

107TH CONGRESS
2D SESSION

S. 1803

IN THE HOUSE OF REPRESENTATIVES

JANUARY 23, 2002

Referred to the Committee on International Relations

AN ACT

To authorize appropriations under the Arms Export Control Act and the Foreign Assistance Act of 1961 for security assistance for fiscal years 2002 and 2003, and for other purposes.

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

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Security Assistance Act of 2001”.

- 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 CON-
 4 GRESS.—The term “appropriate committees of Con-
 5 gress” means the Committee on Foreign Relations
 6 of the Senate and the Committee on International
 7 Relations of the House of Representatives.

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

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

1 (4) EXCESS DEFENSE ARTICLE.—The term
 2 “excess defense article” has the meaning given the
 3 term in section 644(g) of the Foreign Assistance Act
 4 of 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 AGREE-**
 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
 16 shall be provided to the Bureau of Verification and Com-
 17 pliance of the Department of State for Bureau-adminis-
 18 tered activities, including the Key Verification Assets
 19 Fund.

20 (b) ADDITIONAL PERSONNEL.—In addition to the
 21 amounts made available under subsection (a), not less
 22 than \$1,800,000 shall be made available from the Depart-
 23 ment’s American Salaries Account, for the purpose of hir-
 24 ing new personnel to carry out the Bureau’s responsibil-
 25 ities, as set forth in section 112 of the Arms Export Con-

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

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

5 Of the total amounts made available to the Depart-
 6 ment of State for fiscal years 2002 and 2003, not less
 7 than \$7,000,000 shall be made available within the
 8 Verification and Compliance Bureau’s account for each
 9 such fiscal year to carry out section 1111 of the Arms
 10 Control and Nonproliferation Act of 1999 (113 Stat.
 11 1501A–486), as enacted into law by section 1000(a)(7)
 12 of Public Law 106–113.

13 **SEC. 103. REVISED VERIFICATION AND COMPLIANCE RE-**
 14 **PORTING REQUIREMENTS.**

15 Section 403(a) of the Arms Control and Disar-
 16 mament Act (22 U.S.C. 2593a(a)) is amended by striking
 17 “January 31” and inserting “April 15”.

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

22 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

23 There are authorized to be appropriated to the Presi-
 24 dent for grant assistance under section 23 of the Arms
 25 Export Control Act (22 U.S.C. 2763) and for the subsidy

1 cost, as defined in section 502(5) of the Federal Credit
 2 Reform Act of 1990, of direct loans under such section
 3 \$3,674,000,000 for fiscal year 2002 and \$4,267,000,000
 4 for fiscal year 2003.

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

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

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

17 (1) by striking “and” at the end of paragraph
 18 (8);

19 (2) by striking the period at the end of para-
 20 graph (9) and inserting “; and”; and

21 (3) by adding at the end the following new
 22 paragraph:

23 “(10) ‘weapons of mass destruction’ has the
 24 meaning provided by section 1403(1) of the Defense
 25 Against Weapons of Mass Destruction Act of 1996

1 (title XIV of Public Law 104–201; 110 Stat. 2717;
 2 50 U.S.C. 2302(1)).”.

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

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

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

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

23 “(A) narcotics control purposes and are
 24 appropriate to the needs of recipient countries,

1 such as small boats, planes (including heli-
2 copters), and communications equipment; and

3 “(B) nonproliferation and export control
4 purposes, such as nuclear, radiological, chem-
5 ical, and biological warfare materials detection
6 equipment.”.

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

9 (1) in paragraph (1), by striking all after “ex-
10 ceed” through the period and inserting
11 “\$200,000,000.”; and

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

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

19 **SEC. 204. REPRESENTATION ALLOWANCES.**

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

1 **SEC. 205. ARMS EXPORT CONTROL ACT PROHIBITION ON**
2 **TRANSACTIONS WITH COUNTRIES THAT**
3 **HAVE REPEATEDLY PROVIDED SUPPORT FOR**
4 **ACTS 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 ra-
8 diological agents” after “nuclear explosive devices”;
9 and

10 (2) by inserting “or chemical, biological, or ra-
11 diological agents” after “nuclear material”.

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

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

21 (b) REPORT.—Not later than six months after the
22 date of enactment of this Act, and annually thereafter,
23 the Secretary of State shall submit an unclassified report
24 to the appropriate congressional committees on the num-
25 bers, range, and findings of end-use monitoring of United
26 States 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 cat-
6 egory I of the United States Munitions List, a statement
7 of the aggregate dollar value and quantity of semiauto-
8 matic assault weapons, or related equipment, the manu-
9 facture, transfer, or possession of which is unlawful under
10 section 922 of title 18, United States Code, that were li-
11 censed for 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 viola-
17 tions of the Arms Export Control Act.

18 (e) ANNUAL REPORT ON INVESTIGATIONS OF THE
19 BUREAU OF ALCOHOL, TOBACCO AND FIREARMS.—Not
20 later than six months after the date of enactment of this
21 Act, and annually thereafter, the Secretary of the Treas-
22 ury shall submit a report to the appropriate committees
23 of Congress on investigations and other efforts undertaken
24 by the Bureau of Alcohol, Tobacco and Firearms (includ-
25 ing cooperation with other agencies) to stop United

1 States-source weapons from being used in terrorist acts
2 and international 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
8 for fiscal year 2003 to carry out chapter 5 of part II of
9 the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et
10 seq.; relating to international military education and train-
11 ing).

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

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

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

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

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

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

9 “(b) ANNUAL LIST OF FOREIGN PERSONNEL.—For
10 the purposes of preparing the report required pursuant to
11 section 116(d), the Secretary of State may annually re-
12 quest the Secretary of Defense to provide information con-
13 tained in the database with respect to a list submitted to
14 the Secretary of Defense by the Secretary of State, con-
15 taining the names of foreign personnel or military units.
16 To the extent practicable, the Secretary of Defense shall
17 provide, and the Secretary of State may take into account,
18 the information contained in the database, if any, relating
19 to the Secretary 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 up-
2 dated 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 As-
8 sistance Act of 2000 (Public Law 106–280) is
9 amended by striking “2001 and 2002” each place
10 that it appears and inserting “2002 and 2003”.

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

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

1 **SEC. 222. SECURITY ASSISTANCE FOR GREECE AND TUR-**
2 **KEY.**

3 (a) IN GENERAL.—Of the amounts made available
4 for the fiscal years 2002 and 2003 to carry out chapter
5 5 of part II of the Foreign Assistance Act of 1961 (22
6 U.S.C. 2347 et seq.)—

7 (1) \$1,000,000 for fiscal year 2002 and
8 \$1,170,000 for fiscal year 2003 are authorized to be
9 available for Greece; and

10 (2) \$2,500,000 for fiscal year 2002 and
11 \$2,920,000 for fiscal year 2003 are authorized to be
12 available for Turkey.

13 (b) USE FOR PROFESSIONAL MILITARY EDU-
14 CATION.—Of the amounts available under paragraphs (1)
15 and (2) of subsection (a) for each of fiscal years 2002
16 and 2003, \$500,000 of each such amount should be avail-
17 able for purposes of professional military education.

18 (c) USE FOR JOINT TRAINING.—It is the sense of
19 Congress that, to the maximum extent practicable,
20 amounts available under subsection (a) that are used in
21 accordance with subsection (b) should be used for joint
22 training of Greek and Turkish officers.

23 (d) REPEAL.—Section 512 of the Security Assistance
24 Act of 2000 (Public Law 106–280; 114 Stat. 856) is re-
25 pealed.

1 **SEC. 223. SECURITY ASSISTANCE FOR CERTAIN OTHER**
2 **COUNTRIES.**

3 (a) FMF FOR CERTAIN OTHER COUNTRIES.—Of the
4 amounts made available for the fiscal years 2002 and
5 2003 under section 23 of the Arms Export Control Act
6 (22 U.S.C. 2763), the following amounts are authorized
7 to be available on a grant basis for the following countries
8 for the fiscal years specified:

9 (1) THE BALTIC STATES.—For all of the Baltic
10 states of Estonia, Latvia, and Lithuania,
11 \$21,000,000 for fiscal year 2002 and \$24,400,000
12 for fiscal year 2003.

13 (2) BULGARIA.—For Bulgaria, \$10,000,000 for
14 fiscal year 2002 and \$11,620,000 for fiscal year
15 2003.

16 (3) THE CZECH REPUBLIC.—For the Czech Re-
17 public, \$12,000,000 for fiscal year 2002 and
18 \$14,000,000 for fiscal year 2003.

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

21 (5) HUNGARY.—For Hungary, \$12,000,000 for
22 fiscal year 2002 and \$14,000,000 for fiscal year
23 2003.

24 (6) JORDAN.—For Jordan, \$75,000,000 for fis-
25 cal year 2002 and \$87,300,000 for fiscal year 2003.

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

3 (8) THE PHILIPPINES.—For the Philippines,
4 \$19,000,000 for fiscal year 2002 and \$22,100,000
5 for fiscal year 2003.

6 (9) POLAND.—For Poland, \$15,000,000 for fis-
7 cal year 2002 and \$17,500,000 for fiscal year 2003.

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

11 (11) SLOVAKIA.— For Slovakia, \$8,500,000 for
12 fiscal year 2002 and \$9,900,000 for fiscal year
13 2003.

