Secretary of Energy.*

22 *(C) A representative of the Department of*
23 *Defense designated by the Secretary of Defense.*

24 *(D) A representative of the Department of*
25 *Commerce designated by the Secretary of Com-*
26 *merce.*

1 (E) *A representative of the Assistant to the*
2 *President for National Security Affairs des-*
3 *ignated by the Assistant to the President.*

4 (2) *LEVEL OF REPRESENTATION.*—*The Secretary*
5 *of a department named in subparagraph (A), (B),*
6 *(C), or (D) of paragraph (1) shall designate as the de-*
7 *partment’s representative an official of that depart-*
8 *ment who is not below the level of an Assistant Sec-*
9 *retary of the department.*

10 (c) *CHAIR.*—*The representative of the Assistant to the*
11 *President for National Security Affairs shall serve as Chair*
12 *of the Committee. The Chair may invite the head of any*
13 *other department or agency of the United States to des-*
14 *ignate a representative of that department or agency to par-*
15 *ticipate from time to time in the activities of the Com-*
16 *mittee.*

17 **SEC. 335. DUTIES OF THE COMMITTEE.**

18 (a) *IN GENERAL.*—*The Committee shall have primary*
19 *continuing responsibility within the executive branch of the*
20 *Government for—*

21 (1) *monitoring United States nonproliferation*
22 *efforts in the independent states of the former Soviet*
23 *Union; and*

24 (2) *coordinating the implementation of United*
25 *States policy with respect to such efforts.*

1 (b) *DUTIES SPECIFIED.*—*In carrying out the respon-*
2 *sibilities described in subsection (a), the Committee shall—*

3 (1) *arrange for the preparation of analyses on*
4 *the issues and problems relating to coordination with-*
5 *in and among United States departments and agen-*
6 *cies on nonproliferation efforts of the independent*
7 *states of the former Soviet Union;*

8 (2) *arrange for the preparation of analyses on*
9 *the issues and problems relating to coordination be-*
10 *tween the United States public and private sectors on*
11 *nonproliferation efforts in the independent states of*
12 *the former Soviet Union, including coordination be-*
13 *tween public and private spending on nonprolifera-*
14 *tion programs of the independent states of the former*
15 *Soviet Union and coordination between public spend-*
16 *ing and private investment in defense conversion ac-*
17 *tivities of the independent states of the former Soviet*
18 *Union;*

19 (3) *provide guidance on arrangements that will*
20 *coordinate, de-conflict, and maximize the utility of*
21 *United States public spending on nonproliferation*
22 *programs of the independent states of the former So-*
23 *viet Union to ensure efficiency and further United*
24 *States national security interests;*

1 (4) encourage companies and nongovernmental
2 organizations involved in nonproliferation efforts of
3 the independent states of the former Soviet Union to
4 voluntarily report these efforts to the Committee;

5 (5) arrange for the preparation of analyses on
6 the issues and problems relating to the coordination
7 between the United States and other countries with
8 respect to nonproliferation efforts in the independent
9 states of the former Soviet Union; and

10 (6) consider, and make recommendations to the
11 President and Congress with respect to, proposals for
12 new legislation or regulations relating to United
13 States nonproliferation efforts in the independent
14 states of the former Soviet Union as may be nec-
15 essary.

16 **SEC. 336. ADMINISTRATIVE SUPPORT.**

17 All United States departments and agencies shall pro-
18 vide, to the extent permitted by law, such information and
19 assistance as may be requested by the Committee in car-
20 rying out its functions and activities under this subtitle.

21 **SEC. 337. CONFIDENTIALITY OF INFORMATION.**

22 Information which has been submitted or received in
23 confidence shall not be publicly disclosed, except to the ex-
24 tent required by law, and such information shall be used

1 *by the Committee only for the purpose of carrying out the*
2 *functions and activities set forth in this subtitle.*

3 **SEC. 338. STATUTORY CONSTRUCTION.**

4 *Nothing in this subtitle—*

5 *(1) applies to the data-gathering, regulatory, or*
6 *enforcement authority of any existing United States*
7 *department or agency over nonproliferation efforts in*
8 *the independent states of the former Soviet Union,*
9 *and the review of those efforts undertaken by the Com-*
10 *mittee shall not in any way supersede or prejudice*
11 *any other process provided by law; or*

12 *(2) applies to any activity that is reportable*
13 *pursuant to title V of the National Security Act of*
14 *1947 (50 U.S.C. 413 et seq.).*

15 **TITLE IV—EXPEDITING THE MU-**
16 **NITIONS LICENSING PROCESS**

17 **SEC. 401. LICENSE OFFICER STAFFING.**

18 *(a) FUNDING.—Of the amounts authorized to be ap-*
19 *propriated under the appropriations account entitled “DIP-*
20 *LOMATIC AND CONSULAR PROGRAMS” for fiscal years 2002*
21 *and 2003, not less than \$10,000,000 shall be made available*
22 *each such fiscal year for the Office of Defense Trade Controls*
23 *of the Department of State for salaries and expenses.*

