SENATE—*Wednesday, October 3, 2001*

The Senate met at 10 a.m. and was called to order by the Honorable JACK REED, a Senator from the State of Rhode Island.

PRAYER

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

Here is a promise from Proverbs 2:2–6 on how to pray for wisdom: ''Incline your ear to wisdom, and apply your heart to understanding; yes, if you cry out for discernment, and lift up your voice for understanding, if you seek her as silver, and search for her as for hidden treasures; then you will understand the fear of the Lord, and find the knowledge of God. For the Lord gives wisdom; from His mouth come understanding and knowledge.''

Let us pray:

Immortal, invisible, God only wise, in light inaccessible hid from our eyes, we confess our lack of wisdom to solve the problems of our Nation and world. The best of our education, experience, and erudition is not enough. We turn to You and ask for the gift of wisdom. You never tire of offering it; we desire it; and our times require it. We are stunned by the qualifications of receiving wisdom. Proverbs reminds us that the secret is creative fear of You. What does it mean to fear You? You have taught us that it is awe, wonder, and humble adoration. Our profound concern is that we might be satisfied with our surface analysis and be unresponsive to Your offer of wisdom. Lord, grant the Senators knowledge and understanding of Your wisdom so that they may speak Your words on their lips. When nothing less will do, You give wisdom to those who humbly ask for it. Thank You, God. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JACK REED led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD.)

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, October 3, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JACK REED, a Senator from the State of Rhode Island, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

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

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President the Senate will resume consideration of the Vietnam Trade Act forthwith. We hope to complete that action early today, hopefully by noon—if not, early this afternoon. Then we are going to go to the Aviation Security Act. We hope to complete that late today or at the latest tomorrow.

I would like also to indicate that I spoke late last night with Senator LEAHY. Everyone is always concerned about how the Judiciary Committee is moving along. They have been heavily involved in all kinds of problems due to the September 11 incident. But one thing the committee has been working on, literally night and day, is the antiterrorism legislation. But in addition to that I am happy to report the Judiciary Committee tomorrow will report out a circuit court judge from New York, a district court judge from Mississippi, up to 15 U.S. attorneys, one Assistant Attorney General, and the Director of the United States Marshals Service. That will be done tomorrow afternoon.

There will be a hearing also in the Judiciary Committee tomorrow. There will be a hearing on a circuit court judge from Louisiana, two district court judges from Oklahoma, a district court judge from Kentucky, a district court judge from Nebraska, and Jay Bybee to be Assistant Attorney General for the Office of Legal Counsel.

The following week there are going to be a number of hearings, including one on John Walters to be Director of the Office of National Drug Policy. There is going to be a hearing on the 16th on Tom Sansoneppi to be Assistant Attorney General for Natural Resources. Then there is going to be an additional hearing on the 18th of this month on a circuit court judge and five district court judges.

So Senator LEAHY is to be commended for the work he is doing in conjunction with Senator HATCH and moving these nominations along. Senator LEAHY has a tremendous load. On behalf of the majority leader, I extend appreciation from the entire Senate for the great work he has been doing.

VIETNAM TRADE ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H.J. Res. 51, which the clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 51) approving the extension of nondiscriminatory treatment with respect to the products of the Socialist Republic of Vietnam.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I just spoke to my colleague, the distinguished Senator from New Hampshire, the only other Senator on the floor, who is about to speak on the pending bill, and asked if I might have just a few minutes. So I ask unanimous consent to proceed as in morning business for 5 minutes.

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

(The remarks of Mr. SPECTER are printed in today's RECORD under ''Morning Business.'')

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire is recognized.

Mr. SMITH of New Hampshire. Mr. President, I rise to speak in opposition to the pending bill regarding normal trade relations with Vietnam.

It is significant for us to look at what is occurring on the Senate floor as compared to what happened on the House side. There are two issues involved. One is the numerous human rights violations committed by the country of Vietnam, and the second is the other issue—which is the issue binding—of whether or not we should have so-called normal, if you will, trade relations with the country of Vietnam.

I want to point out a few facts. Before I do that, I again point out that before the House passed normalization of trade with Vietnam, it passed H.R. 2833, dealing with human rights violations in Vietnam. I have a copy of the vote, which I ask unanimous consent to have printed in the RECORD.

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

ROLL 335—TO PROMOTE FREEDOM AND DEMOCRACY IN VIETNAM

YEAS—410

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Cooksey
Costello
Cox
Coyne
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (OH)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Mink
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (FL)

NAYS—1

Paul

Mr. SMITH of New Hampshire. Mr. President, this is a vote of 410–1, which noted the human rights violations Vietnam has committed.

I ask my colleagues for the RECORD why we cannot have a similar vote in the Senate. If those who want to normalize relations with Vietnam choose to ignore the numerous human rights violations of that country, is that right? Where we had something that passed the House 410–1 and was sent over here, why can't we have a vote on that either before or after the vote on normalization of trade relations? I will tell you why. Because one Senator objects.

I want to point out to the majority side that at the appropriate time when someone from the majority is here on the floor, I am going to ask unanimous consent that we move to that legislation. I believe that is the appropriate thing to do.

Let me proceed by saying I don't think it is a secret that I have been a long-time critic of the regime in Hanoi. I have visited there four or five times, if not more, as a Senator and as a Congressman. I think I know pretty well the situation there. A lot of the criticism that I brought up has focused pretty much on the POW-MIA issue in the sense that in spite of all the statements to the contrary by many, they have not provided full disclosure on our missing. I will get back to that.

First, I want to comment on the passage in the House of H.R. 2833, the Vietnam Human Rights Act, before they took up normal trade relations. The House is saying: We know what you are doing; we are putting you on notice. We can't do that here in the Senate today because one Senator is blocking, as far as I know, it coming to the Senate floor—410–1, and we can't even get a vote on it in the Senate.

I commend the House for its action. They did the right thing. I don't agree with their passing normal trade relations, but they at least passed the human rights violation notification so that we now know and the world now knows about these violations. We should expect Vietnam to improve its record on human rights if we are trying to trade with them.

Why is that so unreasonable? We make these demands on other nations. But when it comes to Vietnam, we have to ignore their horrible record of open human rights violations. It is abysmal. Our own State Department explains it in its ''Country Report on Human Rights Practices.'' We can't ignore these things.

My question is, Why doesn't the Senate do what the House did and pass the Vietnam Human Rights Act? It is here at the desk. We could pass it.

I have a letter from the U.S. Commission on International Religious Freedom requesting that the Senate pass H.R. 2833, the Vietnam Human Rights Act. I ask unanimous consent that the letter from the U.S. Commission on International Religious Freedom be printed in the RECORD.

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

UNITED STATES COMMISSION ON INTERNATIONAL RELIGIOUS FREEDOM,
Washington, DC, September 12, 2001.

CONGRESS SHOULD DEMAND RELIGIOUS-FREEDOM IMPROVEMENTS AS IT CONSIDERS VIETNAM TRADE AGREEMENT

The Senate will soon consider the Bilateral Trade Agreement (BTA) with Vietnam, approved by the House of Representatives last week. The agreement will extend Normal Trade Relations status to Vietnam, although this will remain subject to annual review. Given the very serious violations of religious freedom in that country, the Commission in May made a series of recommendations to the Bush Administration and Congress. Primary among these was that U.S. lawmakers should ratify the BTA only after Hanoi undertakes to improve protection of religious freedom or after Congress passes a resolution calling for the Vietnamese government to make such improvements.

The Vietnam Human Rights Act (H.R. 2833) passed by the House last week implements this and other Commission recommendations. Besides expressing U.S. concern about Vietnam's religious-freedom and human rights abuses, the Act authorizes assistance to organizations promoting human rights in Vietnam and declares support for Radio Free Asia broadcasting. The Commission urges the Senate to act likewise.

The Commission believes that approval of the BTA without any U.S. action with regard to religious freedom risks worsening the religious-freedom situation in Vietnam because it may be interpreted by the government of Vietnam as a signal of American indifference. The Commission notes that religious freedom in the People's Republic of China declined markedly after last year's approval of Permanent Normal Trade Relations status, unaccompanied by any substantial U.S. action with regard to religious freedom in that country.

Despite a marked increase in religious practice among the Vietnamese people in the last 10 years, the Vietnamese government continues to suppress organized religious activities forcefully and to monitor and control religious communities. This repression is mirrored by the recent crackdown on important political dissidents. The government prohibits religious activity by those not affiliated with one of the six officially recognized religious organizations. Individuals have been detained, fined, imprisoned, and kept under close surveillance by security forces for engaging in ''illegal'' religious activities. In addition, the government uses the recognition process to monitor and control officially sanctioned religious groups: restricting the procurement and distribution of religious literature, controlling religious training, and interfering with the selection of religious leaders.

The Vietnamese government in March placed Fr. Thaddeus Nguyen Van Ly under administrative detention (i.e. house arrest) for ''publicly slandering'' the Vietnamese Communist Party and ''distorting'' the government's policy on religion. This occurred after Fr. Ly submitted written testimony on religious persecution in Vietnam for the Commission's February 2001 hearing on that country.

In order to demonstrate significant improvement in religious freedom, the Vietnamese government should:

Release from imprisonment, detention, house arrest, or intimidating surveillance persons who are so restricted due to their religious identities or activities.

Permit unhindered access to religious leaders by U.S. diplomatic personnel and government officials, the U.S. Commission on International Religious Freedom, and respected international human rights organizations, including, if requested, a return visit by the UN Special Rapporteur on Religious Intolerance.

Establish the freedom to engage in religious activities (including the freedom for religious groups to govern themselves and select their leaders, worship publicly, express and advocate religious beliefs, and distribute religious literature) outside state-controlled religious organizations and eliminate controls on the activities of officially registered organizations. Allow indigenous religious communities to conduct educational, charitable, and humanitarian activities.