14 (12) SLOVENIA.—For Slovenia, \$4,500,000 for
15 fiscal year 2002 and \$5,250,000 for fiscal year
16 2003.

17 (b) IMET.—Of the amounts made available for the
18 fiscal years 2002 and 2003 to carry out chapter 5 of part
19 II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347
20 et seq.), the following amounts are authorized to be avail-
21 able for the following countries for the fiscal years speci-
22 fied:

23 (1) THE BALTIC STATES.—For all of the Baltic
24 states of Estonia, Latvia, and Lithuania, \$3,000,000

1 for fiscal year 2002 and \$3,420,000 for fiscal year
2 2003.

3 (2) BULGARIA.—For Bulgaria, \$1,200,000 for
4 fiscal year 2002 and \$1,370,000 for fiscal year
5 2003.

6 (3) THE CZECH REPUBLIC.—For the Czech Re-
7 public, \$1,800,000 for fiscal year 2002 and
8 \$2,050,000 for fiscal year 2003.

9 (4) GEORGIA.—For Georgia, \$850,000 for fis-
10 cal year 2002 and \$970,000 for fiscal year 2003.

11 (5) HUNGARY.—For Hungary, \$1,800,000 for
12 fiscal year 2002 and \$2,050,000 for fiscal year
13 2003.

14 (6) JORDAN.—For Jordan, \$1,800,000 for fis-
15 cal year 2002 and \$2,050,000 for fiscal year 2003.

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

18 (8) THE PHILIPPINES.—For the Philippines,
19 \$1,710,000 for fiscal year 2002 and \$2,000,000 for
20 fiscal year 2003.

21 (9) POLAND.—For Poland, \$1,900,000 for fis-
22 cal year 2002 and \$2,160,000 for fiscal year 2003.

23 (10) ROMANIA.—For Romania, \$1,400,000 for
24 fiscal year 2002 and \$1,600,000 for fiscal year
25 2003.

1 (11) SLOVAKIA.—For Slovakia, \$850,000 for
 2 fiscal year 2002 and \$970,000 for fiscal year 2003.

3 (12) SLOVENIA.—For Slovenia, \$800,000 for
 4 fiscal year 2002 and \$910,000 for fiscal year 2003.

5 (c) WRITTEN EXPLANATION OF PRESIDENTIAL DE-
 6 TERMINATIONS.—In the event that the President deter-
 7 mines not to provide, or determines to exceed, the funding
 8 allocated for any country specified in this section by an
 9 amount that is more than five percent of that specified
 10 in this section, the President shall submit to the appro-
 11 priate committees of Congress within 15 days of such de-
 12 termination a written explanation of the reasons therefor.

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

15 **Subtitle D—Excess Defense Article** 16 **and Drawdown Authorities**

17 **SEC. 231. EXCESS DEFENSE ARTICLES FOR CERTAIN COUN-** 18 **TRIES.**

19 (a) AUTHORITY.—Notwithstanding section 516(e) of
 20 the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e),
 21 during each of the fiscal years 2002 and 2003, funds
 22 available to the Department of Defense may be expended
 23 for crating, packing, handling, and transportation of ex-
 24 cess defense articles transferred under the authority of
 25 section 516 of such Act to Albania, Bulgaria, Croatia, Es-

1 tonia, Former Yugoslavia Republic of Macedonia, Georgia,
 2 India, Kazakhstan, Kyrgyzstan, Latvia, Lithuania,
 3 Moldova, Mongolia, Pakistan, Romania, Slovakia, Slo-
 4 venia, Tajikistan, Turkmenistan, Ukraine, and
 5 Uzbekistan.

6 (b) SENSE OF CONGRESS.—The authority provided
 7 under this section should be utilized only for those coun-
 8 tries demonstrating a genuine commitment to democracy
 9 and human rights.

10 **SEC. 232. ANNUAL BRIEFING ON PROJECTED AVAILABILITY**
 11 **OF EXCESS DEFENSE ARTICLES.**

12 Not later than 90 days prior to the commencement
 13 of each fiscal year, the Department of Defense shall brief
 14 the Department of State and the appropriate committees
 15 of Congress regarding the expected availability of excess
 16 defense articles during the next fiscal year, for the purpose
 17 of enabling the Department of State to factor such avail-
 18 ability into annual security assistance plans.

19 **SEC. 233. EXPANDED DRAWDOWN AUTHORITY.**

20 Section 506(c) of the Foreign Assistance Act of 1961
 21 (22 U.S.C. 2318(c)) is amended to read as follows:

22 “(c) For the purposes of any provision of law that
 23 authorizes the drawdown of defense or other articles or
 24 commodities, or defense or other services from an agency
 25 of the United States Government, such drawdown may in-

1 clude the supply of commercial transportation and related
2 services and defense or other articles or commodities, or
3 defense or other services, that are acquired by contract
4 for the purposes of the drawdown in question, if the cost
5 to acquire such items or services is less than the cost to
6 the United States Government of providing such items or
7 services from existing agency assets.”.

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

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

11 (1) in subsection (b), by striking “of not to ex-
12 ceed five years” and inserting “that may not exceed
13 5 years, plus a period of time specified in the lease
14 as may be necessary for major refurbishment work
15 to be performed prior to final delivery by the lessor
16 of the defense articles,”; and

17 (2) by adding at the end the following new sub-
18 section:

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

1 **Subtitle E—Other Political-Military**
2 **Assistance**

3 **SEC. 241. DESTRUCTION OF SURPLUS WEAPONS STOCK-**
4 **PILES.**

5 Of the funds authorized to be appropriated to the
6 President for fiscal years 2002 and 2003 to carry out
7 chapters 1 and 10 of part I of the Foreign Assistance Act
8 of 1961 (22 U.S.C. 2151 et seq.), relating to development
9 assistance, up to \$10,000,000 is authorized to be made
10 available each such fiscal year for the destruction of sur-
11 plus stockpiles of small arms, light weapons, and other
12 munitions.

13 **SEC. 242. IDENTIFICATION OF FUNDS FOR DEMINING PRO-**
14 **GRAMS.**

15 Of the funds authorized to be appropriated under sec-
16 tion 201 for nonproliferation, antiterrorism, demining,
17 and related programs, \$40,000,000 is authorized to be ap-
18 propriated for fiscal year 2002 for demining programs and
19 program support costs.

20 **Subtitle F—Antiterrorism**
21 **Assistance**

22 **SEC. 251. AUTHORIZATION OF APPROPRIATIONS.**

23 Section 574(a) of the Foreign Assistance Act of 1961
24 (22 U.S.C. 2349aa–4(a)) is amended by striking
25 “\$72,000,000 for fiscal year 2001 and \$73,000,000 for

1 fiscal year 2002” and inserting “\$73,000,000 for fiscal
 2 year 2002 and \$75,000,000 for fiscal year 2003”.

3 **SEC. 252. SPECIFIC PROGRAM OBJECTIVES.**

4 Of the amounts authorized to be appropriated to the
 5 President pursuant to section 574(a) of the Foreign As-
 6 sistance Act of 1961 (22 U.S.C. 2349aa-4(a)),
 7 \$2,000,000 may be made available for the provision of the
 8 Pisces system to the governments of the Philippines and
 9 Pakistan.

10 **Subtitle G—Other Matters**

11 **SEC. 261. REVISED MILITARY ASSISTANCE REPORTING RE-**
 12 **QUIREMENTS.**

13 (a) ANNUAL FOREIGN MILITARY TRAINING RE-
 14 PORTS.—Section 656(a) of the Foreign Assistance Act of
 15 1961 (22 U.S.C. 2416) does not apply to any NATO or
 16 major non-NATO ally unless the chairman or ranking
 17 member of one of the appropriate committees of Congress
 18 has specifically requested, in writing, inclusion of such
 19 country in the report. Such request shall be made not later
 20 than 45 calendar days prior to the date on which the re-
 21 port is required to be transmitted.

22 (b) ANNUAL MILITARY ASSISTANCE REPORTS.—Sec-
 23 tion 655 of the Foreign Assistance Act of 1961 (22 U.S.C.
 24 2415) is amended—

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

1 (2) by redesignating subsection (d) as sub-
2 section (c).

3 (c) QUARTERLY REPORTS ON GOVERNMENT-TO-
4 GOVERNMENT ARMS EXPORTS.—Section 36(a) of the
5 Arms Export Control Act (22 U.S.C. 2776(a)) is
6 amended—

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

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

11 **TITLE III—NONPROLIFERATION** 12 **AND EXPORT CONTROL AS-** 13 **SISTANCE**

14 **Subtitle A—General Provisions**

15 **SEC. 301. AUTHORIZATION OF APPROPRIATIONS.**

16 (a) AUTHORIZATION.—Section 585 of the Foreign
17 Assistance Act of 1961 (22 U.S.C. 2349bb–4) is
18 amended—

19 (1) in subsection (a), by striking all after
20 “chapter” and inserting “\$142,000,000 for fiscal
21 year 2002 and \$152,000,000 for fiscal year 2003.”;
22 and

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

1 (b) SUBALLOCATIONS.—Of the amounts authorized
 2 to be appropriated to the President for fiscal years 2002
 3 and 2003 under chapter 9 of part II of the Foreign Assist-
 4 ance Act of 1961 (22 U.S.C. 2349bb et seq.)—

5 (1) not less than \$2,000,000 shall be made
 6 available each such fiscal year for the purpose of
 7 carrying out section 584 of the Foreign Assistance
 8 Act of 1961, as added by section 304 of this Act;
 9 and

10 (2) \$65,000,000 for fiscal year 2002 and
 11 \$65,000,000 for fiscal year 2003 are authorized to
 12 be appropriated for science and technology centers
 13 in the independent states of the former Soviet
 14 Union.