24 *(b) ASSIGNMENT OF LICENSE REVIEW OFFICERS.—Ef-*
25 *fective January 1, 2002, the Secretary shall assign to the*

1 *Office of Defense Trade Controls of the Department of State*
2 *a sufficient number of license review officers to ensure that*
3 *the average weekly caseload for each officer does not exceed*
4 *40.*

5 *(c) DETAILEES.—For the purpose of expediting license*
6 *reviews, the Secretary of Defense should ensure that 10 mili-*
7 *tary officers are continuously detailed to the Office of De-*
8 *fense Trade Controls of the Department of State on a non-*
9 *reimbursable basis.*

10 **SEC. 402. FUNDING FOR DATABASE AUTOMATION.**

11 *Of the amounts authorized to be appropriated under*
12 *the appropriations account entitled “CAPITAL INVESTMENT*
13 *FUND” for fiscal years 2002 and 2003, not less than*
14 *\$4,000,000 shall be made available each such fiscal year*
15 *for the Office of Defense Trade Controls of the Department*
16 *of State for the modernization of information management*
17 *systems.*

18 **SEC. 403. INFORMATION MANAGEMENT PRIORITIES.**

19 *(a) OBJECTIVE.—The Secretary shall establish a se-*
20 *cure, Internet-based system for the filing and review of ap-*
21 *plications for export of Munitions List items.*

22 *(b) ESTABLISHMENT OF AN ELECTRONIC SYSTEM.—*
23 *Of the amounts made available pursuant to section 402,*
24 *not less than \$3,000,000 each such fiscal year shall be made*

1 *available to fully automate the Defense Trade Application*
2 *System, and to ensure that the system—*

3 *(1) is a secure, electronic system for the filing*
4 *and review of Munitions List license applications;*

5 *(2) is accessible by United States companies*
6 *through the Internet for the purpose of filing and*
7 *tracking their Munitions List license applications;*
8 *and*

9 *(3) is capable of exchanging data with—*

10 *(A) the Export Control Automated Support*
11 *System of the Department of Commerce;*

12 *(B) the Foreign Disclosure and Technology*
13 *Information System and the USXPORTS sys-*
14 *tems of the Department of Defense;*

15 *(C) the Export Control System of the Cen-*
16 *tral Intelligence Agency; and*

17 *(D) the Proliferation Information Network*
18 *System of the Department of Energy.*

19 *(c) MUNITIONS LIST DEFINED.—In this section, the*
20 *term “Munitions List” means the United States Munitions*
21 *List of defense articles and defense services controlled under*
22 *section 38 of the Arms Export Control Act (22 U.S.C. 2778).*

1 **SEC. 404. IMPROVEMENTS TO THE AUTOMATED EXPORT**
2 **SYSTEM.**

3 (a) *CONTRIBUTION TO THE AUTOMATED EXPORT SYS-*
4 *TEM.—Not less than \$250,000 of the amounts provided*
5 *under section 302 for each fiscal year shall be available for*
6 *the purpose of—*

7 (1) *providing the Department of State with full*
8 *access to the Automated Export System;*

9 (2) *ensuring that the system is modified to meet*
10 *the needs of the Department of State, if such modi-*
11 *fications are consistent with the needs of other United*
12 *States Government agencies; and*

13 (3) *providing operational support.*

14 (b) *MANDATORY FILING.—The Secretary of Commerce,*
15 *with the concurrence of the Secretary of State and the Sec-*
16 *retary of Treasury, shall publish regulations in the Federal*
17 *Register to require, upon the effective date of those regula-*
18 *tions, that all persons who are required to file export infor-*
19 *mation under chapter 9 of title 13, United States Code, to*
20 *file such information through the Automated Export Sys-*
21 *tem.*

22 (c) *REQUIREMENT FOR INFORMATION SHARING.—The*
23 *Secretary shall conclude an information-sharing arrange-*
24 *ment with the heads of United States Customs Service and*
25 *the Census Bureau—*

1 (1) to allow the Department of State to access
2 information on controlled exports made through the
3 United States Postal Service; and

4 (2) to adjust the Automated Export System to
5 parallel information currently collected by the De-
6 partment of State.

7 (d) *SECRETARY OF TREASURY FUNCTIONS*.—Section
8 303 of title 13, United States Code, is amended by striking
9 “, other than by mail,”.