Permit religious groups to gather for annual observances of primary religious holidays.

Return confiscated religious properties.

Permit domestic Vietnamese religious organizations and individuals to interact with foreign organizations and individuals.

Mr. SMITH of New Hampshire. Mr. President, I quote from this letter.

Congress Should Demand Religious-freedom Improvements As It Considers Vietnam Trade Agreement.

The Senate will soon consider the Bilateral Trade Agreement with Vietnam approved by the House of Representatives last week.

Given the very serious violations of religious freedom in that country, the Commission in May made a series of recommendations to the Bush administration and Congress. Primary among these was that U.S. lawmakers should ratify the BTA only after Hanoi undertakes to improve protection of religious freedom or after the Congress passes a resolution calling for the Vietnamese government to make such improvements.

You have the U.S. Commission on International Religious Freedom asking us to do this. The House did it, and we are not doing it.

The Vietnam Human Rights Act which passed the House last week implements this and other Commission recommendations. The Commission urges the Senate to do likewise. However, we cannot do that because of the fact that someone is holding it up. That, to me, is unfortunate.

I am going to propose a unanimous consent request. At that time, I know the majority will object, but I want to propose it. I want to also say that I may ask for this a number of times.

I believe the individual Senator or Senators who oppose having a vote on human rights should come down and defend themselves. I would like to hear why it is we can't pass something that passed the House 410–1.

I know my colleague from Montana has a hearing to go to. I am more than happy to yield to the Senator from Montana in just a second so that he can go off to his hearing, providing I can reclaim the floor after the Senator from Montana speaks.

I ask unanimous consent that following the vote on H.J. Res. 51, extension of nondiscrimination with respect to products of the Socialist Republic of Vietnam, the Senate immediately proceed to a vote on final passage of H.R. 2833, the Vietnam Human Rights Act.

The ACTING PRESIDENT pro tempore. Is there objection?

The Senator from Montana.

Mr. BAUCUS. I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent that I yield to Senator BAUCUS and that I can regain the floor after Senator BAUCUS completes his remarks.

Mr. BAUCUS. Mr. President, may I ask the Senator a question? I temporarily object.

The ACTING PRESIDENT pro tempore. Will the Senator from New Hampshire yield for a question?

Mr. SMITH of New Hampshire. Certainly.

Mr. BAUCUS. I think it is only proper that the Senator from New Hampshire regain the floor. I would just like his counsel, if he again asks unanimous consent whether he will refrain from doing so until somebody is on the floor to object.

Mr. SMITH of New Hampshire. Absolutely.

Mr. BAUCUS. Mr. President, I do not object.

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

The Senator from Montana.

Mr. BAUCUS. I thank my friend from New Hampshire. I deeply value his friendship. We have worked very closely together in lots of matters, particularly on the Environment and Public Works Committee. He is a man of tremendous integrity and is a very good Senator. I deeply appreciate his efforts in the Senate.

Mr. President, I rise in support of the House Joint Resolution 51, which would approve the trade agreement between the United States and Vietnam. This agreement was signed last year, and it would extend normal trade relations status to Vietnam.

It is identical to Senate Joint Resolution 16. That was approved unanimously by the Finance Committee in July of this year.

Our trade agreement with Vietnam represents an important step in a healing process, a step that has been a long time in coming.

Let me just review the history a bit.

After two decades of relative isolation from one another, our two countries began the process of normalizing ties and of healing in the mid-1990s.

In 1994, we lifted our embargo with Vietnam.

Then, in 1995, we normalized diplomatic relations, sending Pete Peterson to be our first Ambassador to Vietnam since the war. A true hero, Pete Peterson did a tremendous job, working with the Vietnamese to help locate missing American personnel, and to help facilitate the orderly departure from Vietnam of refugees and other immigrants.

In 1998, President Clinton waived the Jackson-Vanik prohibitions. This enabled Vietnam to obtain access to financial credit and guarantee programs sponsored by the U.S. Government.

Meanwhile, the Vietnamese Government has done its part. By all accounts, the Government has cooperated in efforts to fully account for missing American personnel. As former Ambassador Peterson reported in June 2000—I am quoting his report now—

Since 1993, [39] joint field activities have been conducted in Vietnam, 288 possible American remains have been repatriated, and the remains of 135 formerly unaccounted-for American servicemen have been identified, including 26 since January 1999.

Continuing to quote Ambassador Peterson:

This would not have been possible without bilateral cooperation between the U.S. and Vietnam. Of the 196 Americans that were on the Last Known Alive list, fate has been determined for all but 41. . . .

Moreover, with respect to freedom of emigration—the underlying purpose of the Jackson-Vanik provisions—the President recently reported:

Overall, Vietnam's emigration policy has liberalized considerably in the last decade and a half. Vietnam has a solid record of cooperation with the United States to permit Vietnamese emigration.

Over 500,000 Vietnamese have emigrated as refugees or immigrants to the United States . . . and only a small number of refugee applicants remain to be processed.

In light of this substantial progress in our relationship with Vietnam, the next logical step is to begin normalizing our commercial ties. The trade agreement concluded last year will do that.

That said, I and most of my colleagues have serious concerns about Vietnam's human rights record. It is not good. The State Department's most recent report describes the record as ''poor.'' It notes that ''although there was some measurable improvement in a few areas, serious problems remain.'' These include: arbitrary arrests and detentions, denials of fair and speedy trials to criminal defendants, significant restrictions on freedom of speech and the press, severe limitations on freedom of religion, denial of worker rights, and discrimination against ethnic minorities.

Making improvements in these and other areas ought to be a top priority of the United States in our relationship with Vietnam. But establishing a normal commercial relationship with Vietnam does not hinder that goal. Indeed, it complements our human rights efforts.

As our experience in countries such as China demonstrates, engagement works. Engagement without illusions works. By interacting with countries commercially, we bring them into closer contact with our democratic values. We generate demand for those values.

This does not mean that we can simply let trade begin to flow with Vietnam and then sit back and watch; rather, we have to engage Vietnam and work actively with them to improve human rights in that country. This process has already begun; and it needs to continue.

Our efforts include an annual high-level dialog with Vietnam on human rights. That exercise has had some success. While much work remains to be done, former Ambassador Peterson reported toward the end of his 6-year tenure that the Vietnamese Government has grown increasingly tolerant of public dissent.

The Government has also released key religious and political prisoners and loosened restrictions on religious practices.

Additionally, Vietnam recently allowed the International Labor Organization to open an office in Hanoi. Supported by the U.S. Department of Labor, the ILO is providing technical assistance in areas ranging from social safety nets, to workplace safety, to collective bargaining.

Further, it is likely that in the near future we will negotiate a textiles agreement with Vietnam, as we did 2 years ago with Cambodia.

Such an agreement would set quotas on imports of Vietnamese textile and apparel products into the United States. As we did with Cambodia, we should tie quota increases under such an agreement to improvements in worker rights.

Much work remains to be done to improve human rights in Vietnam, but engagement has gotten us off to a good start. And that is important. It is important to get off to a good start, get things moving in the right direction.

Moreover, it is important to remember that by approving the trade agreement with Vietnam, we are not giving it so-called PNTR; that is, permanent normal trade relations. We are not doing that. We are not doing for Vietnam what we did for China last year, in preparation for China's accession into the World Trade Organization.

The step we are taking with Vietnam is much more modest. Vietnam currently has a disfavored trade status, one in which exports to the United States are subject to prohibitive tariffs. This agreement moves Vietnam to a normal but probationary trade status.

Under the Jackson-Vanik provisions of the Trade Act, the President and Congress will still conduct annual reviews of Vietnam's trade status. These reviews will be an additional source of leverage in seeking improvement of human rights in Vietnam.

I would like to turn now to the substance of the agreement and the benefits that we will gain from it.

At its core, the agreement will enable us to decrease tariffs on Vietnamese imports to tariff levels applied to imports from most other countries. Vietnam, in return, will apply to U.S. goods the same tariff rates it applies to other countries.

But this agreement goes well beyond a reciprocal lowering of tariffs. It requires Vietnam, among other things, to lower tariffs on over 250 categories of goods; to phase in import, export, and distribution rights for U.S.-owned companies; to adhere to intellectual property rights standards which, in some cases, exceed WTO standards; and to liberalize opportunities for U.S. companies to operate in key service sectors, including banking, insurance, and telecommunications.

This agreement should provide a sound foundation for a mutually beneficial commercial relationship. It will build upon the increasingly stronger ties between the United States and Vietnam.

Indeed, I hope the efforts Vietnam makes to implement the agreement will put it well along the way to eventual membership in the WTO.

Make no mistake, there still will be a lot of work to be done, even after the agreement is approved. We will have to work with Vietnam to ensure that its obligations on paper translate into actual practice. We will also have to monitor operation of the agreement very carefully. But I am confident that this agreement does get us off to a very good start. That is critical.

I am pleased to support the resolution extending normal trade relations status to Vietnam.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire.

Mr. SMITH of New Hampshire. Mr. President, my colleague from Montana mentioned human rights violations. Yet in spite of the fact that the House voted 410–1 to cite those violations, we cannot have a similar vote in the Senate today, either before or after voting on normal trade relations with Vietnam. That is my issue and my concern, and it is why I did request unanimous consent to proceed to that bill.

For the life of me, I don't know why we choose to ignore these violations. Everyone knows where the votes are on normal trade relations. I know my view does not carry in this Chamber. But I don't understand why we can't at least vote on the human rights violations.

We should not approve the U.S.-Vietnam trade agreement without at least addressing these human rights violations in Vietnam. I don't understand why we can't address them. What is the fear? That somehow we are going to antagonize the Vietnamese? I am going to be giving you some information very shortly that makes one wonder why we would not want to antagonize the Vietnamese. We will talk about that.