15 (c) CONFORMING AMENDMENT.—Section 302 of the
 16 Security Assistance Act of 2000 (Public Law 106–280)
 17 is repealed.

18 **SEC. 302. JOINT STATE DEPARTMENT-DEFENSE DEPART-**
 19 **MENT PROGRAMS.**

20 Of the amounts authorized to be appropriated to the
 21 President for fiscal years 2002 and 2003 under chapter
 22 9 of part II of the Foreign Assistance Act of 1961 (22
 23 U.S.C. 2349bb et seq.), the Secretary is authorized to
 24 make available not more than \$1,000,000 for international

1 counterproliferation programs administered by the De-
2 partment of Defense.

3 **SEC. 303. NONPROLIFERATION TECHNOLOGY ACQUISITION**
4 **PROGRAMS FOR FRIENDLY FOREIGN COUN-**
5 **TRIES.**

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

13 (1) \$5,000,000 for the procurement and provi-
14 sion of nuclear, chemical, and biological detection
15 systems, including spectroscopic and pulse echo tech-
16 nologies; and

17 (2) \$10,000,000 for the procurement and provi-
18 sion of x-ray systems capable of imaging sea-cargo
19 containers.

20 (b) TRAINING REQUIREMENT.—The Secretary shall
21 not provide any equipment or technology pursuant to this
22 section without having first developed and budgeted for
23 a multiyear training plan to assist foreign personnel in
24 the 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
 8 of 1961 (22 U.S.C. 2349bb et seq.) is amended—

9 (1) by redesignating sections 584 and 585 as
 10 sections 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 au-
 15 thorized to furnish, on such terms and conditions con-
 16 sistent with this chapter (but whenever feasible on a reim-
 17 bursable basis), education and training to foreign per-
 18 sonnel for the purpose of enhancing the nonproliferation
 19 and export control capabilities of such personnel through
 20 their attendance in special courses of instruction con-
 21 ducted by the United States.

22 “(b) ADMINISTRATION OF COURSES.—The Secretary
 23 of State shall have overall responsibility for the develop-
 24 ment and conduct of international nonproliferation edu-
 25 cation and training programs, but may utilize other de-

1 partments and agencies, as appropriate, to recommend
 2 personnel for the education and training, and to admin-
 3 ister specific 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;
 12 and

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

17 “(d) PRIORITY TO CERTAIN COUNTRIES.—In select-
 18 ing military and foreign governmental personnel for edu-
 19 cation and training pursuant to this section, priority shall
 20 be given to personnel from countries for which the Sec-
 21 retary of State has given priority under section 583(b).”.

22 **SEC. 305. RELOCATION OF SCIENTISTS.**

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

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

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

6 “(1) The period beginning on the date of the
7 enactment of this Act and ending 4 years after such
8 date.

9 “(2) The period beginning on the date of the
10 enactment of the Security Assistance Act of 2001
11 and ending 4 years after such date.”.

12 (b) LIMITATION ON NUMBER OF SCIENTISTS ELIGI-
13 BLE FOR VISAS UNDER AUTHORITY.—Subsection (c) of
14 such section is amended by striking “750” and inserting
15 “950”.

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

23 (d) CONSULTATION REQUIREMENT.—The Attorney
24 General shall consult with the Secretary, the Secretary of

1 Defense, the Secretary of Energy, and the heads of other
 2 appropriate agencies of the United States regarding—

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

5 (2) any changes that those officials would rec-
 6 ommend in the regulations prescribed under that
 7 Act.

8 **SEC. 306. AUDITS OF THE INTERNATIONAL SCIENCE AND**
 9 **TECHNOLOGY CENTERS PROGRAM.**

10 Consistent with section 303(b) of the Security Assist-
 11 ance Act of 2000 (Public Law 106–280; 114 Stat. 853),
 12 not later than 60 days after the date of enactment of this
 13 Act, the Secretary shall submit a detailed report to the
 14 appropriate committees of Congress on United States
 15 audit practices with respect to the “International Science
 16 and Technology Centers Program”.

17 **SEC. 307. INTERNATIONAL ATOMIC ENERGY AGENCY REG-**
 18 **ULAR BUDGET ASSESSMENTS.**

19 (a) FINDINGS.—Congress makes the following find-
 20 ings:

21 (1) The Department of State has concluded
 22 that the International Atomic Energy Agency (here-
 23 after in this section referred to as the “IAEA”) is
 24 a critical and effective instrument for verifying com-
 25 pliance with international nuclear nonproliferation

1 agreements, and that it serves as an essential bar-
2 rier to the spread of nuclear weapons.

3 (2) The IAEA furthers United States national
4 security objectives by helping to prevent the pro-
5 liferation of nuclear weapons material, especially
6 through its work on effective verification and safe-
7 guards measures.

8 (3) The IAEA can also perform a critical role
9 in monitoring and verifying aspects of nuclear weap-
10 ons reduction agreements between nuclear weapons
11 states.

12 (4) As the IAEA has negotiated and developed
13 more effective verification and safeguards measures,
14 it has experienced significant real growth in its mis-
15 sion, especially in the vital area of nuclear safe-
16 guards inspections.

17 (5) Nearly two decades of zero budget growth
18 have affected the ability of the IAEA to carry out
19 its mission and to hire and retain the most qualified
20 inspectors and managers, as evidenced in the de-
21 creasing proportion of such personnel who hold doc-
22 torate degrees.

23 (6) Although voluntary contributions by the
24 United States lessen the IAEA's budgetary con-
25 straints, they cannot readily be used for the long-

1 term capital investments or permanent staff in-
2 creases necessary to an effective IAEA safeguards
3 regime.

4 (7) It was not the intent of Congress that the
5 United States contributions to all United Nations-re-
6 lated organizations and activities be reduced pursu-
7 ant to the Admiral James W. Nance and Meg Dono-
8 van Foreign Relations Authorization Act, Fiscal
9 Years 2000 and 2001 (as enacted into law by sec-
10 tion 1000(a)(7) of Public Law 106–113; 113 Stat.
11 1501A–405 et seq.), which sets 22 percent assess-
12 ment rates as benchmarks for the general United
13 Nations budget, the Food and Agricultural Organi-
14 zation, the World Health Organization, and the
15 International Labor Organization. Rather, contribu-
16 tions for important and effective agencies such as
17 the IAEA should be maintained at levels commensu-
18 rate with the criticality of its mission.

19 (b) ADDITIONAL FUNDING FOR THE INTERNATIONAL
20 ATOMIC ENERGY AGENCY.—It is the sense of Congress
21 that—

22 (1) the Secretary should negotiate a gradual
23 and sustained increase in the regular budget of the
24 International Atomic Energy Agency, which should
25 begin with the 2002 budget;

1 (2) if a regular budget increase for the IAEA
2 is achieved, the Secretary should seek to gain con-
3 sensus within the IAEA Board of Governors for allo-
4 cation of a larger proportion of that budget to nu-
5 clear nonproliferation activities; and

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

10 (c) AUTHORIZATION OF APPROPRIATIONS.—Of the
11 funds authorized to be appropriated for international or-
12 ganizations, \$60,000,000 are authorized to be appro-
13 priated in fiscal year 2002 for the payment of the United
14 States assessment to the International Atomic Energy
15 Agency, and \$75,000,000 shall be available for that pur-
16 pose in fiscal year 2003.

17 **SEC. 308. REVISED NONPROLIFERATION REPORTING RE-**
18 **QUIREMENTS.**

19 Section 308 of Public Law 102–182 (22 U.S.C.
20 5606) is hereby repealed.

1 **Subtitle B—Russian Federation**
2 **Debt Reduction for Non-**
3 **proliferation**

4 **SEC. 311. SHORT TITLE.**

5 This subtitle may be cited as the “Russian Federa-
6 tion Debt Reduction for Nonproliferation Act of 2001”.

7 **SEC. 312. FINDINGS AND PURPOSES.**

8 (a) FINDINGS.—Congress finds the following:

9 (1) It is in the vital security interests of the
10 United States to prevent the spread of weapons of
11 mass destruction to additional states or to terrorist
12 organizations, and to ensure that other nations’ obli-
13 gations to reduce their stockpiles of such arms in ac-
14 cordance with treaties, executive agreements, or po-
15 litical commitments are fulfilled.