10 (e) *FILING EXPORT INFORMATION, DELAYED FILINGS,*
11 *PENALTIES FOR FAILURE TO FILE*.—Section 304 of title
12 13, United States Code, is amended—

13 (1) in subsection (a)—

14 (A) in the first sentence, by striking “the
15 penal sum of \$1,000” and inserting “a penal
16 sum of \$10,000”; and

17 (B) in the third sentence, by striking “a
18 penalty not to exceed \$100 for each day’s delin-
19 quency beyond the prescribed period, but not
20 more than \$1,000,” and inserting “a penalty not
21 to exceed \$1,000 for each day’s delinquency be-
22 yond the prescribed period, but not more than
23 \$10,000 per violation”;

24 (2) by redesignating subsection (b) as subsection
25 (c); and

1 (3) *by inserting after subsection (a) the fol-*
2 *lowing:*

3 “(b) *Any person, other than a person described in sub-*
4 *section (a), required to submit export information, shall file*
5 *such information in accordance with any rule, regulation,*
6 *or order issued pursuant to this chapter. In the event any*
7 *such information or reports are not filed within such pre-*
8 *scribed period, the Secretary of Commerce (and officers of*
9 *the Department of Commerce designated by the Secretary)*
10 *may impose a civil penalty not to exceed \$1,000 for each*
11 *day’s delinquency beyond the prescribed period, but not*
12 *more than \$10,000 per violation.”.*

13 (f) *ADDITIONAL PENALTIES.—*

14 (1) *IN GENERAL.—Section 305 of title 13,*
15 *United States Code, is amended to read as follows:*

16 **“SEC. 305. PENALTIES FOR UNLAWFUL EXPORT INFORMA-**
17 **TION ACTIVITIES.**

18 “(a) *CRIMINAL PENALTIES.—(1) Any person who*
19 *knowingly fails to file or knowingly submits false or mis-*
20 *leading export information through the Shippers Export*
21 *Declaration (SED) (or any successor document) or the*
22 *Automated Export System (AES) shall be subject to a fine*
23 *not to exceed \$10,000 per violation or imprisonment for not*
24 *more than 5 years, or both.*

1 “(2) *Any person who knowingly reports any informa-*
2 *tion on or uses the SED or the AES to further any illegal*
3 *activity shall be subject to a fine not to exceed \$10,000 per*
4 *violation or imprisonment for not more than 5 years, or*
5 *both.*

6 “(3) *Any person who is convicted under this subsection*
7 *shall, in addition to any other penalty, be subject to for-*
8 *feiting to the United States—*

9 “(A) *any of that person’s interest in, security of,*
10 *claim against, or property or contractual rights of*
11 *any kind in the goods or tangible items that were the*
12 *subject of the violation;*

13 “(B) *any of that person’s interest in, security of,*
14 *claim against, or property or contractual rights of*
15 *any kind in tangible property that was used in the*
16 *export or attempt to export that was the subject of the*
17 *violation; and*

18 “(C) *any of that person’s property constituting,*
19 *or derived from, any proceeds obtained directly or in-*
20 *directly as a result of the violation.*

21 “(b) *CIVIL PENALTIES.—The Secretary (and officers of*
22 *the Department of Commerce specifically designated by the*
23 *Secretary) may impose a civil penalty not to exceed \$10,000*
24 *per violation on any person violating the provisions of this*
25 *chapter or any rule, regulation, or order issued thereunder,*

1 *except as provided in section 304. Such penalty may be in*
2 *addition to any other penalty imposed by law.*

3 “(c) *CIVIL PENALTY PROCEDURE.—(1) When a civil*
4 *penalty is sought for a violation of this section or of section*
5 *304, the charged party is entitled to receive a formal com-*
6 *plaint specifying the charges and, at his or her request, to*
7 *contest the charges in a hearing before an administrative*
8 *law judge. Any such hearing shall be conducted in accord-*
9 *ance with sections 556 and 557 of title 5, United States*
10 *Code.*

11 “(2) *If any person fails to pay a civil penalty imposed*
12 *under this chapter, the Secretary may ask the Attorney*
13 *General to commence a civil action in an appropriate dis-*
14 *trict court of the United States to recover the amount im-*
15 *posed (plus interest at currently prevailing rates from the*
16 *date of the final order). No such action may be commenced*
17 *more than 5 years after the order imposing the civil penalty*
18 *becomes final. In such action, the validity, amount, and*
19 *appropriateness of such penalty shall not be subject to re-*
20 *view.*

21 “(3) *The Secretary may remit or mitigate any pen-*
22 *alties imposed under paragraph (1) if, in his or her*
23 *opinion—*

24 “(A) *the penalties were incurred without willful neg-*
25 *ligence or fraud; or*

1 “(B) other circumstances exist that justify a remission
2 or mitigation.

3 “(4) If, pursuant to section 306, the Secretary dele-
4 gates functions under this section to another agency, the
5 provisions of law of that agency relating to penalty assess-
6 ment, remission or mitigation of such penalties, collection
7 of such penalties, and limitations of actions and com-
8 promise of claims, shall apply.

9 “(5) Any amount paid in satisfaction of a civil pen-
10 alty imposed under this section or section 304 shall be de-
11 posited into the general fund of the Treasury and credited
12 as miscellaneous receipts.