Let me first ask, what does this human rights act do that we are not allowed to pass it in the Senate because somebody is holding it up with a secret hold? Well, it prevents the United States from providing nonhumanitarian assistance to the Government of Vietnam above 2001 levels unless the President certifies that the Government of Vietnam has made substantial progress toward releasing political and religious prisoners it holds; secondly, that the Government of Vietnam has made substantial progress toward respecting the right to freedom of religion, which it does not; thirdly, that the Government of Vietnam has made substantial progress toward respecting human rights, which it does not do; and the Government of Vietnam is not involved in trafficking persons. They do that, too.

We are going to ignore all that. We are going to ignore that, and we can't possibly have a vote today to cite the Vietnamese for those human rights violations because somehow we are going to offend them.

We don't take that position against other nations that have human rights

violations. The President has the ultimate waiver authority under this legislation. If the continuation of assistance is deemed in the national interest, if he thinks it is in the national interest, he can waive these issues. He can waive the certification process, if he believes it is necessary. It is no big deal. There is no harm done if the Senate would pass this resolution.

This resolution authorizes appropriations of up to $2 million to NGOs, nongovernment organizations, that promote human rights and nonviolent democratic change. It states: It is the policy of the U.S. Government to overcome the jamming of Radio Free Asia by the Vietnamese. It authorizes $10 million over 2 years for that effort. It helps Vietnamese refugees settle in the United States, especially those who were prevented from doing so by actions of the Vietnamese, such as bribes and government interference. Yes, that goes on, too. We are going to ignore it, but it does go on.

It requires an annual report to Congress on the above-mentioned issues. As you can see, this is a very reasonable piece of legislation. It doesn't tie the hands of the President. It only involves nonhumanitarian aid. It only concerns increases in nonhumanitarian aid above the 2001 levels.

My personal belief is we should not approve normal trade relations with Vietnam. I know where the votes are. I know this legislation will pass.

I am particularly disgusted by a press report which contained an excerpt from the Vietnamese People's Army Daily commenting on the recent terrorist attacks. I want my colleagues to hear what the official organ of the Vietnamese Army thinks. And remember, they will profit handsomely from this trade agreement with the United States.

As I display the quote, I want to put everything in perspective. We had a terrorist attack, the worst ever in the history of America. This is what the Vietnamese official People's Army Daily said about it. In spite of that, we are not even allowed in the Senate to pass a resolution criticizing them for their human rights violations before we give them normal trade status.

I heard the President of the United States very clearly state and articulate over and over again, you are either with us or you are against us. It is not gray. It is either black or white. You are on our side in the fight against terrorism or you are not. Let's read what they said:

> . . . it's obvious that through this incident, Americans should take another look at themselves. If Americans had not pursued isolationism and chauvinism, and if they had not insisted on imposing their values on others in their own subjective manner, then perhaps the twin towers would still be standing together in the singing waves and breeze of the Atlantic.

That is what they said. But we are going to ignore all that. This is Vietnam. We now have to normalize trade relations with them, but we can't even criticize them on their human rights violations. I will withdraw any recorded vote on normal trade relations if we will just bring up by unanimous consent and vote on the human rights violations that the House passed 410–1.

Of what are we afraid? Why are we afraid of offending? Do my colleagues like that comment? How do they like that? How do they think the 6,000 families feel about that comment? That is what they said.

If we think that is bad, while it is up there, let me give a few more comments. This was 2 days after the incident:

> A visit to the city's institutes of higher learning on Thursday revealed an alarming level of excitement and happiness over the recent devastating terrorist attacks in the United States.

This was in the international news section of the Deutsche Presse. Here is what one person said on the streets of Hanoi:

> ''Many people here consider this act of terrorism an act of heroism, because they dared confront the almighty United States,'' said one post-graduate student at Hanoi Construction University. Another student, 22-year-old class monitor Dang Quang Bao, said terrorism as a means is not ideal.
>
> ''But this helped the U.S. open its eyes, because it has blindly imposed its power on the world through embargoes and intervening in the internal affairs of other nations.
>
> ''When people heard about the attack in America,'' he added, ''many said it was legitimate.''
>
> Privately, thousands if not millions of Vietnamese admire the U.S. for its economic power, military supremacy. . . .
>
> But Communist-ruled Vietnam, like many Third World nations, maintains a testy relationship with the United States.
>
> ''If Bush had died, I would be happier, because he's so warlike,'' said Tran Huy Hanh, a student at the Construction University who heads his class's chapter of the youth union.
>
> ''America deserves this, because of all the suffering it has caused humankind,'' said one freshman at National Economics University.
>
> ''But they should have attacked the headquarters of the CIA, because the CIA serves America's political plots,'' he said.

This Senate won't even give us a chance to vote to condemn their human rights violations. We are not even asking you to condemn this. All we are asking you to do is condemn the human rights violations they are committing. What are we doing? What are we saying to the American people?

It is unbelievable. I am stunned.

In the cafes and barber shops—not to mention the classrooms in Hanoi—people expressed broad consensus that the U.S. reaped what it has sown. Listen to this one: ''I feel sorry for the terrorists who were very brave because they risked their lives,'' said a motorbike guard, who did not wish to be named, in Hanoi. ''I am happy,'' gloated a 70-year-old Hanoian who said he was an army officer in wars against the French and Americans. ''You see, America always boasts about its power, but what has happened proves America is not invincible.''

''The United States is king of the jungle,'' said 25-year-old Phan Huy Son. ''When the king is attacked, the other animals are happy.''

This is what we got from Hanoi. Somebody will come down here and they will read the official little cable that came in. That is what it said ''officially.'' But this is what the People's Army Daily said on September 13. It is outrageous in and of itself that they said it. But let me tell you something. We are further compounding the outrage by standing on the Senate floor and voting to normalize trade relations with them. That is bad enough. But even worse, we don't have the guts to bring up on the Senate floor and pass something that was supported 410–1. Don't tell me one Senator has a hold. I know one Senator has a hold on it. Let's go to that Senator and say take the hold off and let us vote on it, whatever the vote is.

''The towers would still be standing together in the singing waves and breeze of the Atlantic'' were it not for us imposing values on others. Does that sound like somebody who is for us? It sounds like somebody who is against us to me. It is an insult, an outrage. I didn't even hear Saddam Hussein say that. It is an outrage that that was said. It is a further outrage that we are compounding by refusing to even consider the human rights violations. I understand a resolution approving normal trade relations is going to pass. I know it will pass. But why can't we have a vote? Why can't we have a vote right now after this debate on the human rights act?

Mr. President, after showing this material and talking about it, I am going to again, since there is representation of the majority side on the floor, ask unanimous consent that following the vote on H.J. Res. 51, the extension of nondiscriminatory treatment with respect to the products of the Socialist Republic of Vietnam, the Senate immediately proceed to and vote on final passage of H.R. 2833, the Vietnam Human Rights Act.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAUCUS. Mr. President, will the Senator yield for a question before I object?

Mr. SMITH of New Hampshire. Certainly.

Mr. BAUCUS. Has this resolution been referred to the Foreign Relations Committee?

Mr. SMITH of New Hampshire. The resolution passed the House 410–1. I don't know if it has been referred to the committee. I assume so.

Mr. BAUCUS. It has not. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. SMITH of New Hampshire. If it needs to be referred to the Foreign Relations Committee, it should be, and the Foreign Relations Committee should act post haste and get it up to the Senate floor before we consider the action we are now taking.

That is my point. We should not give free trade to a Communist regime that ignores basic human rights and insults us—''insult'' isn't even strong enough—by saying something like that, having those comments made on the streets of Hanoi and proudly printing it in their propaganda rags. We stand here on the Senate floor and refuse to even talk about it. That is outrageous.

It is my understanding that the bill has been held at the desk after the House sent it over, to get it straight on the record.

I know my colleague from Iowa wishes to make some remarks, and I will be happy to yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Iowa, Mr. GRASSLEY, is recognized.

Mr. GRASSLEY. I thank the Senator from New Hampshire for his kind yielding of the floor because I have to go to a hearing at 11 o'clock before the Senate Finance Committee when we are going to talk about a stimulus package. So I thank the Senator.

I support the joint resolution approving the U.S.-Vietnam Bilateral Trade Agreement. I commend Chairman BAUCUS for his leadership in helping to bring this historic agreement before the Senate today. I also think we ought to take time to thank Senators MCCAIN and KERRY for their strong support of the agreement. These two Senators just named are people who have been, for a long time, active in trying to work out trade relations between the United States and Vietnam. Many times before now, I have opposed them in those efforts. Many times in the past, I have supported the Senator from New Hampshire in some of his efforts. I served with him for a long period of time on the Select Committee on POW/MIAs during the beginning of the last decade to work things out.

The reason I am for this trade agreement, as opposed to positions I have taken in the past, is because I think that trade—for business men and women—between the United States and another country can probably do more to promote human rights, market economic principles, and political freedom and political democracy, much more than we can as political leaders or diplomats working between two countries. I see a very beneficial impact over the long haul—not maybe the short haul—to changing a lot of things in Vietnam. The Senator from New Hampshire has raised issues about it, and legitimately so.

It is a fact that our Nation's healing process over Vietnam is not yet complete, nor may it ever be. But passage of this historic agreement, I believe, will aid us in the healing process. Approving the agreement will have other profound consequences for both nations and benefit to our Nation as well because I look at international trade as not benefiting the country that we are having the agreement with but benefiting the United States. If it doesn't benefit us, there is no point in our doing it.

When you look at the purpose of our trade arrangements, they are obviously to help our consumers; but more importantly, they are to enhance entrepreneurship within our country, expand our economy, and in the process, create jobs. If we don't create jobs, there is no point in our having the sort of trade arrangements that we have. We do create jobs when we have enhanced international trade. A lot of statistics show thousands and thousands of jobs are created with trade, and not only are jobs created, but jobs that pay 15 percent above the national average.