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

18 (A) all stocks of nuclear weapons and
19 weapons-usable nuclear material in the Russian
20 Federation are secure and accounted for;

21 (B) stocks of nuclear weapons and weap-
22 ons-usable nuclear material that are excess to
23 military needs in the Russian Federation are
24 monitored and reduced;

1 (C) any chemical or biological weapons, re-
2 lated materials, and facilities in the Russian
3 Federation are destroyed;

4 (D) the Russian Federation's nuclear
5 weapons complex is reduced to a size appro-
6 priate to its post-Cold War missions, and its ex-
7 perts in weapons of mass destruction tech-
8 nologies are shifted to gainful and sustainable
9 civilian employment;

10 (E) the Russian Federation's export con-
11 trol system blocks any proliferation of weapons
12 of mass destruction, the means of delivering
13 such weapons, and materials, equipment, know-
14 how, or technology that would be used to de-
15 velop, produce, or deliver such weapons; and

16 (F) these objectives are accomplished with
17 sufficient monitoring and transparency to pro-
18 vide confidence that they have in fact been ac-
19 complished and that the funds provided to ac-
20 complish these objectives have been spent effi-
21 ciently and effectively.

22 (3) United States programs should be designed
23 to accomplish these vital objectives in the Russian
24 Federation as rapidly as possible, and the President

1 should develop and present to Congress a plan for
2 doing so.

3 (4) Substantial progress has been made in
4 United States-Russian Federation cooperative pro-
5 grams to achieve these objectives, but much more re-
6 mains to be done to reduce the urgent risks to
7 United States national security posed by the current
8 state of the Russian Federation's weapons of mass
9 destruction stockpiles and complexes.

10 (5) The threats posed by inadequate manage-
11 ment of weapons of mass destruction stockpiles and
12 complexes in the Russian Federation remain urgent.
13 Incidents in years immediately preceding 2001,
14 which have been cited by the Russia Task Force of
15 the Secretary of Energy's Advisory Board, include—

16 (A) a conspiracy at one of the Russian
17 Federation's largest nuclear weapons facilities
18 to steal nearly enough highly enriched uranium
19 for a nuclear bomb;

20 (B) an attempt by an employee of the Rus-
21 sian Federation's premier nuclear weapons fa-
22 cility to sell nuclear weapons designs to agents
23 of Iraq and Afghanistan; and

24 (C) the theft of radioactive material from
25 a Russian Federation submarine base.

1 (6) Addressing these threats to United States
2 and world security will ultimately consume billions of
3 dollars, a burden that will have to be shared by the
4 Russian Federation, the United States, and other
5 governments, if this objective is to be achieved.

6 (7) The creation of new funding streams could
7 accelerate progress in reducing these threats to
8 United States security and help the government of
9 the Russian Federation to fulfill its responsibility for
10 secure management of its weapons stockpiles and
11 complexes as United States assistance phases out.

12 (8) The Russian Federation suffers from a sig-
13 nificant foreign debt burden, a substantial propor-
14 tion of which it inherited from the Soviet Union.
15 The Russian Federation is taking full responsibility
16 for this debt, but the burden of debt repayment
17 could threaten Russian Federation economic reform,
18 particularly in 2003 and beyond.

19 (9) The Russian Federation's need for debt re-
20 lief has been the subject of discussions between the
21 United States and the Russian Federation at the
22 highest levels and is cited by United States officials
23 as one reason why the Russian Federation has rec-
24 ognized that its future lies with the West.

1 (10) Past debt-for-environment exchanges, in
2 which a portion of a country's foreign debt is can-
3 celed in return for certain environmental commit-
4 ments or payments by that country, provide a model
5 for a possible debt-for-nonproliferation exchange
6 with the Russian Federation, which could be de-
7 signed to provide additional funding for non-
8 proliferation and arms reduction initiatives.

9 (11) Most of the Russian Federation's official
10 bilateral debt is held by United States allies that are
11 advanced industrial democracies. Since the issues de-
12 scribed pose threats to United States allies as well,
13 United States leadership that results in a larger con-
14 tribution from United States allies to cooperative
15 threat reduction activities will be needed.

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

17 (1) to recognize the vital interests of the United
18 States, its allies, and the Russian Federation in re-
19 ducing the threats to international security described
20 in the findings set forth in subsection (a);

21 (2) to facilitate the accomplishment of the
22 United States objectives described in the findings set
23 forth in subsection (a) by providing for the allevi-
24 ation of a portion of the Russian Federation's for-

1 eign debt, thus allowing the use of additional re-
2 sources for these purposes; and

3 (3) to ensure that resources freed from debt in
4 the Russian Federation are targeted to the accom-
5 plishment of the United States objectives described
6 in the findings set forth in subsection (a).

7 **SEC. 313. DEFINITIONS.**

8 In this subtitle:

9 (1) AGREEMENT.—The term “Agreement”
10 means the Russian Nonproliferation Investment
11 Agreement provided for in section 318.

12 (2) APPROPRIATE CONGRESSIONAL COMMIT-
13 TEES.—The term “appropriate congressional com-
14 mittees” means—

15 (A) the Committee on International Rela-
16 tions and the Committee on Appropriations of
17 the House of Representatives; and

18 (B) the Committee on Foreign Relations
19 and the Committee on Appropriations of the
20 Senate.

21 (3) COST.—The term “cost” has the meaning
22 given that term in section 502(5) of the Federal
23 Credit Reform Act of 1990 (2 U.S.C. 661a(5)).

24 (4) FACILITY.—The term “Facility” means the
25 Russian Nonproliferation Investment Facility estab-

1 lished in the Department of the Treasury by section
2 314.

3 (5) SOVIET-ERA DEBT.—The term “Soviet-era
4 debt” means debt owed as a result of loans or cred-
5 its provided by the United States (or any agency of
6 the United States) to the Union of Soviet Socialist
7 Republics.

8 **SEC. 314. ESTABLISHMENT OF THE RUSSIAN NON-**
9 **PROLIFERATION INVESTMENT FACILITY.**

10 There is established in the Department of the Treas-
11 ury an entity to be known as the “Russian Nonprolifera-
12 tion Investment Facility” for the purpose of providing for
13 the administration of debt reduction in accordance with
14 this subtitle.

15 **SEC. 315. REDUCTION OF THE RUSSIAN FEDERATION’S SO-**
16 **VIET-ERA DEBT OWED TO THE UNITED**
17 **STATES, GENERALLY.**

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

19 (1) AUTHORITY.—

20 (A) IN GENERAL.—Except as provided in
21 subparagraph (B), and subject to section 321,
22 the President may reduce the amount of Soviet-
23 era debt owed by the Russian Federation to the
24 United States (or any agency of the United

1 States) that is outstanding as of October 1,
2 2001.

3 (B) EXCEPTION.—The authority of sub-
4 paragraph (A) to reduce Soviet-era debt does
5 not include any debt that is described in section
6 316(a)(1).

7 (2) CONGRESSIONAL NOTIFICATION.—The
8 President shall notify the appropriate congressional
9 committees of his intention to reduce the amount of
10 the Russian Federation’s Soviet-era debt at least 15
11 days in advance of any formal determination to do
12 so.

13 (3) AUTHORIZATION OF APPROPRIATIONS.—

14 (A) IN GENERAL.—For the cost of the re-
15 duction of any Soviet-era debt pursuant to this
16 section, there are authorized to be appropriated
17 to the President—

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

19 and

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

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

1 (4) CERTAIN PROHIBITIONS INAPPLICABLE.—

2 (A) IN GENERAL.—A reduction of Soviet-
3 era debt pursuant to this section shall not be
4 considered assistance for the purposes of any
5 provision of law limiting assistance to a coun-
6 try.

7 (B) ADDITIONAL REQUIREMENT.—The au-
8 thority of this section may be exercised notwith-
9 standing section 620(r) of the Foreign Assist-
10 ance Act of 1961 or section 321 of the Inter-
11 national Development and Food Assistance Act
12 of 1975.

13 (b) IMPLEMENTATION OF SOVIET-ERA DEBT REDUC-
14 TION.—

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

17 (A) implemented pursuant to the terms of
18 a Russian Nonproliferation Investment Agree-
19 ment authorized under section 318; and

20 (B) accomplished at the direction of the
21 Facility by the exchange of a new obligation for
22 obligations of the type referred to in such sub-
23 section that are outstanding as of October 1,
24 2001.

25 (2) EXCHANGE OF OBLIGATIONS.—

1 (A) IN GENERAL.—The Facility shall no-
2 tify the agency primarily responsible for admin-
3 istering part I of the Foreign Assistance Act of
4 1961 of an agreement entered into under para-
5 graph (1) with the Russian Federation to ex-
6 change a new obligation for outstanding obliga-
7 tions.

8 (B) ADDITIONAL REQUIREMENT.—At the
9 direction of the Facility, the old obligations that
10 are the subject of the agreement shall be can-
11 celed and a new debt obligation for the Russian
12 Federation shall be established relating to the
13 agreement, and the agency primarily respon-
14 sible for administering part I of the Foreign
15 Assistance Act of 1961 shall make an adjust-
16 ment in its accounts to reflect the debt reduc-
17 tion.

18 (c) ADDITIONAL TERMS AND CONDITIONS.—The fol-
19 lowing additional terms and conditions shall apply to the
20 reduction of Soviet-era debt under subsection (a)(1) in the
21 same manner as such terms and conditions apply to the
22 reduction of debt under section 704(a)(1) of the Foreign
23 Assistance Act of 1961:

1 (1) The provisions relating to repayment of
2 principal under section 705 of the Foreign Assist-
3 ance Act of 1961.

4 (2) The provisions relating to interest on new
5 obligations under section 706 of the Foreign Assist-
6 ance Act of 1961.