13 “(d) ENFORCEMENT.—(1) The Secretary of Commerce
14 may designate officers or employees of the Office of Export
15 Enforcement to conduct investigations pursuant to this
16 chapter. In conducting such investigations, those officers or
17 employees may, to the extent necessary or appropriate to
18 the enforcement of this chapter, exercise such authorities as
19 are conferred upon them by other laws of the United States,
20 subject to policies and procedures approved by the Attorney
21 General.

22 “(2) The Commissioner of Customs may designate offi-
23 cers or employees of the Customs Service to enforce the pro-
24 visions of this chapter, or to conduct investigations pursu-
25 ant to this chapter.

1 “(e) *REGULATIONS.*—*The Secretary of Commerce shall*
2 *promulgate regulations for the implementation and enforce-*
3 *ment of this section.*

4 “(f) *EXEMPTION.*—*The criminal fines provided for in*
5 *this section are exempt from the provisions of section 3571*
6 *of title 18, United States Code.*”.

7 (2) *CLERICAL AMENDMENT.*—*The table of sec-*
8 *tions at the beginning of chapter 9 of title 13, United*
9 *States Code, is amended by striking the item relating*
10 *to section 305 and inserting the following:*

“305. Penalties for unlawful export information activities.”.

11 **SEC. 405. ADJUSTMENT OF THRESHOLD AMOUNTS FOR**
12 **CONGRESSIONAL REVIEW PURPOSES.**

13 *The Arms Export Control Act is amended—*

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

15 (A) *in paragraphs (1) and (3)(A), by strik-*
16 *ing “The President may not” and inserting*
17 *“Subject to paragraph (5), the President may*
18 *not”; and*

19 (B) *by adding at the end of the following*
20 *new paragraph:*

21 “(5) *In the case of a transfer to a member country*
22 *of the North Atlantic Treaty Organization (NATO) or Aus-*
23 *tralia, Japan, or New Zealand that does not authorize a*
24 *new sales territory that includes any country other than*
25 *such countries, the limitations on consent of the President*

1 *set forth in paragraphs (1) and (3)(A) shall apply only if*
2 *the transfer is—*

3 “(A) a transfer of major defense equipment val-
4 ued (in terms of its original acquisition cost) at
5 \$25,000,000 or more; or

6 “(B) a transfer of defense articles or defense serv-
7 ices valued (in terms of its original acquisition cost)
8 at \$100,000,000 or more.”;

9 (2) in section 36 (22 U.S.C. 2776)—

10 (A) in subsection (b)—

11 (i) in paragraph (1), by striking “(1)
12 In the case of” and inserting “(1) Subject to
13 paragraph (6), in the case of”;

14 (ii) in paragraph (5)(C), by striking
15 “(C) If” and inserting “(C) Subject to
16 paragraph (6), if”; and

17 (iii) by adding at the end of the fol-
18 lowing new paragraph:

19 “(6) The limitation in paragraph (1) and the require-
20 ment in paragraph (5)(C) shall apply in the case of a letter
21 of offer to sell to a member country of the North Atlantic
22 Treaty Organization (NATO) or Australia, Japan, or New
23 Zealand that does not authorize a new sales territory that
24 includes any country other than such countries only if the
25 letter of offer involves—

1 “(A) sale of major defense equipment under this
2 *Act for, or enhancement or upgrade of major defense*
3 *equipment at a cost of, \$25,000,000 or more, as the*
4 *case may be; and*

5 “(B) sale of defense articles or services for, or en-
6 *hancement or upgrade of defense articles or services at*
7 *a cost of, \$100,000,000 or more, as the case may be;*
8 *or*

9 “(C) sale of design and construction services for,
10 *or enhancement or upgrade of design and construc-*
11 *tion services at a cost of, \$300,000,000 or more, as the*
12 *case may be.”; and*

13 (B) in subsection (c)—

14 (i) in paragraph (1), by striking “(1)
15 *In the case of” and inserting “(1) Subject to*
16 *paragraph (5), in the case of”;* and

17 (ii) by adding at the end the following
18 *new paragraph:*

19 “(5) *In the case of an application by a person (other*
20 *than with regard to a sale under section 21 or 22 of this*
21 *Act) for a license for the export to a member country of*
22 *the North Atlantic Treaty Organization (NATO) or Aus-*
23 *tralia, Japan, or New Zealand that does not authorize a*
24 *new sales territory that includes any country other than*
25 *such countries, the limitation on the issuance of the license*

1 *set forth in paragraph (1) shall apply only if the license*
2 *is for export of—*

3 *“(A) major defense equipment sold under a con-*
4 *tract in the amount of \$25,000,000 or more; or*

5 *“(B) defense articles or defense services sold*
6 *under a contract in the amount of \$100,000,000 or*
7 *more.”; and*