First, as far as this agreement is concerned, having consequences that are good, approval of the resolution will further strengthen our relations with Vietnam, a process that began under President George Bush in the early 1990s. President Clinton, putting our national interests first, diligently pursued the same policy started by the elder Bush.

President George W. Bush took another historic step on the road to better and more prosperous relations by sending this Vietnam bilateral trade agreement to Congress for approval on July 8 of this year.

Second, approval of this resolution will enable workers and farmers to take advantage of a sweeping bilateral trade agreement with Vietnam.

This agreement covers virtually every aspect of trade with Vietnam, from trade in services to intellectual property rights and investment.

The agreement includes specific commitments by Vietnam to reduce tariffs on approximately 250 products, about four-fifths of which are agricultural goods, and U.S. investors, in addition, will have specific legal protections unavailable to those same investors today.

Government procurement will become more open and transparent. Vietnam will be required to adhere to a number of multilateral disciplines on customs procedures, import licensing and sanitary and phytosanitary measures, which are so important to making sure that we do not have nontariff trade barriers in agricultural products.

There is no doubt that implementation of the United States-Vietnam bilateral trade agreement will open new markets for U.S. manufactured goods, services, and our farm products.

It is a win for American workers, but it is also going to benefit the Vietnamese people.

Continued engagement through open trade will help the country prosper. Adherence to the rule of law, or rule-based trading systems, will also further establish the rule of law in Vietnam. It is truly a win-win for both nations.

Finally, it is my sincere hope that passage of this joint resolution will help pave the way for even greater trade accomplishments yet this year. One of the most important things we can do for our Nation before we adjourn is to pass what is now called trade promotion authority which gives the President of the United States authority to negotiate in the manner that we have negotiated down trade barriers and tariffs since 1947, originally under the General Agreements on Tariffs and Trades and now under the World Trade Organization regime.

Our President must have all the tools we can offer, particularly at this time of economic uncertainty which happened as a result of the terrorist attacks on September 11. In my mind, there would be no more important tool at this time of economic uncertainty than trade promotion authority.

Federal Reserve Chairman Alan Greenspan told the Finance Committee the other day that terror causes people to pull back; in other words, to lose confidence, to not do normal economic activity, the normal spending and investment. That is what September 11 was all about. We see it in our economy today.

According to Chairman Greenspan, trade promotion authority is a vital tool encountering the tendency of people and nations to pull back and then lower their confidence in their own economy which affects the world economy collectively.

Most important, Alan Greenspan told us that Congress giving the President trade promotion authority will say to terrorists: You will not stop the global economic cooperation that has brought so much good and prosperity to the world just because of terrorist attacks that we have had in this country.

I think Chairman Greenspan has it absolutely right. Passing trade promotion authority will enable the President to help jump-start the world economy through trade. Passing trade promotion authority and launching a new round of WTO trade negotiations this November at the ministerial meeting in Qatar is a vital step toward economic recovery and restoring the long-term economic growth that benefits workers and farmers everywhere.

As I conclude this comment on the Vietnam bilateral trade agreement, let me say, as important as it is, and that is an important step toward finishing our trade agenda, so is the trade promotion authority for the President.

The Vietnam agreement then is just one step. Our trade agenda is not done. Let's do the right thing for the President and for the American people and

follow Chairman Greenspan's advice. Let's work together to finish our trade agenda and pass trade promotion authority this year.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, I rise to speak in opposition to the resolution before us. First I commend the Senator from Iowa for his leadership on trade issues, his leadership on economic issues, and I certainly associate myself with his remarks regarding trade promotion authority and the need for the President to have that authority.

I also commend the Senator from New Hampshire for his remarks regarding the human rights situation in Vietnam. I agree. We should have the opportunity to vote on a resolution condemning the human rights record in Vietnam. It would only be appropriate to follow the precedent of the House in, while passing normal trade relations with Vietnam, also passing by an overwhelming margin a resolution condemning the human rights record.

The Senator from Iowa mentioned that trade benefits us. It should benefit us, and that should be the standard by which we engage these kinds of agreements. I ask the question: Will this agreement really do that?

He also mentions the fact that it should create jobs. Certainly trade, if it is fair and free trade, will create jobs.

The American consumer today is being purposefully confused, and our domestic farm-raised catfish industries are on the brink of bankruptcy in this country primarily due in large part to the massive exports from Vietnam of a product called basa fish. If this were any other product—if it were steel, for instance—it would be called dumping.

We have seen an incredible increase in the exports of basa fish to the United States and having it labeled within our country as being catfish. That blatant mislabeling is causing confusion among the American people and is absolutely destroying our domestic catfish industry.

The States of Arkansas, Mississippi, Alabama, and Louisiana produce 95 percent of the Nation's catfish. These catfish are grain-fed and farm-raised catfish produced under strict health and environmental regulations. Today, with the passage of this resolution, we are helping Vietnam while we are doing absolutely nothing to help United States aquaculture, United States catfish farmers who are on the brink of bankruptcy.

Arkansas ranks second in the amount of catfish produced nationally, but it is an industry that has grown and thrived in one of the poorest areas of our country, the Mississippi Delta, an area that has sometimes been referred to as the Appalachia of the nineties. It is an area that faces incredible economic challenges. Despite the strong work ethic, despite the strong spirit of the delta region, economic opportunities have been few and far between.

I ask my colleagues who are thinking about improving the economy of Vietnam, let's first think about what, with our current trade practice, we are doing to the aquaculture industry in the United States which has been one of the few shining success stories in this deprived, poor region of our Nation.

At a time when fears of unemployment and the realities of an economic downturn in the wake of the September 11 attacks are weighing heavily on the minds of the American people, it is not acceptable—it should not be acceptable—to sit back and watch an important industry that employs thousands of Americans, thousands of my constituents in the State of Arkansas, and see their industry crushed by inferior imports because of a glitch in our regulatory system.

Vietnamese basa is being confused by the American public as catfish due to labeling that allows them to be called basa catfish. These Vietnamese basa are being imported at record levels. Let me explain.

In June of this year, 648,000 pounds were imported into the United States. For the past 7 months, imports have averaged 382,000 pounds per month. To put that in perspective, in all of 1997, there were only 500,000 pounds of Vietnamese basa imported. We are almost doing that every month now. It is predicted that nearly 20 million pounds could be imported this year. That is an incredible 4,000-percent increase in 4 years.

I want my colleagues to think about an industry in their State that could survive—could it survive?—imports that had increased at the level of 4,000 percent in a 4-year period of time under mislabeling, confusing regulations.

The Vietnamese penetration into this market in the last year alone has more than tripled. Market penetration has risen from 7 percent to 23 percent of the total market. Four years ago, the Vietnamese basa, wrongly labeled ''catfish,'' comprised less than 10 percent—to be exact, 7 percent—of the catfish market in the United States. Today it is almost one-quarter of the catfish market in the United States.

They have been able to achieve such remarkable market penetration by using the label of ''catfish'' on the packaging while selling this different species of fish for $1.25 a pound cheaper. It is a different species and is $1.25 a pound cheaper. It is being sold as what is produced in the United States, true channel catfish.

For those who argue this is the result of a competitive market, I offer a few facts. When the fish were labeled and marketed as Vietnamese basa or just plain basa, sales in this country were almost nonexistent. Some importers even tried to label basa as white grouper, believing that was going to lead to greater sales. Still no success.

However, by adding the name ''catfish'' to the label, these fish have seen sales skyrocket. Although the Food and Drug Administration issued an order on September 19 stating the correct labeling of Vietnamese basa be a high priority, the FDA is allowing these fish to retain the label of ''catfish'' in the title. I do not know whether it is by budget constraints or whether it is a lack of personnel at the FDA, but it is obvious that inspections have been lacking in the past and the inclusion of the term of ''catfish'' in the title serves to promote that confusion.

This illustration shows how Vietnamese companies and rogue U.S. importers are trying to confuse the American people. Names such as ''cajun delight,'' ''delta fresh,'' and ''farm select'' lead consumers to believe the product is something that it is not.

In fact, the brand ''delta fresh'' is one of the most misleading because it implies in the very title ''delta fresh catfish'' that it is being grown in the delta of the Mississippi, in Arkansas and Mississippi.

The reality is, it is fish from the Mekong Delta in Vietnam, which has unhealthy, environmentally unsafe conditions, being sold to the American consumer as channel-grown, farm-grown catfish.

The total impact of the catfish industry on the U.S. economy is estimated to exceed $4 billion annually. Approximately 12,000 people are employed by this industry. I have been told by the catfish association that as many as 25 percent of the catfish farmers in Arkansas will be forced out of business if this problem is not corrected soon.

Now let me remind my colleagues, this is the poorest region of the United States. It is poorer than what the Appalachian region was when we went in with massive national support. Yet this region, which has had very few bright spots in its economy in the last decade, has seen aquaculture as perhaps being the salvation of the economy in the delta of Arkansas. Twenty-five percent of these catfish farmers could be gone in the next year if we do not correct this problem.

Catfish farmers in this country have invested millions of dollars educating the American public about the nutritional attributes of catfish. Through their efforts, American consumers have an expectation of what a catfish is and how it is raised. They have an expectation that what they purchase is indeed a catfish and that it has been raised and farmed in a clean and environmentally safe environment.

All of the investment that the American catfish industry has made in order

to educate the American people is being kidnapped by Vietnamese basa growers and rogue importers who are bringing this product in and pretending that it is that same product, and it is not.

This next poster shows an official list of both scientific names and market common names from the Food and Drug Administration. Almost all of these fish can contain the word ''catfish'' in their names under current FDA rules. We can see all of the very scientific names, and yet all of these various scientific names are allowed to use ''catfish'' in their market or common names creating incredible confusion among the consuming public, understandably.

Most people look, they see the word ''catfish,'' and they do not pay any attention to the rest of that package labeling. When the average Arkansan hears the word ''catfish,'' the idea of a typical channel catfish is what comes to mind. When they sit down at a restaurant and order a plate of fried catfish, that same channel catfish is what they expect to be eating.