7 **SEC. 316. REDUCTION OF SOVIET-ERA DEBT OWED TO THE**
8 **UNITED STATES AS A RESULT OF CREDITS**
9 **EXTENDED UNDER TITLE I OF THE AGRICUL-**
10 **TURAL TRADE DEVELOPMENT AND ASSIST-**
11 **ANCE ACT OF 1954.**

12 (a) AUTHORITY TO REDUCE CERTAIN SOVIET-ERA
13 DEBT.—

14 (1) AUTHORITY.—Notwithstanding any other
15 provision of law, and subject to section 321, the
16 President may reduce the amount of Soviet-era debt
17 owed to the United States (or any agency of the
18 United States) by the Russian Federation that is
19 outstanding as of October 1, 2001, as a result of
20 any credits extended under title I of the Agricultural
21 Trade Development and Assistance Act of 1954 (7
22 U.S.C. 1701 et seq.).

23 (2) CONGRESSIONAL NOTIFICATION.—The
24 President shall notify the appropriate congressional
25 committees of his intention to reduce the amount of

1 the Russian Federation's Soviet-era debt described
2 in paragraph (1) at least 15 days in advance of any
3 formal determination to do so.

4 (3) AUTHORIZATION OF APPROPRIATIONS.—

5 (A) IN GENERAL.—For the cost of the re-
6 duction of any Soviet-era debt pursuant to this
7 section, there are authorized to be appropriated
8 to the President—

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

10 and

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

12 (B) LIMITATION.—The authority provided
13 by this section shall be available only to the ex-
14 tent that appropriations for the cost of the
15 modification of any Soviet-era debt pursuant to
16 this section are made in advance.

17 (b) IMPLEMENTATION OF SOVIET-ERA DEBT REDUC-
18 TION.—

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

21 (A) implemented pursuant to the terms of
22 a Russian Nonproliferation Investment Agree-
23 ment authorized under section 318; and

24 (B) accomplished at the direction of the
25 Facility by the exchange of a new obligation for

1 obligations of the type referred to in such sub-
2 section that are outstanding as of October 1,
3 2001.

4 (2) EXCHANGE OF OBLIGATIONS.—

5 (A) IN GENERAL.—The Facility shall no-
6 tify the Commodity Credit Corporation of an
7 agreement entered into under paragraph (1)
8 with an eligible country to exchange a new obli-
9 gation for outstanding obligations.

10 (B) ADDITIONAL REQUIREMENT.—At the
11 direction of the Facility, the old obligations that
12 are the subject of the agreement shall be can-
13 celed and a new debt obligation shall be estab-
14 lished for the Russian Federation relating to
15 the agreement, and the Commodity Credit Cor-
16 poration shall make an adjustment in its ac-
17 counts to reflect the debt reduction.

18 (c) ADDITIONAL TERMS AND CONDITIONS.—The fol-
19 lowing additional terms and conditions shall apply to the
20 reduction of Soviet-era debt under subsection (a)(1) in the
21 same manner as such terms and conditions apply to the
22 reduction of debt under section 604(a)(1) of the Agricul-
23 tural Trade Development and Assistance Act of 1954 (7
24 U.S.C. 1738c):

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

3 (2) The provisions relating to interest on new
4 obligations under section 606 of such Act.

5 **SEC. 317. AUTHORITY TO ENGAGE IN DEBT-FOR-NON-**
6 **PROLIFERATION EXCHANGES AND DEBT**
7 **BUYBACKS.**

8 (a) LOANS AND CREDITS ELIGIBLE FOR SALE, RE-
9 DUCTION, OR CANCELLATION.—

10 (1) DEBT-FOR-NONPROLIFERATION EX-
11 CHANGES.—

12 (A) IN GENERAL.—Notwithstanding any
13 other provision of law, and subject to section
14 321, the President may, in accordance with this
15 section, sell to any purchaser eligible under sub-
16 paragraph (B), any loan or credit described in
17 section 315(a)(1), or any credit described in
18 section 316(a)(1), or on receipt of payment
19 from an eligible purchaser, reduce or cancel any
20 such loan or credit or portion thereof, only for
21 the purpose of facilitating a debt-for-non-
22 proliferation exchange to support activities that
23 further United States objectives described in
24 the findings set forth in section 312(a).

1 (B) ELIGIBLE PURCHASER.—A loan or
2 credit may be sold, reduced, or canceled under
3 subparagraph (A) with respect to a purchaser
4 who presents plans satisfactory to the President
5 for using the loan or credit for the purpose of
6 engaging in debt-for-nonproliferation exchange
7 to support activities that further United States
8 objectives described in the findings set forth in
9 section 312(a).

10 (C) CONSULTATION REQUIREMENT.—Be-
11 fore the sale under subparagraph (A) to any
12 purchaser eligible under subparagraph (B), or
13 any reduction or cancellation under subpara-
14 graph (A), of any loan or credit made to the
15 Russian Federation, the President shall consult
16 with that country concerning the amount of
17 loans or credits to be sold, reduced, or canceled
18 and their uses for debt-for-nonproliferation ex-
19 changes to support activities that further
20 United States objectives described in the find-
21 ings set forth in section 312(a).

22 (D) AUTHORIZATION OF APPROPRIA-
23 TIONS.—For the cost of the reduction of any
24 debt pursuant to subparagraph (A), amounts
25 authorized to be appropriated under sections

1 315(a)(3) and 316(a)(3) shall be made available
2 for such reduction of debt pursuant to subpara-
3 graph (A).

4 (2) DEBT BUYBACKS.—Notwithstanding any
5 other provision of law, the President may, in accord-
6 ance with this section, sell to the Russian Federation
7 any loan or credit described in section 315(a)(1) or
8 any credit described in section 316(a)(1), or on re-
9 ceipt of payment from the Russian Federation, re-
10 duce or cancel such loan or credit or portion thereof,
11 if the purpose of doing so is to facilitate a debt
12 buyback by the Russian Federation of its own quali-
13 fied debt and the Russian Federation uses a sub-
14 stantial additional amount of its local currency to
15 support activities that further United States objec-
16 tives described in the findings set forth in section
17 312(a).

18 (3) LIMITATION.—The authority provided by
19 paragraphs (1) and (2) shall be available only to the
20 extent that appropriations for the cost of the modi-
21 fication of any debt pursuant to such paragraphs are
22 made in advance.

23 (4) TERMS AND CONDITIONS.—Notwithstanding
24 any other provision of law, the President shall, in ac-
25 cordance with this section, establish the terms and

1 conditions under which loans and credits may be
2 sold, reduced, or canceled pursuant to this section.

3 (5) ADMINISTRATION.—

4 (A) IN GENERAL.—The Facility shall no-
5 tify the Administrator of the agency primarily
6 responsible for administering part I of the For-
7 eign Assistance Act of 1961 or the Commodity
8 Credit Corporation, as the case may be, of pur-
9 chasers that the President has determined to be
10 eligible under paragraph (1)(B), and shall di-
11 rect such agency or Corporation, as the case
12 may be, to carry out the sale, reduction, or can-
13 cellation of a loan pursuant to such paragraph.

14 (B) ADDITIONAL REQUIREMENT.—Such
15 agency or Corporation, as the case may be,
16 shall make an adjustment in its accounts to re-
17 flect the sale, reduction, or cancellation.

18 (b) DEPOSIT OF PROCEEDS.—The proceeds from a
19 sale, reduction, or cancellation of a loan sold, reduced, or
20 canceled pursuant to this section shall be deposited in the
21 United States Government account or accounts estab-
22 lished for the repayment of such loan.

1 **SEC. 318. RUSSIAN NONPROLIFERATION INVESTMENT**
2 **AGREEMENT.**

3 (a) **AUTHORITY.**—Subject to section 321, the Sec-
4 retary is authorized, in consultation with other appro-
5 priate officials of the Federal Government, to enter into
6 an agreement with the Russian Federation concerning the
7 use of the funds saved by that country as a result of any
8 debt relief provided pursuant to this subtitle. An agree-
9 ment entered into under this section may be referred to
10 as the “Russian Nonproliferation Investment Agreement”.

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

13 (1) a significant proportion of the funds saved
14 by the Russian Federation as a result of any debt
15 relief provided pursuant to this subtitle is devoted to
16 nonproliferation programs and projects;

17 (2) funding of each such program or project is
18 approved by the United States Government, either
19 directly or through its representation on any gov-
20 erning board that may be directed or established to
21 manage these funds;

22 (3) administration and oversight of non-
23 proliferation programs and projects incorporate best
24 practices from established threat reduction and non-
25 proliferation assistance programs;

1 (4) each program or project funded pursuant to
2 the Agreement is subject to audits conducted by or
3 for the United States Government;

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

9 (6) the funds that are devoted to programs and
10 projects pursuant to the Agreement are not subject
11 to any taxation by the Russian Federation;

12 (7) all matters relating to the intellectual prop-
13 erty rights and legal liabilities of United States
14 firms in a given project are agreed upon before the
15 expenditure of funds is authorized for that project;
16 and

17 (8) not less than 75 percent of the funds made
18 available for each nonproliferation program or
19 project under the Agreement is spent in the Russian
20 Federation.