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

9 *(A) by striking “In the case of” and insert-*
10 *ing “(1) Subject to paragraph (2), in the case*
11 *of”; and*

12 *(B) by adding at the end the following new*
13 *paragraph:*

14 *“(2) In the case of an agreement described in para-*
15 *graph (1) that is entered into with a member country of*
16 *the North Atlantic Treaty Organization (NATO) or Aus-*
17 *tralia, Japan, or New Zealand, the limitation in para-*
18 *graph (1) shall apply only if the agreement involves a lease*
19 *or loan of—*

20 *“(A) major defense equipment valued (in terms*
21 *of its replacement cost less any depreciation in its*
22 *value) at \$25,000,000 or more; or*

23 *“(B) defense articles valued (in terms of their re-*
24 *placement cost less any depreciation in their value) at*
25 *\$100,000,000 or more.”.*

1 **SEC. 406. PERIODIC NOTIFICATION OF PENDING APPLICA-**
2 **TIONS FOR EXPORT LICENSES.**

3 *The Secretary shall submit, on a biannual basis, to*
4 *the appropriate committees of Congress a report*
5 *identifying—*

6 *(1) each outstanding application for a license to*
7 *export under section 38 of the Arms Export Control*
8 *Act for which final administrative action has been*
9 *withheld for longer than 180 days; and*

10 *(2) the referral status of each such application*
11 *and any other relevant information.*

12 **TITLE V—NATIONAL SECURITY**
13 **ASSISTANCE STRATEGY**

14 **SEC. 501. ESTABLISHMENT OF THE STRATEGY.**

15 *(a) REQUIREMENT.—Not later than 180 days after the*
16 *date of enactment of this Act, and annually thereafter in*
17 *connection with submission of congressional presentation*
18 *materials for the foreign operations appropriations budget*
19 *request, the Secretary shall submit to the appropriate com-*
20 *mittees of Congress a report setting forth a National Secu-*
21 *rity Assistance Strategy for the United States.*

22 *(b) ELEMENTS OF THE STRATEGY.—The National Se-*
23 *curity Assistance Strategy shall—*

24 *(1) set forth a 5-year plan for security assistance*
25 *programs;*

1 (2) *be consistent with the National Security*
2 *Strategy of the United States;*

3 (3) *be coordinated with the Secretary of Defense*
4 *and the Chairman of the Joint Chiefs of Staff;*

5 (4) *identify overarching security assistance objec-*
6 *tives, including identification of the role that specific*
7 *security assistance programs will play in achieving*
8 *such objectives;*

9 (5) *identify a primary security assistance objec-*
10 *tive, as well as specific secondary objectives, for indi-*
11 *vidual countries;*

12 (6) *identify, on a country-by-country basis, how*
13 *specific resources will be allocated to accomplish both*
14 *primary and secondary objectives;*

15 (7) *discuss how specific types of assistance, such*
16 *as foreign military financing and international mili-*
17 *tary education and training, will be combined at the*
18 *country level to achieve United States objectives; and*

19 (8) *detail, with respect to each of the paragraphs*
20 *(1) through (7), how specific types of assistance pro-*
21 *vided pursuant to the Arms Export Control Act and*
22 *Foreign Assistance Act of 1961 are coordinated with*
23 *United States assistance programs administered by*
24 *the Department of Defense and other agencies.*

1 (c) *COVERED ASSISTANCE.*—*The National Security*
2 *Assistance Strategy shall cover assistance provided under—*

3 (1) *section 23 of the Arms Export Control Act*
4 (22 U.S.C. 2763);

5 (2) *chapter 5 of part II of the Foreign Assistance*
6 *Act of 1961 (22 U.S.C. 2347 et seq.); and*

7 (3) *section 516 of the Foreign Assistance Act of*
8 *1961 (22 U.S.C. 2321i).*

9 **SEC. 502. SECURITY ASSISTANCE SURVEYS.**

10 (a) *UTILIZATION.*—*The Secretary shall utilize security*
11 *assistance surveys in preparation of the National Security*
12 *Assistance Strategy required pursuant to section 501 of this*
13 *Act.*

14 (b) *FUNDING.*—*Of the amounts made available for fis-*
15 *cal year 2002 under section 23 of the Arms Export Control*
16 *Act (22 U.S.C. 2763), \$2,000,000 is authorized to be avail-*
17 *able to the Secretary to conduct security assistance surveys,*
18 *or to request such a survey, on a reimbursable basis, by*
19 *the Department of Defense or other United States Govern-*
20 *ment agencies. Such surveys shall be conducted consistent*
21 *with the requirements of section 26 of the Arms Export Con-*
22 *trol Act.*