The channel catfish, as we can see, there is a whole list of other varieties that are now being allowed to usurp that name.

One cannot blame the restaurateur who is offered ''catfish for a dollar less a pound'' for buying it. It is basa. It is not catfish. However, in many cases they do not realize that what they are really buying is not American-grown channel catfish but Vietnamese basa, that it is not subject to health and safety standards, not grown in clean ponds, not fed as American catfish are fed.

The third poster shows the relationship between these fish, and you will notice they are in different families and—only in the same order but totally separate families. The FDA claims since the fish are the same order, they can have the word ''catfish'' in their market or common name, even though they are not in the same family, they are not in the same genus, and they are not in the same species. By this standard, cats and cattle could be labeled the same.

In addition, it is important to note the conditions in which these fish are raised. U.S. catfish producers raise catfish in pristine ponds that are closely monitored. These ponds are carefully aerated and the fish are fed granulated pellets consisting of grains composed of soybean, corn, and cotton seed, all in strict compliance with Federal, State, and local health and safety laws.

What we are asking those catfish growers to compete with is Vietnamese basa which now composes almost a quarter of the domestic market. These other species, basa, are raised in cages in the Mekong Delta, one of the most polluted watersheds in the world. It has been reported that these fish are exposed to many unhealthy elements, including raw sewage.

I say to my colleagues, they would not allow the United States Food and Drug Administration to permit medicine to come in from such unhealthy, environmentally unsafe conditions. Yet we are allowing the American consuming public to eat basa labeled as catfish, grown in unhealthy environments, and not know the reality of what they are getting.

It is obvious the use of the label ''catfish'' is being used to mislead consumers and is unfairly harming our domestic industry. I think it is odd we continue to look for new and more open trade policies to provide other nations access to our markets when we continually fail to enforce meaningful fairness provisions.

As we sit on the brink of allowing another trade bill to pass this Congress, I want to reiterate a phrase that I have heard over and over: Free trade only works if it is fair trade.

This is not fair. Our regulatory agencies must recognize their responsibilities and act on them.

I realize this trade bill is not the answer to this problem. I understand this is a labeling issue, a regulatory issue, but I could not allow us to pass a trade bill that is going to benefit Vietnam at a time that we are so lax in our regulatory environment we are allowing a domestic industry to be gutted while we approve trade relations with a country that is destroying this domestic industry.

I urge all of my colleagues to support me and the congressional delegations of Arkansas, Mississippi, Louisiana, and Alabama as we move forward in trying to resolve this pressing issue, be it through regulatory changes or be it through legislative mandate. I thank my colleagues for their willingness to allow me to make my case on this important issue.

I yield the floor.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The Senator from Nevada.

Mr. REID. I ask unanimous consent that the time until 2 p.m. today be equally divided as provided under the statute governing consideration of H.J. Res. 51, and that at 2 p.m. today, the joint resolution be read a third time and the Senate proceed to vote on passage of the joint resolution, with rule 12, paragraph 4 being waived.

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

Mr. REID. It is the intention of the majority leader, after the vote—this is not in the form of a unanimous consent request but, in a sense, an advisory one—as it was announced early today it is the majority leader's intention to go to the airport security legislation immediately after that vote.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I rise to support the resolution, but I want to urge the Senate to take up the issue of airport security. Senator HOLLINGS, Senator MCCAIN, and I have introduced legislation, together with other colleagues, that we believe is absolutely critical to the restoration of the confidence of the American people with respect to flying.

I have been on any number of flights, as have my colleagues. We have been flying since September 11 many times, many of us, but obviously the American people remain uncertain and they want the highest level of safety, not simply be told it is safe. The highest level of safety is going to come when we have the highest standards that are enforceable, fully enforceable, with the kind of professional training and accountability that will do that. I hope this afternoon our colleagues will recognize the importance of this.

I met this morning with a person from a travel agency who does most of the reservations for the airlines. They went from selling 20,000 tickets a day to 2 in one day. Now they are back up around 10,000 or so, but 50 percent in a business with a margin of 1 percent is not sufficient. We clearly need to do everything possible in order to restore the confidence, and not just the confidence, but provide a level of security that Americans have a right to expect—not just tomorrow, not just for a few months, not as a matter of confidence-building in the aftermath of what happened, but for all of time out in the future. We can do that, and we need to do it rapidly.

I listened carefully to the Senator from Arkansas, and indeed he negated his entire argument at the end by saying: I recognize this is regulatory. In point of fact, what he is complaining about has nothing to do with the resolution we are passing today because all you have to do is label the fish differently. You can put ''Arkansas grown,'' you can put ''American grown,'' you can label any other kind of fish any way you want. If people are concerned about it, then, by gosh, they ought to turn to the FDA.

This trade agreement with Vietnam benefits both countries. Vietnam gets lower tariffs on its goods entering the United States, but Vietnamese tariffs on American goods will also be reduced. That will be a boon to the American exporter.

This agreement is another major step in the process of normalizing relations with Vietnam—a long, painstaking process which began with President Reagan, moved to President Bush, was continued by President Clinton, and now this administration supports it. This is an agreement the administration supports and with which they believe we should move forward.

None of us diminishes the importance of human rights, the importance of

change in a country that remains authoritarian in its government. We object to that. I have said that many times. My hope in the long haul will be that we will celebrate one day the full measure of democracy in Vietnam through the rest of Asia. The question is, How do you get there? What is the best way to promote change? What is the best way to try to succeed in moving down a road of measured cooperation that allows people to accomplish a whole series of goals that are important to us as a country?

I know Senator MCCAIN and Senator HAGEL join me. As former combat servicemen in Vietnam, both very strongly believe that this particular approach of engaging Vietnam is the way in which we will best continue the process of change that we have witnessed already significantly in the country of Vietnam. We believe this trade agreement is another major step in the process of normalizing those relations and in moving forward in a way that benefits the United States as we do it.

This is the most sweeping and detailed agreement the United States has ever negotiated with a so-called Jackson-Vanik country. It focuses on four core areas: Trade in goods, intellectual property rights, trade in services, and investment. But it also includes important chapters on business facilitation and transparency. It is a win-win for the United States and for Vietnam in the way in which it will engage Vietnam and bring it further along the road to transparency, accountability, the adoption of business practices that are globally accepted and ultimately the changes that come through the natural process of that kind of engagement, to a recognition of a different kind of value system and practice.

The Government of Vietnam has agreed to undertake a wide range of steps to open its markets to foreign trade and investment, including decreasing tariffs on key American goods; eliminating non-tariff and tariff barriers on the import of agricultural and industrial goods; reducing barriers and opening its markets to United States services, particularly in the key sectors of banking and distribution, insurance and telecommunications; protecting intellectual property rights pursuant to international standards; increasing market access for American investments and eliminating investment-distorting policies; and adopting measures to promote commercial transparency.

These commitments, some of which are phased in over a reasonable schedule of time in the next few years, will improve the climate for American investors and, most importantly, give American farmers, manufacturers, producers of software, music, and movies, and American service providers access to Vietnam's growing market.

Vietnam is a marketplace of 80 million people. Only 5 percent of the population of Vietnam is over the age of 65; 40 percent, maybe more, of the population of Vietnam is under the age of 30. If 40 percent of the country is under the age of 30, that means they were born at the end of the war and since the war, and their knowledge is of a very different world. It is important to remember that and to continue to bring Vietnam into the world community and into a different set of practices.

For Vietnam, this agreement provides access to the largest market in the world on normal trade relations status (NTR) at a time when economic growth in this country has slowed. Equally important, it signals that the United States is committed to expanded economic ties and further normalization of the bilateral relationship.

This agreement was signed over 1 year ago. The Bush Administration sent it to Congress June 8. The House of Representatives approved it by a voice vote on September 6—an indication of the strong bipartisan support that exists for it. We can now complete a major step in moving forward by approving it in the Senate.

In closing, on the subject of human rights, I believe we are making progress. Many of the American nongovernmental organizations working in Vietnam and even some of our veterans groups—Vietnam Veterans of America and the VFW—support the notion that we should continue to move down the road in the way we have been with respect to the relationship and our related efforts to promote human rights. We need to maintain accountability. We should never turn our backs on American values. But there are different tools. Sometimes the tools can be overly blunt and counterproductive, and sometimes the tools achieve their goals in ways that advance the interests of all parties concerned.

In my judgment, passing this trade agreement separately on its own, is the way to continue to advance the interests of the United States both in terms of human rights, as well as our larger economic interests simultaneously. I urge my colleagues to adopt this resolution of approval.

Mr. WYDEN. Mr. President, I will ask unanimous consent to speak in morning business when the Senator from Massachusetts concludes his remarks.

Mr. KERRY. Mr. President, I yield the floor and reserve the remainder of our time.

Mr. WYDEN. Mr. President, I ask unanimous consent to speak for up to 20 minutes as in morning business.

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

(The remarks of Mr. WYDEN are printed in today's RECORD under ''Morning Business.'')

The PRESIDING OFFICER. Who yields time?

The Senator from Alabama.

Mr. SESSIONS. Mr. President, I rise today to express my concerns with the United States-Vietnam Bilateral Trade Agreement and the problems that have been associated with Vietnamese fish that are displacing the American catfish industry.

Just two days after the September 11 terrorist attacks, the Socialist Republic of Vietnam's official, state-run media ran a story that stated,

> It's obvious that through this incident, Americans should take another look at themselves. If Americans had not pursued isolationism and chauvinism, and if they had not insisted on imposing their values on others in their own subjective manner, then perhaps the twin towers would still be standing together in the singing waves and breeze of the Atlantic.