21 (c) USE OF EXISTING MECHANISMS.—It is the sense
22 of Congress that, to the extent practicable, the boards and
23 administrative mechanisms of existing threat reduction
24 and nonproliferation programs should be used in the ad-

1 ministration and oversight of programs and projects under
2 the Agreement.

3 **SEC. 319. STRUCTURE OF DEBT-FOR-NONPROLIFERATION**
4 **ARRANGEMENTS.**

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

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

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

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

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

6 (1) the Russian Federation makes material
7 progress in stemming the flow of sensitive goods,
8 technologies, material, and know-how related to the
9 design, development, and production of weapons of
10 mass destruction and the means to deliver them to
11 countries that have been determined by the Sec-
12 retary, for the purposes of section 40 of the Arms
13 Export Control Act, section 620A of the Foreign As-
14 sistance Act, or section 6(j) of the Export Adminis-
15 tration Act of 1979, to have repeatedly provided
16 support for acts of international terrorism; and

17 (2) the President certifies to the appropriate
18 congressional committees that the condition required
19 in 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 au-
25 thorities granted under under sections 315, 316, 317, 318,
26 and 320 may not be exercised, and funds may not be ex-

1 pending, unless and until such certification is made to the
 2 appropriate 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 re-
 6 quirements in that fiscal year would be counter to the na-
 7 tional interest of the United States and so reports to the
 8 appropriate 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
 16 the Paris Club is authorized to negotiate debt ex-
 17 changes with the Russian Federation covering a por-
 18 tion of its bilateral debt, to finance the accomplish-
 19 ment of nonproliferation and arms reduction activi-
 20 ties;

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

1 (3) reaching agreement, as appropriate, to es-
2 tablish a unified debt exchange fund to manage and
3 provide financial transparency for the resources pro-
4 vided through the debt exchanges.

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

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

12 **SEC. 324. CONSULTATIONS WITH CONGRESS.**

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

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

18 Not later than December 31, 2002, and not later
19 than December 31 of each year thereafter, the President
20 shall prepare and transmit to Congress a report con-
21 cerning the operation of the Facility during the fiscal year
22 preceding the fiscal year in which the report is trans-
23 mitted. The report on a fiscal year shall include—

24 (1) a description of the activities undertaken by
25 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 per-
6 formed 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
11 Assistance Coordination Act of 2001”.

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
19 beyond the reach of terrorists and weapons-prolifer-
20 ating 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
24 within and among United States Government agen-
25 cies;

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 initia-
6 tives and proposals for unemployed Russian Federa-
7 tion weapons scientists and technicians, are making
8 an important contribution in ensuring that knowl-
9 edge related to weapons of mass destruction remains
10 beyond the reach of terrorists and weapons-prolifer-
11 ating 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.

22 **SEC. 333. INDEPENDENT STATES OF THE FORMER SOVIET**
23 **UNION DEFINED.**

24 In this subtitle, the term “independent states of the
25 former Soviet Union” has the meaning given the term in

1 section 3 of the FREEDOM Support Act (22 U.S.C.
2 5801).

3 **SEC. 334. ESTABLISHMENT OF COMMITTEE ON NON-**
4 **PROLIFERATION ASSISTANCE TO THE INDE-**
5 **PENDENT STATES OF THE FORMER SOVIET**
6 **UNION.**

7 (a) ESTABLISHMENT.—There is established within
8 the executive branch of the Government an interagency
9 committee known as the “Committee on Nonproliferation
10 Assistance to the Independent States of the Former Soviet
11 Union” (in this subtitle referred to as the “Committee”).

12 (b) MEMBERSHIP.—

13 (1) IN GENERAL.—The Committee shall be
14 composed of five members, as follows:

15 (A) A representative of the Department of
16 State designated by the Secretary of State.

17 (B) A representative of the Department of
18 Energy designated by the Secretary of Energy.

19 (C) A representative of the Department of
20 Defense designated by the Secretary of De-
21 fense.

22 (D) A representative of the Department of
23 Commerce designated by the Secretary of Com-
24 merce.

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

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

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

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

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

21 (1) monitoring United States nonproliferation
22 efforts in the independent states of the former So-
23 viet 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
3 shall—

4 (1) arrange for the preparation of analyses on
5 the issues and problems relating to coordination
6 within and among United States departments and
7 agencies on nonproliferation efforts of the inde-
8 pendent states of the former Soviet Union;

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

20 (3) provide guidance on arrangements that will
21 coordinate, de-conflict, and maximize the utility of
22 United States public spending on nonproliferation
23 programs of the independent states of the former
24 Soviet Union to ensure efficiency and further United
25 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
12 for 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
18 provide, to the extent permitted by law, such information
19 and assistance as may be requested by the Committee in
20 carrying out its functions and activities under this sub-
21 title.

22 **SEC. 337. CONFIDENTIALITY OF INFORMATION.**

23 Information which has been submitted or received in
24 confidence shall not be publicly disclosed, except to the
25 extent 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
8 in the independent states of the former Soviet
9 Union, and the review of those efforts undertaken by
10 the Committee shall not in any way supersede or
11 prejudice 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
20 “DIPLOMATIC AND CONSULAR PROGRAMS” for fiscal years
21 2002 and 2003, not less than \$10,000,000 shall be made
22 available each such fiscal year for the Office of Defense
23 Trade Controls of the Department of State for salaries
24 and expenses.

1 (b) ASSIGNMENT OF LICENSE REVIEW OFFICERS.—
2 Effective January 1, 2002, the Secretary shall assign to
3 the Office of Defense Trade Controls of the Department
4 of State a sufficient number of license review officers to
5 ensure that the average weekly caseload for each officer
6 does not exceed 40.

7 (c) DETAILEES.—For the purpose of expediting li-
8 cense reviews, the Secretary of Defense should ensure that
9 10 military officers are continuously detailed to the Office
10 of Defense Trade Controls of the Department of State on
11 a nonreimbursable basis.

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

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

20 **SEC. 403. INFORMATION MANAGEMENT PRIORITIES.**

21 (a) OBJECTIVE.—The Secretary shall establish a se-
22 cure, Internet-based system for the filing and review of
23 applications for export of Munitions List items.

24 (b) ESTABLISHMENT OF AN ELECTRONIC SYSTEM.—
25 Of the amounts made available pursuant to section 402,

1 not less than \$3,000,000 each such fiscal year shall be
2 made available to fully automate the Defense Trade Appli-
3 cation System, and to ensure that the system—

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

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

10 (3) is capable of exchanging data with—

11 (A) the Export Control Automated Sup-
12 port System of the Department of Commerce;

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

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

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

20 (c) MUNITIONS LIST DEFINED.—In this section, the
21 term “Munitions List” means the United States Muni-
22 tions List of defense articles and defense services con-
23 trolled under section 38 of the Arms Export Control Act
24 (22 U.S.C. 2778).

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

3 (a) CONTRIBUTION TO THE AUTOMATED EXPORT
4 SYSTEM.—Not less than \$250,000 of the amounts pro-
5 vided under section 302 for each fiscal year shall be avail-
6 able for 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
10 meet the needs of the Department of State, if such
11 modifications are consistent with the needs of other
12 United States Government agencies; and

13 (3) providing operational support.

14 (b) MANDATORY FILING.—The Secretary of Com-
15 merce, with the concurrence of the Secretary of State and
16 the Secretary of Treasury, shall publish regulations in the
17 Federal Register to require, upon the effective date of
18 those regulations, that all persons who are required to file
19 export information under chapter 9 of title 13, United
20 States Code, to file such information through the Auto-
21 mated Export System.

22 (c) REQUIREMENT FOR INFORMATION SHARING.—
23 The Secretary shall conclude an information-sharing ar-
24 rangement with the heads of United States Customs Serv-
25 ice and 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 strik-
9 ing “, other than by mail,”.

10 (e) FILING EXPORT INFORMATION, DELAYED FIL-
11 INGS, PENALTIES FOR FAILURE TO FILE.—Section 304
12 of title 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
21 not to exceed \$1,000 for each day’s delinquency
22 beyond the prescribed period, but not more
23 than \$10,000 per violation”;

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

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

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

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

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

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

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

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

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

4 “(c) CIVIL PENALTY PROCEDURE.—(1) When a civil
5 penalty is sought for a violation of this section or of sec-
6 tion 304, the charged party is entitled to receive a formal
7 complaint specifying the charges and, at his or her re-
8 quest, to contest the charges in a hearing before an admin-
9 istrative law judge. Any such hearing shall be conducted
10 in accordance with sections 556 and 557 of title 5, United
11 States Code.

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

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

1 “(A) the penalties were incurred without willful neg-
2 ligence or fraud; or

3 “(B) other circumstances exist that justify a remis-
4 sion or mitigation.

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

11 “(5) Any amount paid in satisfaction of a civil pen-
12 alty imposed under this section or section 304 shall be
13 deposited into the general fund of the Treasury and cred-
14 ited as miscellaneous receipts.

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

24 “(2) The Commissioner of Customs may designate of-
25 ficers or employees of the Customs Service to enforce the

1 provisions of this chapter, or to conduct investigations
 2 pursuant to this chapter.

3 “(e) REGULATIONS.—The Secretary of Commerce
 4 shall promulgate regulations for the implementation and
 5 enforcement of this section.