1 **TITLE VI—MISCELLANEOUS**
2 **PROVISIONS**

3 **SEC. 601. NUCLEAR AND MISSILE NONPROLIFERATION IN**
4 **SOUTH ASIA.**

5 (a) *UNITED STATES POLICY.*—*It shall be the policy*
6 *of the United States, consistent with its obligations under*
7 *the Treaty on the Non-Proliferation of Nuclear Weapons,*
8 *to encourage and work with the governments of India and*
9 *Pakistan to achieve the following objectives by September*
10 *30, 2003:*

11 (1) *Continuation of a nuclear testing morato-*
12 *rium.*

13 (2) *Commitment not to deploy nuclear weapons.*

14 (3) *Agreement by both governments to bring*
15 *their export controls in line with the guidelines and*
16 *requirements of the Nuclear Suppliers Group.*

17 (4) *Agreement by both governments to bring*
18 *their export controls in line with the guidelines and*
19 *requirements of the Zangger Committee.*

20 (5) *Agreement by both governments to bring*
21 *their export controls in line with the guidelines, re-*
22 *quirements, and annexes of the Missile Technology*
23 *Control Regime.*

24 (6) *Establishment of a modern, effective system*
25 *to protect and secure nuclear devices and materiel*

1 *from unauthorized use, accidental employment, theft,*
2 *espionage, misuse, or abuse.*

3 *(7) Establishment of a modern, effective system*
4 *to control the export of sensitive dual-use items, tech-*
5 *nology, technical information, and materiel that can*
6 *be used in the design, development, or production of*
7 *weapons of mass destruction and ballistic missiles.*

8 *(8) Conduct of bilateral meetings between Indian*
9 *and Pakistani senior officials to discuss security*
10 *issues, establish confidence building measures, and in-*
11 *crease transparency with regard to nuclear policies,*
12 *programs, stockpiles, capabilities, and delivery sys-*
13 *tems.*

14 *(b) REPORT.—Not later than March 1, 2003, the Presi-*
15 *dent shall submit to the appropriate committees of Congress*
16 *a report describing United States efforts in pursuit of the*
17 *objectives listed in subsection (a), the progress made toward*
18 *the achievement of those objectives, and the likelihood that*
19 *each objective will be achieved by September 30, 2003.*

20 **SEC. 602. REAL-TIME PUBLIC AVAILABILITY OF RAW SEIS-**
21 **MOLOGICAL DATA.**

22 *The head of the Air Force Technical Applications Cen-*
23 *ter shall make available to the public, immediately upon*
24 *receipt or as soon after receipt as is possible, all raw seismo-*
25 *logical data provided to the United States Government by*

1 *any international monitoring organization that is directly*
2 *responsible for seismological monitoring.*

3 **SEC. 603. DETAILING UNITED STATES GOVERNMENTAL PER-**
4 **SONNEL TO INTERNATIONAL ARMS CONTROL**
5 **AND NONPROLIFERATION ORGANIZATIONS.**

6 (a) *IN GENERAL.*—*The Secretary, in consultation with*
7 *the Secretaries of Defense and Energy and the heads of other*
8 *relevant United States departments and agencies, as appro-*
9 *priate, shall develop measures to improve the process by*
10 *which United States Government personnel may be detailed*
11 *to international arms control and nonproliferation organi-*
12 *zations without adversely affecting the pay or career ad-*
13 *vancement of such personnel.*

14 (b) *REPORT REQUIRED.*—*Not later than May 1, 2002,*
15 *the Secretary shall submit a report to the Committee on*
16 *Foreign Relations of the Senate and the Committee on*
17 *International Relations of the House of Representatives set-*
18 *ting forth the measures taken under subsection (a).*

19 **SEC. 604. DIPLOMATIC PRESENCE OVERSEAS.**

20 (a) *PURPOSE.*—*The purpose of this section is to—*

21 (1) *elevate the stature given United States diplo-*
22 *matic initiatives relating to nonproliferation and po-*
23 *litical-military issues; and*

24 (2) *develop a group of highly specialized, tech-*
25 *nical experts with country expertise capable of ad-*

1 *ministering the nonproliferation and political-mili-*
2 *tary affairs functions of the Department of State.*

3 *(b) AUTHORITY.—To carry out the purposes of sub-*
4 *section (a), the Secretary is authorized to establish the posi-*
5 *tion of Counselor for Nonproliferation and Political Mili-*
6 *tary Affairs in United States diplomatic missions overseas*
7 *to be filled by individuals who are career Civil Service offi-*
8 *cers or Foreign Service officers committed to follow-on as-*
9 *signments in the Nonproliferation or Political Military Af-*
10 *airs Bureaus of the Department of State.*

11 *(c) TRAINING.—After being selected to serve as Coun-*
12 *selor, any person so selected shall spend not less than 10*
13 *months in language training courses at the Foreign Service*
14 *Institute, or in technical courses administered by the De-*
15 *partment of Defense, the Department of Energy, or other*
16 *appropriate departments and agencies of the United States,*
17 *except that such requirement for training may be waived*
18 *by the Secretary.*