I think that is indicative of the fact that the Vietnamese Government does not have a friendly view of the United States. We aren't imposing our views on people around the world. They are trying to impose their views on us. We have been attacked for it. I am offended by that. I think the American people ought to know that. The President said these nations ought to choose whether they are for us or against us with regard to eliminating terrorism. I wasn't pleased with that comment from Vietnam.

I want to make the note that they are apparently attempting to move in some direction toward a market economy, which I celebrate. Although we had a long and bitter and difficult war with them, I certainly believe that we can move beyond that conflict and that we can work together in the future. But comments such as the one I just read are not a way to build bridges between our nations. A nation that considers itself responsible should not make a statement like that at the very same time they are asking for trade benefits with this country.

We know what this will amount to. It will amount to the fact that they will sell a lot more in the United States than they will buy from us.

That is the way it works on these trade agreements. I am sure we have that today with China. We find that for every one dollar China buys from us, the United States buys four dollars from them. But I want to talk about this specific issue. It is frustrating to me.

Since 1997, the import volume of frozen fish filets from Vietnam that are imported and sold as ''catfish'' has increased at incredibly high rates. The volume has risen from less than 500,000 pounds to over 7 million pounds per year in the previous three years. The trend has continued this year-the-Vietnamese penetration into the U.S. catfish filet market alone has tripled in the last year from about 7 percent of the market to 23 percent.

The Vietnamese are selling their product in the U.S. for $1.25 less than

U.S. processors. Because of this, the prices that U.S. processors pay U.S. catfish farmers has dropped, causing significant losses and threatening farmers, processors, supplying feed mills, employees and communities dependent on the industry.

U.S. catfish farm production, which occurs mainly in Alabama, Mississippi, Arkansas, and Louisiana, accounts for 68 percent of the pounds of fish sold and 50 percent of the total value of all U.S. aquaculture, or fish farming, production.

That is a remarkable figure. Sixty-eight percent of the poundage of fish produced by aquaculture are catfish produced mainly in my State and others in the region.

The area where most of our catfish production comes from is an area of the State in which I was raised. That is, indeed, the poorest area of Alabama. We have very few cash-producing sources of income in that area of the State. Much of it has been lost. But there has been a bright spot in catfish—both in production of ponds, the scientific research, the feed mills and the processing of it. It produces quite a little spurt of positive economic growth in this very poor industry.

Seventy-five percent of the employees—I have been told—at these processing plants are single mothers. That is where many of them get their first job.

Catfish farming is a significant industry for many areas of our country. The problem is this: The fish that the Vietnamese are importing which are displacing U.S.-raised catfish are not catfish at all. They are basa fish, which are not even of the same family, genus, or species of North American channel catfish. They do not even look like North American channel catfish. These basa fish are being shipped into the United States and labeled as catfish. These labels claim that the frozen fish filets are Cajun catfish, implying they are from the Mississippi Delta or from Louisiana. In fact, they are from the Mekong Delta in South Vietnam. As a result, American consumers believe they are purchasing and eating United States farm-raised catfish when they are, in fact, eating Vietnamese basa.

Indeed, for some American people, who are not used to catfish, there has been an odd reluctance—I guess I can understand it—to eating catfish. The name of it makes them a bit uneasy. They wonder about eating catfish. But the American catfish industry has gradually, over a period of years, been able to wear down that image and show that catfish is one of the absolutely finest fish you can eat. It is a delight. And more and more people are eating it.

The American catfish industry has invested a long time in creating a market for which no market ever existed before. And now we have the Vietnamese shipping in a substantial amount—and it is continuing to grow at record levels—of what is not even catfish, and marketing it under the name of American catfish, a product that has been improved and has gained support throughout our country. So it really is a fraudulent deal.

Also, the Vietnamese basa fish are raised in conditions that are substantially different from the way that United States catfish are raised and processed.

I remember, as a young person, the Ezell Catfish House on the Tombigbee River. The fish were caught out of the river and sold there. Really the Ezell family was key to the beginning of catfish popularity. But people felt better about pond-raised catfish because the water is cleaner and there is less likelihood there would be the pollutants that would be in the river. So when you buy American catfish in a restaurant, overwhelmingly, 99 percent is pond-raised catfish. It is clean and well managed, according to high American standards.

That is not true of Vietnamese basa fish. These fish come out of the Mekong River. Most of these fish in Vietnam are grown in floating cages, under the fishermen's homes, along the Mekong River. They are able to produce fish at a low cost because of cheap labor, loose environmental regulations, and other regulations. I understand that the workers in Vietnamese processing plants are paid one dollar a day. And unlike other imported fish, such as tilapia or orange roughy, these fish are imported as an intended substitute for American farm-raised catfish.

A group of Alabama catfish farmers visited Vietnam last November and toured a number of the basa farms and processing plants. They witnessed the use of chemicals that have been banned in the United States for over 20 years, the use of human and animal waste as feed, and temperatures in processing plants too warm to ensure the freshness of the fish being processed there. These fish, of questionable quality, are being sent in record numbers to the United States and are fraudulently labeled as catfish.

If the Vietnamese were raising North American channel catfish of good quality and importing them into the United States, I could understand that. That would be fair trade. But fair trade is not importing basa fish, labeling them as catfish, and passing them off to American consumers as a quality pond-raised and processed catfish.

But there are some things our Federal Government can do to enforce and clarify our existing laws. So I am pleased today to join with Senator HUTCHINSON and Senator LINCOLN, and others, to introduce legislation that will eliminate the use of the word ''catfish'' with any species that are not North American catfish. This small step will help clarify FDA regulations and lessen consumer confusion.

In addition, the Food and Drug Administration, the Federal agency charged with protecting the safety of the American food supply, can begin inspecting more packages as they come into the United States to ensure that they are labeled in a legal manner. The FDA, the Customs Service, and the Justice Department need to vigorously pursue criminal violations in this regard, if appropriate.

Currently, the FDA allows at least five violations before they will take any enforcement action beyond a letter of reprimand to the company importing the mislabeled fish. That does not make good sense to me. The FDA allows an astounding number of violations before they do anything. So I encourage the FDA, the Customs Service, and the Justice Department to take every step they can in these matters.

I am disappointed there are no provisions in this trade agreement to address the problems of the catfish industry. While this trade agreement is not amendable—and I understand that—I want to take the opportunity while the Senate is considering this agreement to express my concerns for the way the Vietnamese fish industry is confusing American consumers and causing economic hardship in my State and others.

For these reasons, I expect, Mr. President, to vote against this agreement.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, let me say to my colleague, I certainly have respect for and appreciate his concern about a local industry, but I think, as I said to Senator HUTCHINSON, this is a matter of labeling, it is a matter of regulatory process. It is not a question of whether or not you improve the overall agreement. I also say to my colleague—he may not be aware of it—obviously, the People's Army Daily, the Army, are the hardliners. And there is a struggle going on in Vietnam between the reformers and the hardliners, as there are in many countries that are trying to deal with this kind of process of change. That statement by the Army colonel is not representative of the Government.

I would like to share with all my colleagues that the President of Vietnam, the very next day after the terrorist attack, sent this message to the United States:

> The government and people of Vietnam were shocked by the tragedy that happened on the morning of 11 September 2001. We would like to convey to the government and people of the United States, especially the victims' families, our profound condolences. Consistently, Vietnam protests against terrorist acts that bring deaths and sufferings to civilians.

This is the comment I received from the Foreign Minister:

Your Excellency Mr. Senator,

I was extremely shocked and deeply moved by the tragedy happening in the United States on the 11 September 2001 morning. I would like to extend to you, and through you, to the families of the victims, my deepest condolences. I am confident that the U.S. Government and people will soon overcome this difficult moment. We strongly condemn the terrorist attack and are willing to work closely with the United States and other countries in the fight against terrorist acts.

This is a media report from the German press, Deutsche Presse. This is from Hanoi:

American businesspeople, aid workers, and embassy officials said Wednesday they have been overwhelmed with the amount of support and sympathy offered by Vietnamese over last week's devastating terrorist attacks in the United States.

While Vietnam's normally reserved state media has confined its expressions of sorrow to an announcement by President Duc Luong, personal reactions by Vietnamese have been deep and heartfelt.

''There has been a real outpouring of sympathy,'' said a spokesman at the U.S. Consulate in Ho Chi Minh city, the former Saigon. Bouquets of flowers were left at the building's entrance, while locals and expatriates lined up last week to sign a condolence book.

Similar acts were played out at the embassy in Hanoi where senior Vietnamese officials and contacts paid their respects.

There have been reports of some U.S. firms receiving donations from Vietnamese for families of the victims in the United States.

So I really think we have to recognize that the transition for the military is obviously slower and far more complicated, as it is with the People's Liberation Army in China, versus what the leadership is trying to do as they bring their own country along. I really think we need to take recognition of these facts.

The fact is, there is participation in religious activities in Vietnam that continues to grow. Churches are full. I have been to church in Vietnam. They are full on days of worship and days of remembrance. Is it more controlled than we would like it? Yes. Has it changed. Yes? Is it continuing to change? Yes.

I think we should also recognize that last year some 500 cases were adjudicated by labor courts. And there were 72 strikes last year, and more than 450 strikes in Vietnam since 1993. So even within the labor movement there has been an increasing empowerment of workers, and there has been change.

Are things in Vietnam as we would want them to be tomorrow? The answer is no. But have they made progress well beyond other countries with whom we trade? You bet they have. Is their human rights record even better than the Chinese? Yes, it is. We need to take cognizance of these things.

Let me correct one statement of the Senator from New Hampshire. I am not alone in objecting to this particular attempt to try to bring the human rights bill to the floor in conjunction with action on the trade agreement. I am for having a human rights statement at the appropriate time. This is not the appropriate time. There are Senators on both sides of the aisle and a broad-based group of Senators who believe this is not the moment and the place for this particular separate piece of legislation. At some point in the future, we would be happy to consider it under the normal legislative process.

I respect the comments of the Senator, but I hope we will take notice of the official recognition that has come from Vietnam with respect to the terrorist attacks on the United States.