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

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

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

13 **SEC. 405. ADJUSTMENT OF THRESHOLD AMOUNTS FOR**
 14 **CONGRESSIONAL REVIEW PURPOSES.**

15 The Arms Export Control Act is amended—

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

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

21 (B) by adding at the end of the following
 22 new paragraph:

23 “(5) In the case of a transfer to a member country
 24 of the North Atlantic Treaty Organization (NATO) or
 25 Australia, Japan, or New Zealand that does not authorize

1 a new sales territory that includes any country other than
 2 such countries, the limitations on consent of the President
 3 set forth in paragraphs (1) and (3)(A) shall apply only
 4 if the transfer is—

5 “(A) a transfer of major defense equipment val-
 6 ued (in terms of its original acquisition cost) at
 7 \$25,000,000 or more; or

8 “(B) a transfer of defense articles or defense
 9 services valued (in terms of its original acquisition
 10 cost) at \$100,000,000 or more).”;

11 (2) in section 36 (22 U.S.C. 2776)—

12 (A) in subsection (b)—

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

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

19 (iii) by adding at the end of the fol-
 20 lowing new paragraph:

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

1 includes any country other than such countries only if the
2 letter of offer involves—

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

7 “(B) sale of defense articles or services for, or
8 enhancement or upgrade of defense articles or serv-
9 ices at a cost of, \$100,000,000 or more, as the case
10 may be; or

11 “(C) sale of design and construction services
12 for, or enhancement or upgrade of design and con-
13 struction services at a cost of, \$300,000,000 or
14 more, as the case may be.”; and

15 (B) in subsection (c)—

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

19 (ii) by adding at the end the following
20 new paragraph:

21 “(5) In the case of an application by a person (other
22 than with regard to a sale under section 21 or 22 of this
23 Act) for a license for the export to a member country of
24 the North Atlantic Treaty Organization (NATO) or Aus-
25 tralia, Japan, or New Zealand that does not authorize a

1 new sales territory that includes any country other than
2 such countries, the limitation on the issuance of the license
3 set forth in paragraph (1) shall apply only if the license
4 is for export of—

5 “(A) major defense equipment sold under a
6 contract in the amount of \$25,000,000 or more; or

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

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

11 (A) by striking “In the case of” and in-
12 serting “(1) Subject to paragraph (2), in the
13 case of”; and

14 (B) by adding at the end the following new
15 paragraph:

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

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

1 “(B) defense articles valued (in terms of their
 2 replacement cost less any depreciation in their value)
 3 at \$100,000,000 or more.”.

4 **SEC. 406. PERIODIC NOTIFICATION OF PENDING APPLICA-**
 5 **TIONS FOR EXPORT LICENSES.**

6 The Secretary shall submit, on a biannual basis, to
 7 the appropriate committees of Congress a report
 8 identifying—

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

13 (2) the referral status of each such application
 14 and any other relevant information.

15 **TITLE V—NATIONAL SECURITY**
 16 **ASSISTANCE STRATEGY**

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

18 (a) REQUIREMENT.—Not later than 180 days after
 19 the date of enactment of this Act, and annually thereafter
 20 in connection with submission of congressional presen-
 21 tation materials for the foreign operations appropriations
 22 budget request, the Secretary shall submit to the appro-
 23 priate committees of Congress a report setting forth a Na-
 24 tional Security Assistance Strategy for the United States.

1 (b) ELEMENTS OF THE STRATEGY.—The National
2 Security Assistance Strategy shall—

3 (1) set forth a 5-year plan for security assist-
4 ance programs;

5 (2) be consistent with the National Security
6 Strategy of the United States;

7 (3) be coordinated with the Secretary of De-
8 fense and the Chairman of the Joint Chiefs of Staff;

9 (4) identify overarching security assistance ob-
10 jectives, including identification of the role that spe-
11 cific security assistance programs will play in achiev-
12 ing such objectives;

13 (5) identify a primary security assistance objec-
14 tive, as well as specific secondary objectives, for indi-
15 vidual countries;

16 (6) identify, on a country-by-country basis, how
17 specific resources will be allocated to accomplish
18 both primary and secondary objectives;

19 (7) discuss how specific types of assistance,
20 such as foreign military financing and international
21 military education and training, will be combined at
22 the country level to achieve United States objectives;
23 and

24 (8) detail, with respect to each of the para-
25 graphs (1) through (7), how specific types of assist-

1 ance provided pursuant to the Arms Export Control
2 Act and Foreign Assistance Act of 1961 are coordi-
3 nated with United States assistance programs ad-
4 ministered by the Department of Defense and other
5 agencies.

6 (c) COVERED ASSISTANCE.—The National Security
7 Assistance Strategy shall cover assistance provided
8 under—

9 (1) section 23 of the Arms Export Control Act
10 (22 U.S.C. 2763);

11 (2) chapter 5 of part II of the Foreign Assist-
12 ance Act of 1961 (22 U.S.C. 2347 et seq.); and

13 (3) section 516 of the Foreign Assistance Act
14 of 1961 (22 U.S.C. 2321i).

15 **SEC. 502. SECURITY ASSISTANCE SURVEYS.**

16 (a) UTILIZATION.—The Secretary shall utilize secu-
17 rity assistance surveys in preparation of the National Se-
18 curity Assistance Strategy required pursuant to section
19 501 of this Act.

20 (b) FUNDING.—Of the amounts made available for
21 fiscal year 2002 under section 23 of the Arms Export Con-
22 trol Act (22 U.S.C. 2763), \$2,000,000 is authorized to
23 be available to the Secretary to conduct security assistance
24 surveys, or to request such a survey, on a reimbursable
25 basis, by the Department of Defense or other United

1 States Government agencies. Such surveys shall be con-
2 ducted consistent with the requirements of section 26 of
3 the Arms Export Control Act.

4 **TITLE VI—MISCELLANEOUS**
5 **PROVISIONS**

6 **SEC. 601. NUCLEAR AND MISSILE NONPROLIFERATION IN**
7 **SOUTH ASIA.**

8 (a) UNITED STATES POLICY.—It shall be the policy
9 of the United States, consistent with its obligations under
10 the Treaty on the Non-Proliferation of Nuclear Weapons,
11 to encourage and work with the governments of India and
12 Pakistan to achieve the following objectives by September
13 30, 2003:

14 (1) Continuation of a nuclear testing morato-
15 rium.

16 (2) Commitment not to deploy nuclear weapons.

17 (3) Agreement by both governments to bring
18 their export controls in line with the guidelines and
19 requirements of the Nuclear Suppliers Group.

20 (4) Agreement by both governments to bring
21 their export controls in line with the guidelines and
22 requirements of the Zangger Committee.

23 (5) Agreement by both governments to bring
24 their export controls in line with the guidelines, re-

1 quirements, and annexes of the Missile Technology
2 Control Regime.

3 (6) Establishment of a modern, effective system
4 to protect and secure nuclear devices and materiel
5 from unauthorized use, accidental employment,
6 theft, espionage, misuse, or abuse.

7 (7) Establishment of a modern, effective system
8 to control the export of sensitive dual-use items,
9 technology, technical information, and materiel that
10 can be used in the design, development, or produc-
11 tion of weapons of mass destruction and ballistic
12 missiles.

13 (8) Conduct of bilateral meetings between In-
14 dian and Pakistani senior officials to discuss secu-
15 rity issues, establish confidence building measures,
16 and increase transparency with regard to nuclear
17 policies, programs, stockpiles, capabilities, and deliv-
18 ery systems.

19 (b) REPORT.—Not later than March 1, 2003, the
20 President shall submit to the appropriate committees of
21 Congress a report describing United States efforts in pur-
22 suit of the objectives listed in subsection (a), the progress
23 made toward the achievement of those objectives, and the
24 likelihood that each objective will be achieved by Sep-
25 tember 30, 2003.

1 **SEC. 602. REAL-TIME PUBLIC AVAILABILITY OF RAW SEIS-**
2 **MOLOGICAL DATA.**

3 The head of the Air Force Technical Applications
4 Center shall make available to the public, immediately
5 upon receipt or as soon after receipt as is possible, all raw
6 seismological data provided to the United States Govern-
7 ment by any international monitoring organization that is
8 directly responsible for seismological monitoring.

9 **SEC. 603. DETAILING UNITED STATES GOVERNMENTAL**
10 **PERSONNEL TO INTERNATIONAL ARMS CON-**
11 **TROL AND NONPROLIFERATION ORGANIZA-**
12 **TIONS.**

13 (a) IN GENERAL.—The Secretary, in consultation
14 with the Secretaries of Defense and Energy and the heads
15 of other relevant United States departments and agencies,
16 as appropriate, shall develop measures to improve the
17 process by which United States Government personnel
18 may be detailed to international arms control and non-
19 proliferation organizations without adversely affecting the
20 pay or career advancement of such personnel.

21 (b) REPORT REQUIRED.—Not later than May 1,
22 2002, the Secretary shall submit a report to the Com-
23 mittee on Foreign Relations of the Senate and the Com-
24 mittee on International Relations of the House of Rep-
25 resentatives setting forth the measures taken under sub-
26 section (a).

1 **SEC. 604. DIPLOMATIC PRESENCE OVERSEAS.**

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

3 (1) elevate the stature given United States dip-
4 lomatic initiatives relating to nonproliferation and
5 political-military issues; and

6 (2) develop a group of highly specialized, tech-
7 nical experts with country expertise capable of ad-
8 ministering the nonproliferation and political-mili-
9 tary affairs functions of the Department of State.