19 **SEC. 605. PROTECTION AGAINST AGRICULTURAL BIOTER-**
20 **RORISM.**

21 *Of funds made available to carry out programs under*
22 *the Foreign Assistance Act of 1961, \$1,500,000 may be*
23 *made available to North Carolina State University for the*
24 *purpose of fingerprinting crop and livestock pathogens in*
25 *order to enhance the ability of the United States Govern-*

1 *ment to detect new strains, determine their origin, and to*
2 *facilitate research in pathogen epidemiology.*

3 **SEC. 606. COMPLIANCE WITH THE CHEMICAL WEAPONS**
4 **CONVENTION.**

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

6 *(1) On April 24, 1997, the Senate provided its*
7 *advice and consent to ratification of the Chemical*
8 *Weapons Convention subject to the condition that no*
9 *sample collected in the United States pursuant to the*
10 *Convention would be transferred for analysis to any*
11 *laboratory outside the territory of the United States.*

12 *(2) Congress enacted the same condition into law*
13 *as section 304(f)(1) of the Chemical Weapons Conven-*
14 *tion Implementation Act of 1998 (22 U.S.C.*
15 *6724(f)(1)).*

16 *(3) Part II, paragraph 57, of the Verification*
17 *Annex of the Convention requires that all samples*
18 *taken during a challenge inspection under the Con-*
19 *vention shall be analyzed by at least two laboratories*
20 *that have been designated as capable of conducting*
21 *such testing by the OPCW.*

22 *(4) The only United States laboratory currently*
23 *designated by the OPCW is the United States Army*
24 *Edgewood Forensic Science Laboratory.*

1 (5) *In order to meet the requirements of condi-*
2 *tion (18) of the resolution of ratification of the Chem-*
3 *ical Weapons Convention, and section 304 of the*
4 *Chemical Weapons Convention Implementation Act of*
5 *1998 (22 U.S.C. 6724), the United States must pos-*
6 *sess, at a minimum, a second OPCW-designated lab-*
7 *oratory.*

8 (6) *The possession of a second laboratory is nec-*
9 *essary in view of the potential for a challenge inspec-*
10 *tion to be initiated against the United States by a*
11 *foreign nation.*

12 (7) *To qualify as a designated laboratory, a lab-*
13 *oratory must be certified under ISO Guide 25 or a*
14 *higher standard, and complete three proficiency tests.*
15 *The laboratory must have the full capability to handle*
16 *substances listed on Schedule 1 of the Annex on*
17 *Schedules of Chemicals of the Chemical Weapons Con-*
18 *vention. In order to handle such substances in the*
19 *United States, a laboratory also must operate under*
20 *a bailment agreement with the United States Army.*

21 (8) *Several existing United States commercial*
22 *laboratories have approved quality control systems,*
23 *already possess bailment agreements with the United*
24 *States Army, and have the capabilities necessary to*
25 *obtain OPCW designation.*

1 (9) *In order to bolster the legitimacy of United*
2 *States analysis of samples taken on its national terri-*
3 *tory, it is preferable that the second designated lab-*
4 *oratory is not a United States Government facility.*
5 *Further, it is not cost-effective to build and equip an-*
6 *other Government laboratory to meet OPCW designa-*
7 *tion standards when such capability already exists in*
8 *the private sector.*

9 (b) *ESTABLISHMENT OF SECOND DESIGNATED LAB-*
10 *ORATORY.—*

11 (1) *DIRECTIVE.—Not later than February 1,*
12 *2002, the United States National Authority, as des-*
13 *ignated under section 101 of the Chemical Weapons*
14 *Convention Implementation Act of 1998 (22 U.S.C.*
15 *6711), shall select, through competitive procedures, a*
16 *commercial laboratory within the United States to*
17 *pursue designation by the OPCW.*

18 (2) *DELEGATION.—The National Authority may*
19 *delegate the authority and administrative responsi-*
20 *bility for carrying out paragraph (1) to one or more*
21 *of the heads of the agencies described in section*
22 *101(b)(2) of the Chemical Weapons Convention Imple-*
23 *mentation Act of 1998 (22 U.S.C. 6711(b)(2)).*

24 (3) *REPORT.—Not later than March 1, 2002, the*
25 *National Authority shall submit to the appropriate*

1 *committees of Congress a report detailing a plan for*
2 *securing OPCW designation of a third United States*
3 *laboratory by December 1, 2003.*

4 *(c) DEFINITIONS.—In this section:*

5 *(1) CHEMICAL WEAPONS CONVENTION.—The*
6 *term “Chemical Weapons Convention” means the*
7 *Convention on the Prohibition of Development, Pro-*
8 *duction, Stockpiling and Use of Chemical Weapons*
9 *and on Their Destruction, Opened for Signature and*
10 *Signed by the United States at Paris on January 13,*
11 *1993, including the following protocols and memo-*
12 *randum of understanding:*