Mr. SESSIONS. Mr. President, will the Senator yield?

Mr. KERRY. I will yield for a question. I need to move off the floor.

Mr. SESSIONS. I appreciate the hard work of the Senator. Having served his country with great distinction in Vietnam, he certainly has the honor and the authority to lead us in a new relationship with that country. I hope it will succeed. I tend to believe that is one of the great characteristics of America, that we can move past conflicts. It is with some reluctance that I believe, because of this trade issue, that I ought to vote against it.

Mr. KERRY. I understand and respect that very much from the Senator, and I thank him for his generous comments. I also remind colleagues that we are not relinquishing our right to continue to monitor, as we should, human rights in Vietnam or in any country. This is not permanent trade relations status. This is annual trade relations. What we are granting is normal trade relations status that must be reviewed annually as required by the Jackson-Vanik amendment. This annual review will allow us to continue to monitor Vietnam's human rights performance.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mrs. CLINTON). Without objection, it is so ordered.

Mr. DORGAN. Madam President, we are now debating the trade agreement with Vietnam which not only provides normal trade relations status with that country but also includes with it a bilateral trade agreement that we have negotiated with Vietnam.

Normal trade relations, which used to be called most-favored-nation status but has since been changed, are relations we have with almost every country in the world. I believe there are only five countries with which we do not have normal trade relations. This bill bestows normal trade relations with respect to Vietnam but does it on a yearly basis so the Congress will review it year by year.

Vietnam is a Communist country; it has a Communist government. It has an economic system that is moving towards a market-based economy. I, along with several of my colleagues, Senator DASCHLE, Senator LEAHY, John Glenn, and a couple others, visited Vietnam a few years ago. It was a fascinating visit to see the embryo of a marketed-based system.

I don't think a market-based economy is at all in concert with a Communist government. But nonetheless, just as is the case in China, Vietnam is attempting to create a market-based economy under the aegis of a Communist government.

A market-based economy means having private property, being able to establish a storefront and sell goods. It was fascinating, after being behind the curtain for so long, to see these folks in Vietnam being able to open a shop or find a piece of space on a sidewalk someplace and sell something. It was their piece of private enterprise. It was their approach to making a living in the private sector. So what we have is a country that has a Communist government but the emergence of a market economy.

It is interesting to watch. I have no idea how it will end up. But recognizing that things have changed in Vietnam in many ways, this country has proposed a trade agreement and normal trade relations with the country of Vietnam.

I am going to be supportive of that today. But I must say, once again, as I did about the free trade agreement with the country of Jordan, I don't think this is a particularly good way to do trade agreements. This comes to us under an expedited set of procedures. It comes to us in a manner that prevents amendments.

Amendments are prohibited because of Jackson-Vanik provisions in the trade act of 1974. These provisions would apply to a trade agreement we had negotiated with a country having similar economic characteristics to Vietnam.

What I want to say about this subject is something I have said before, but it bears repeating. And frankly, even if I didn't, I would say it because I believe I need to say it when we talk about international trade.

I am going to support this trade agreement. I hope it helps our country. I hope it helps the country of Vietnam. I hope it helps our country in providing some stimulus to our economy. Vietnam is a very small country with whom we have a very small amount of international trade. But I hope the net effect of this is beneficial to this country.

Trade agreements ought to be mutually beneficial. I hope it helps Vietnam because I hope that Vietnam eventually can escape the yoke of Communism. Certainly one way to do that is to encourage the market system they are now beginning to see in their country.

I hope this trade agreement is mutually beneficial. I do not, however, believe that trade agreements, by and large, should be brought to the floor of the Senate under expedited procedures.

I will vote for this agreement, but I want there to be no dispute about the question of so-called fast track procedures. Fast-track is a process by which trade agreements are negotiated and then brought to the floor of the Senate and the Senate is told: You may not offer amendments. No amendments will be in order to these trade agreements.

The reason I come to say this is because of recent statements made by our trade ambassador since the September 11 acts of terrorism in this country. He has indicated that, because of those events, it is all the more reason to provide trade promotion authority, or so-called fast track, to the President in order to negotiate new trade agreements. I didn't support giving that authority to President Clinton. I do not support giving that authority to this President. I will explain why.

First of all, the Constitution is quite clear about international trade. Article I, section 8 says:

> The Congress shall have Power . . . To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes.

That is not equivocal. It doesn't say the President shall have the power, or the trade ambassador shall have the power, or some unnamed trade negotiator shall have the power, but that Congress shall have the power. Only Congress shall have the power under the U.S. Constitution.

We have had experience with so-called fast track and international trade. Fast track has meant that succeeding administrations, Republican and Democrat, have gone off to foreign lands and negotiated trade agreements—agreements like the Free Trade Agreement with Canada, the North American Free Trade Agreement with Canada and Mexico, and the General Agreement on Tariffs and Trade. The list is fairly long. After negotiating trade agreements using fast track, the administrations would bring a product back to the Senate and say, here is a trade agreement we have negotiated with Canada, Mexico, and with other countries. We want you to consider it, Senators, under this restriction: You have no right under any condition or any set of circumstances to change it. So the Senate, with that set of handcuffs, considers a trade agreement with no ability to amend it, and then votes up or down, yes or no. It has approved these trade agreements. I have not supported them. I thought all of them were bad agreements. I will explain why in a moment. Nonetheless, they represent the agreements that have been approved by the Senate.

Let's take a look at how good these agreements have been. This chart represents the ballooning trade deficit in our country. It is growing at an alarming rate. Last year, the merchandise trade deficit in America was $452 billion. That means that every single day, 7 days a week, almost $1.5 billion more is brought into this country in the form of U.S. imports than is sold outside this country in the form of U.S. exports.

Does that mean we owe somebody some money? We sure do. These deficits mean that we are in hock. We owe money to those from whom we are buying imports in excess of what we are exporting. That means we are incurring very substantial debt.

You can look at the trade agreements we have negotiated with Canada, Mexico, and GATT and evaluate what happened as a result. Mexico: We had a small trade surplus with Mexico. Good for us. Then we negotiate a trade agreement with them and we turned a small surplus into a huge and growing deficit. Was that a good agreement? Not where I come from.

Canada: We had a modest trade deficit with Canada and we quickly doubled it after the trade agreement with Canada.

How about China? We now have a bilateral agreement with China. Let me just describe one of the insidious things that represents that bilateral agreement—automobiles. Our country negotiated an agreement with China that said if we have trade in automobiles between the U.S. and China, here is the way we will agree to allow it to occur: On American cars, U.S. cars being sold in China, after a long phase-in, we will agree that China can impose a 25-percent tariff on American cars being sold in China. On Chinese cars being sold in the United States, we will agree that we will impose only a 2.5-percent tariff. In other words, our negotiators negotiated an agreement that said, with respect to auto trade between the United States and China, we will allow you to impose a tariff 10 times higher than the tariff in the United States.

I don't know for whom these folks were negotiating, or for whom they thought they were working, and I don't know where they left their thinking caps when they negotiated these agreements, but they sure are not representing the interests of this country when they say to a country such as China, we will allow you to impose a tariff that is 10 times higher on U.S. automobiles going to China than on Chinese automobiles sold in the United States. That makes no sense.

My point is, our trade deficit with China has grown to well over $80 billion a year at this point—the merchandise trade deficit. We have the same thing with Japan. Every year for as far as you can see we have had a huge and growing trade deficit with the country of Japan. It doesn't make sense to continue doing that.

I can give you a lot of examples with respect to Japan. Beef is one good example. We send T-bone steaks to Tokyo. They need more beef. Beef costs a lot of money in Tokyo, so we send T-bone steaks. Twelve years after our beef agreement with Japan, every pound of American beef going to Japan has a 38.5-percent tariff on it. So we send T-bone steaks to Tokyo—not enough of them. Why? Because we have agreed with Japan that they can allow a 38.5-percent tariff still 12 years after a beef agreement that our trade negotiators had a big feast about because they thought they had won.

Another example of absurdities in trade is motor vehicles and Korea. Last year, we had 570,000 Korean vehicles come into the United States of America. Our consumers buy them. Korea ships their cars to the United States to be sold in our marketplace. Do you know how many vehicles we sold in Korea? We shipped about 1,700. So there were 570,000 coming this way, and 1,700 going that way. Why? Try to buy a Ford in Korea. You would be surprised by its cost due to tariffs and taxes. Korea doesn't want our cars in their country. They say: We are sorry, you are not welcome to send your cars to our marketplace.

If you don't like to talk about cars in international trade, talk about potato flakes. This product is found in many snack foods. Try to send potato flakes to Korea. You will find a 300-percent tariff. Does that anger the potato farmers? Of course it does. Do they think it is fair? Of course not. We have huge deficits with China, Japan, Korea, Mexico, and nobody seems to give a rip. Nobody cares. This trade deficit is growing, and it represents a deficit that is a burden on this economy. Someday, unlike the budget deficits we have had in the past, trade deficits must be and will be repaid with a lower standard of living in this country. That is inevitable. So we had better worry about these issues.

We have this growing trade deficit our friends in Canada—they are our friends, and we share a long common border. But we still have trade problems like stuffed molasses. You see, Brazilian sugar comes into Canada. They load it on liquid molasses, and it becomes stuffed molasses. Then it is sent into Michigan, and they unload it every day. So we have molasses loaded with sugar as a way to abridge our trade agreement. It is called stuffed

molasses. Most people would not be familiar with that. It is not a candy. It is cheating on international trade.

I can spend an hour talking about these issues with respect to China, Japan, Europe, Canada, and Mexico. I won't do that, although I am tempted, I must say. My only point in coming to the floor when we talk about a trade agreement is to say this: There are those of us in the Senate that have had it right up to our chins with trade negotiators who seem to lose the minute they begin negotiating.