10 (b) AUTHORITY.—To carry out the purposes of sub-
11 section (a), the Secretary is authorized to establish the
12 position of Counselor for Nonproliferation and Political
13 Military Affairs in United States diplomatic missions over-
14 seas to be filled by individuals who are career Civil Service
15 officers or Foreign Service officers committed to follow-
16 on assignments in the Nonproliferation or Political Mili-
17 tary Affairs Bureaus of the Department of State.

18 (c) TRAINING.—After being selected to serve as
19 Counselor, any person so selected shall spend not less than
20 10 months in language training courses at the Foreign
21 Service Institute, or in technical courses administered by
22 the Department of Defense, the Department of Energy,
23 or other appropriate departments and agencies of the
24 United States, except that such requirement for training
25 may be waived by the Secretary.

1 **SEC. 605. PROTECTION AGAINST AGRICULTURAL BIOTER-**
2 **RORISM.**

3 Of funds made available to carry out programs under
4 the Foreign Assistance Act of 1961, \$1,500,000 may be
5 made available to North Carolina State University for the
6 purpose of fingerprinting crop and livestock pathogens in
7 order to enhance the ability of the United States Govern-
8 ment to detect new strains, determine their origin, and
9 to facilitate research in pathogen epidemiology.

10 **SEC. 606. COMPLIANCE WITH THE CHEMICAL WEAPONS**
11 **CONVENTION.**

12 (a) FINDINGS.—Congress makes the following find-
13 ings:

14 (1) On April 24, 1997, the Senate provided its
15 advice and consent to ratification of the Chemical
16 Weapons Convention subject to the condition that no
17 sample collected in the United States pursuant to
18 the Convention would be transferred for analysis to
19 any laboratory outside the territory of the United
20 States.

21 (2) Congress enacted the same condition into
22 law as section 304(f)(1) of the Chemical Weapons
23 Convention Implementation Act of 1998 (22 U.S.C.
24 6724(f)(1)).

25 (3) Part II, paragraph 57, of the Verification
26 Annex of the Convention requires that all samples

1 taken during a challenge inspection under the Con-
2 vention shall be analyzed by at least two laboratories
3 that have been designated as capable of conducting
4 such testing by the OPCW.

5 (4) The only United States laboratory currently
6 designated by the OPCW is the United States Army
7 Edgewood Forensic Science Laboratory.

8 (5) In order to meet the requirements of condi-
9 tion (18) of the resolution of ratification of the
10 Chemical Weapons Convention, and section 304 of
11 the Chemical Weapons Convention Implementation
12 Act of 1998 (22 U.S.C. 6724), the United States
13 must possess, at a minimum, a second OPCW-des-
14 ignated laboratory.

15 (6) The possession of a second laboratory is
16 necessary in view of the potential for a challenge in-
17 spection to be initiated against the United States by
18 a foreign nation.

19 (7) To qualify as a designated laboratory, a lab-
20 oratory must be certified under ISO Guide 25 or a
21 higher standard, and complete three proficiency
22 tests. The laboratory must have the full capability to
23 handle substances listed on Schedule 1 of the Annex
24 on Schedules of Chemicals of the Chemical Weapons
25 Convention. In order to handle such substances in

1 the United States, a laboratory also must operate
2 under a bailment agreement with the United States
3 Army.

4 (8) Several existing United States commercial
5 laboratories have approved quality control systems,
6 already possess bailment agreements with the United
7 States Army, and have the capabilities necessary to
8 obtain OPCW designation.

9 (9) In order to bolster the legitimacy of United
10 States analysis of samples taken on its national ter-
11 ritory, it is preferable that the second designated
12 laboratory is not a United States Government facil-
13 ity. Further, it is not cost-effective to build and
14 equip another Government laboratory to meet
15 OPCW designation standards when such capability
16 already exists in the private sector.

17 (b) ESTABLISHMENT OF SECOND DESIGNATED LAB-
18 ORATORY.—

19 (1) DIRECTIVE.—Not later than February 1,
20 2002, the United States National Authority, as des-
21 ignated under section 101 of the Chemical Weapons
22 Convention Implementation Act of 1998 (22 U.S.C.
23 6711), shall select, through competitive procedures,
24 a commercial laboratory within the United States to
25 pursue designation by the OPCW.

1 (2) DELEGATION.—The National Authority
2 may delegate the authority and administrative re-
3 sponsibility for carrying out paragraph (1) to one or
4 more of the heads of the agencies described in sec-
5 tion 101(b)(2) of the Chemical Weapons Convention
6 Implementation Act of 1998 (22 U.S.C. 6711(b)(2)).

7 (3) REPORT.—Not later than March 1, 2002,
8 the National Authority shall submit to the appro-
9 priate committees of Congress a report detailing a
10 plan for securing OPCW designation of a third
11 United States laboratory by December 1, 2003.

12 (c) DEFINITIONS.—In this section:

13 (1) CHEMICAL WEAPONS CONVENTION.—The
14 term “Chemical Weapons Convention” means the
15 Convention on the Prohibition of Development, Pro-
16 duction, Stockpiling and Use of Chemical Weapons
17 and on Their Destruction, Opened for Signature and
18 Signed by the United States at Paris on January
19 13, 1993, including the following protocols and
20 memorandum of understanding:

21 (A) The Annex on Chemicals.

22 (B) The Annex on Implementation and
23 Verification.

24 (C) The Annex on the Protection of Con-
25 fidential Information.

1 (D) The Resolution Establishing the Pre-
 2 paratory Commission for the Organization for
 3 the Prohibition of Chemical Weapons.

4 (E) The Text on the Establishment of a
 5 Preparatory Commission.

6 (2) OPCW.—The term “OPCW” means the
 7 Organization for the Prohibition of Chemical Weap-
 8 ons established under the Convention.

9 **TITLE VII—AUTHORITY TO**
 10 **TRANSFER NAVAL VESSELS**

11 **SEC. 701. AUTHORITY TO TRANSFER NAVAL VESSELS TO**
 12 **CERTAIN FOREIGN COUNTRIES.**

13 (a) AUTHORITY TO TRANSFER.—

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

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

1 (3) TURKEY.—The President is authorized to
2 transfer to the Government of Turkey the “Oliver
3 Hazard Perry” class guided missile frigates Estocin
4 (FFG 15) and Samuel Eliot Morrison (FFG 13).
5 Each such transfer shall be on a sale basis under
6 section 21 of the Arms Export Control Act (22
7 U.S.C. 2761). The President is further authorized to
8 transfer to the Government of Turkey the “Knox”
9 class frigates Capadanno (FF 1093), Thomas C.
10 Hart (FF 1092), Donald B. Beary (FF 1085),
11 McCandless (FF 1084), Reasoner (FF 1063), and
12 Bowen (FF 1079). The transfer of these 6 “Knox”
13 class frigates shall be on a grant basis under section
14 516 of the Foreign Assistance Act of 1961 (22
15 U.S.C. 2321j).

16 (4) TAIWAN.—The President is authorized to
17 transfer to the Taipei Economic and Cultural Rep-
18 resentative Office in the United States (which is the
19 Taiwan instrumentality designated pursuant to sec-
20 tion 10(a) of the Taiwan Relations Act) the “Kidd”
21 class guided missile destroyers Kidd (DDG 993),
22 Callaghan (DDG 994), Scott (DDG 995), and Chan-
23 dler (DDG 996). The transfer of these 4 “Kidd”
24 class guided missile destroyers shall be on a sale

1 basis under section 21 of the Arms Export Control
2 Act (22 U.S.C. 2761).

3 (b) GRANTS NOT COUNTED IN ANNUAL TOTAL OF
4 TRANSFERRED EXCESS DEFENSE ARTICLES.—The value
5 of a vessel transferred to another country on a grant basis
6 under section 516 of the Foreign Assistance Act of 1961
7 (22 U.S.C. 2321j) pursuant to authority provided by sub-
8 section (a) shall not be counted for the purposes of sub-
9 section (g) of that section in the aggregate value of excess
10 defense articles transferred to countries under that section
11 in any fiscal year.

12 (c) COSTS OF TRANSFERS.—Notwithstanding section
13 516(e)(1) of the Foreign Assistance Act of 1961 (22
14 U.S.C. 2321j(e)(1)), any expense incurred by the United
15 States in connection with a transfer authorized to be made
16 on a grant basis under subsection (a) or (b) shall be
17 charged to the recipient.

18 (d) REPAIR AND REFURBISHMENT IN UNITED
19 STATES SHIPYARDS.—To the maximum extent prac-
20 ticable, the President shall require, as a condition of the
21 transfer of a vessel under this section, that the country
22 to which the vessel is transferred have such repair or re-
23 furbishment of the vessel as is needed, before the vessel
24 joins the naval forces of that country, performed at a

1 United States Navy shipyard or other shipyard located in
2 the United States.

3 (e) EXPIRATION OF AUTHORITY.—The authority pro-
4 vided under subsection (a) shall expire at the end of the
5 2-year period beginning on the date of the enactment of
6 this Act.

Passed the Senate December 20 (legislative day, De-
cember 18), 2001.

Attest:

JERI THOMSON,
Secretary.