13 *(A) The Annex on Chemicals.*

14 *(B) The Annex on Implementation and*
15 *Verification.*

16 *(C) The Annex on the Protection of Con-*
17 *fidential Information.*

18 *(D) The Resolution Establishing the Pre-*
19 *paratory Commission for the Organization for*
20 *the Prohibition of Chemical Weapons.*

21 *(E) The Text on the Establishment of a Pre-*
22 *paratory Commission.*

23 *(2) OPCW.—The term “OPCW” means the Or-*
24 *ganization for the Prohibition of Chemical Weapons*
25 *established under the Convention.*

1 **TITLE VII—AUTHORITY TO**
2 **TRANSFER NAVAL VESSELS**

3 **SEC. 701. AUTHORITY TO TRANSFER NAVAL VESSELS TO**
4 **CERTAIN FOREIGN COUNTRIES.**

5 (a) *AUTHORITY TO TRANSFER.*—

6 (1) *BRAZIL.*—*The President is authorized to*
7 *transfer to the Government of Brazil the “Newport”*
8 *class tank landing ship Peoria (LST1183). Such*
9 *transfer shall be on a sale basis under section 21 of*
10 *the Arms Export Control Act (22 U.S.C. 2761).*

11 (2) *POLAND.*—*The President is authorized to*
12 *transfer to the Government of Poland the “Oliver*
13 *Hazard Perry” class guided missile frigate Wads-*
14 *worth (FFG 9). Such transfer shall be on a grant*
15 *basis under section 516 of the Foreign Assistance Act*
16 *of 1961 (22 U.S.C. 2321j).*

17 (3) *TURKEY.*—*The President is authorized to*
18 *transfer to the Government of Turkey the “Oliver*
19 *Hazard Perry” class guided missile frigates Estocin*
20 *(FFG 15) and Samuel Eliot Morrison (FFG 13).*
21 *Each such transfer shall be on a sale basis under sec-*
22 *tion 21 of the Arms Export Control Act (22 U.S.C.*
23 *2761). The President is further authorized to transfer*
24 *to the Government of Turkey the “Knox” class frigates*
25 *Capadanno (FF 1093), Thomas C. Hart (FF 1092),*

1 *Donald B. Beary (FF 1085), McCandless (FF 1084),*
2 *Reasoner (FF 1063), and Bowen (FF 1079). The*
3 *transfer of these 6 “Knox” class frigates shall be on*
4 *a grant basis under section 516 of the Foreign Assist-*
5 *ance Act of 1961 (22 U.S.C. 2321j).*

6 (4) *TAIWAN.—The President is authorized to*
7 *transfer to the Taipei Economic and Cultural Rep-*
8 *resentative Office in the United States (which is the*
9 *Taiwan instrumentality designated pursuant to sec-*
10 *tion 10(a) of the Taiwan Relations Act) the “Kidd”*
11 *class guided missile destroyers Kidd (DDG 993),*
12 *Callaghan (DDG 994), Scott (DDG 995), and Chan-*
13 *dler (DDG 996). The transfer of these 4 “Kidd” class*
14 *guided missile destroyers shall be on a sale basis*
15 *under section 21 of the Arms Export Control Act (22*
16 *U.S.C. 2761).*

17 (b) *GRANTS NOT COUNTED IN ANNUAL TOTAL OF*
18 *TRANSFERRED EXCESS DEFENSE ARTICLES.—The value of*
19 *a vessel transferred to another country on a grant basis*
20 *under section 516 of the Foreign Assistance Act of 1961 (22*
21 *U.S.C. 2321j) pursuant to authority provided by subsection*
22 *(a) shall not be counted for the purposes of subsection (g)*
23 *of that section in the aggregate value of excess defense arti-*
24 *cles transferred to countries under that section in any fiscal*
25 *year.*

1 (c) *COSTS OF TRANSFERS.*—Notwithstanding section
2 516(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C.
3 2321j(e)(1)), any expense incurred by the United States in
4 connection with a transfer authorized to be made on a grant
5 basis under subsection (a) or (b) shall be charged to the
6 recipient.

7 (d) *REPAIR AND REFURBISHMENT IN UNITED STATES*
8 *SHIPYARDS.*—To the maximum extent practicable, the
9 President shall require, as a condition of the transfer of a
10 vessel under this section, that the country to which the vessel
11 is transferred have such repair or refurbishment of the vessel
12 as is needed, before the vessel joins the naval forces of that
13 country, performed at a United States Navy shipyard or
14 other shipyard located in the United States.

15 (e) *EXPIRATION OF AUTHORITY.*—The authority pro-
16 vided under subsection (a) shall expire at the end of the
17 2-year period beginning on the date of the enactment of this
18 Act.

Attest:

Secretary.

107TH CONGRESS
2D SESSION

H. R. 1646

AMENDMENT