Will Rogers once said, ''The U.S. has never lost a war and never won a conference.'' He surely must have been talking about our trade negotiators. I and a number of colleagues in this body will do everything we can to prevent the passage of fast-track trade authority. I felt that way about the previous administration, who asked for it; and I feel that way about this administration. We cannot any longer allow trade negotiators to go out and negotiate bad agreements that undercut this country's economic strength and vitality.

My message is I am going to vote for this trade agreement which establishes normal trade relations with the country of Vietnam. It is a small country with which we have a relatively small amount of bilateral trade.

I wish Vietnam well. I hope this trade agreement represents our mutual self-interest. I hope it is mutually beneficial to Vietnam and the United States, but I want there to be no dispute and no misunderstanding about what this means in the context of the larger debate we will have later on the issue of fast-track trade authority.

Fast-track trade authority has undermined this country's economic strength, and I and a group of others in the Senate will do everything we can—everything we can—to stop those who want to run a fast-track authority bill through the Congress. Ambassador Zoellick said in light of the tragedies that occurred in this country, it is very important for the administration to have this fast-track authority. I disagree.

What we need is to provide a lift to the American economy. How do we do that? Lift is all about confidence. It is all about the American people having confidence in the future. It is very hard to have confidence in the future of this economy when the American people understand that we have a trade deficit that is ballooning. It is a lodestone on the American economy that must be addressed, and the sooner the better.

I have a lot to say on trade. I will not burden the Senate with it further today, only to say this: Those who wish to talk about this economy and the events of September 11 in the context of granting fast-track trade authority to this administration will find a very aggressive and willing opponent, at least at this desk in the Senate. Having visited with a number of my colleagues, I will not be standing alone. We intend in every way to prevent fast-track trade authority.

Incidentally, one can negotiate all kinds of trade agreements without fast-track authority. One does not need fast-track trade authority to negotiate a trade agreement. The previous administration negotiated and completed several hundred trade agreements without fast-track authority.

Giving fast-track authority to trade negotiators is essentially putting handcuffs on every Senator. With fast-track, it is not our business with respect to details in negotiated trade agreements, it is only our business to vote yes or no. We have no right to suggest changes. Had we had that right with the U.S.-Canada agreement and the NAFTA agreement, I guarantee the grain trade and other trade problems we have had with both countries would be a whole lot different.

I have gone on longer than I intended.

Again, because we are talking about Vietnam, I wish Vietnam well, and I wish our country well. I want this to be a mutually beneficial trade agreement. With respect to future trade agreements and fast track, I will not be in the Chamber of the Senate approving those who would handcuff the Senate in giving their opinion and offering their advice on trade, only because the U.S. Constitution is not equivocal. The U.S. Constitution says in article I, section 8: The Congress shall have the power to regulate commerce with foreign nations.

Madam President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mrs. LINCOLN. Madam President, I yield time to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HAGEL. I thank the Chair.

Madam President, I appreciate very much the time of my friend and colleague from Arkansas. I rise this afternoon to speak in support of the Vietnam bilateral trade agreement, and I support this agreement with much enthusiasm.

It was 2 years ago in August that my brother Tom and I returned to Vietnam after 31 years. I left Vietnam in December of 1968 as a U.S. Army infantryman. My brother Tom left 1 month after I did in January 1969. We went to Hanoi, Saigon, which is now Ho Chi Minh City. We went to the Mekong Delta. We went to areas where we had served together as infantry squad leaders with the 9th Infantry Division.

What we observed during that time 2 years ago was something rather remarkable. Each of us had no preconditions put upon our return trip as to what we might see or hear. We were there at the invitation of Ambassador Peterson to cut the ribbon to open our new consulate in Ho Chi Minh City.

What we saw was a thriving, industrious nation. We saw a nation of over 70 million people, the great majority of those people born after 1975. That is when the United States quite unceremoniously left Vietnam.

The reason that is important is because that is a generation that was born after the war that harbors no ill will toward the United States. That is a developing generation of leadership that is completely different from the Communist totalitarian leadership that has presided in Vietnam.

I believe I am clear eyed in this business of foreign relations and who represents America's friends and allies and who does not. This business is imperfect, this business is imprecise—this business being foreign relations. Trade is very much a part of foreign relations.

Why is that? Because it is part of our relations with another nation. It is part of our role in a region of the world that strategically, geopolitically, and economically is important to us. Trade is part of foreign relations because it is a dynamic that represents stability and security, and when nations are stable, when there is security, when there is an organized effort to improve economies, open up a society, develop into a democracy. That is not always easy.

It was not easy for this country. I remind us all that 80 years ago the Presiding Officer of the Senate today could not vote in this country. We should be a bit careful as we lecture and moralize across the globe as to standards for America 2001 or standards for America 1900, the point being that trade is a very integral part of our relationships with other nations.

I suspect that if there ever was a time in the history of this young nation called America when our relationships with other nations are rather critical, it is right now.

Should we pass a trade agreement with a country based on what happened in this Nation on September 11? No.

Should we overstate the trade dynamic as the President continues to work with the Congress to develop an international coalition to take on and defeat global terrorism? No.

Should we be clear eyed in our trade relationships, evaluate them, pass them, and implement them on the basis of what is good for our country? Yes.

If a trade agreement is good for our country, should it be good for the other country? Yes.

Will this trade agreement be good for Vietnam? Yes.

Why is that good for us? It is good for us, first of all, because it breaks down trade barriers and allows our goods and our services an opportunity to compete in this new market called Vietnam.

Will it be enlightening, dynamic, and change overnight, and I will therefore see much Nebraska beef and wheat move right into Vietnam within 12 months? No, of course not. That is not how the world works.

Every trade agreement into which this country has entered, as flawed, imperfect, and imprecise as they are—and they all are—what is the alternative? Whom do we isolate when we do not trade? How do we further stability in a region of the world? How do we further our own interests, the interests of peace and stability and prosperity in the world? Let us not forget that the breeding ground for terrorism is always in the nations with no hope, always in the nations that have been bogged down in the dark abyss of poverty and hunger. That discontent, that conflict, is where the evil begins.

I say these things because I think they are important as we debate this Vietnam trade agreement because they are connected to the bigger issues we are facing in the country.

I do not stand in this Chamber and say it because of this great challenge we face today and we will face tomorrow and we will face years into the horizon, but I say it because it is good for this country. That part of the world, Southeast Asia, where China is on the north of Vietnam and at the tip of Southeast Asia, is in great conflict today.

Indonesia needs the kind of stability and trade relationships that we can help build. It is in the interest of our country, our future, and the world.

Just as this body did last week when we passed the Jordanian bilateral trade agreement, so should this body pass the Vietnam bilateral trade agreement.

I hope after we have completed that act today, we will soon move to the next level of trade, which is the largest, most comprehensive, and probably most important, and that is to once again give the President of the United States trade promotion authority. It has been known as fast-track authority.

Every President in this country, in the history of our country since 1974, has been granted that authority. Why is that? In 1974, a Republican President was granted that fast-track authority to negotiate trade agreements and bring them back before the Congress, by a Democratic Congress, which was clearly in the best interest of this country, and it still is.

Unfortunately, since 1994 the President of the United States, including the last President, President Clinton, and this new President, President Bush, has been without trade promotion authority. What has that meant to our country? It has meant something very simple and clear. That is, the President does not have the authority to negotiate trade agreements and bring them back to the Congress for an up-or-down vote.

What does that mean in real terms as far as jobs are concerned and for the people in New York, Arkansas, and Nebraska, all the States represented in this great Chamber? It means less opportunity, fewer good jobs, better paying jobs, more opportunities to sell goods and services.

So I hope as we continue to build momentum along the trade route and on the trade agenda, somewhat magnified by the events of September 11, we will get to a trade agenda soon in this body that once again allows this body to debate trade promotion authority for the President of the United States and will grant the President that authority we have granted Presidents on a bipartisan basis since 1974.

That is the other perspective, it seems to me, that we need to reflect on as we look at this debate today.

In these historic, critical times, I close by saying I hope my colleagues take a very clear, close look at this issue and attach all the different dynamics that are attached to this particular trade bill, and therefore urge my colleagues to vote for the Vietnam bilateral trade agreement.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. I yield myself such time as I may consume.

Madam President, I associate myself with some of the words from our Senator from Nebraska, very well founded in his conclusion that terrorism is bred in countries with no hope, and absolutely that is something that is very pertinent today as we talk about the engagement of our Nation in a trade agreement with Vietnam.

The grasp of the evil we saw in New York, the evil acts, the hatred we saw that was exhibited there, truly came from those who had no hope, from a country that produced those individuals who had no hope. Without a doubt, we are here today to talk about engaging nations in a way where we can help in working with them, building a friendship and a working relationship which in turn gives us the ability to share some of the hopes we have in our great Nation with other nations which then can grow those hopes in a way where we can be good neighbors and we can share with one another.

As a young woman growing up in a very small rural community in east Arkansas, I learned many great lessons from my father as the daughter of a farmer. But there was no greater lesson really to have learned than that my father impressed upon me how important it was to reach beyond the fenceposts of Phillips County, AR, to be engaged with other communities across the great river of the Mississippi, to work with individuals in Tennessee and Mississippi, but also to reach across even greater barriers into other countries, recognizing that the importance of what we did as farmers in east Arkansas and the growth of the economy were inherently dependent on the bridges we built with other nations across the globe.

That is what we are talking about today, looking at options for not only free trade but, more importantly, fair trade, to establish those relationships and those working agreements with nations where we not only can build hope but we can also build a greater opportunity for economic development in our own home as well as in those countries.

I also rise today to add some of my concerns about a very important issue a few of my colleagues have already addressed in this Chamber. The issue I am talking about is catfish. Aquaculture in our Nation has been a growing industry. This country is being deluged by imports of Vietnamese fish known as a basa fish which are brought into this country and misleadingly sold as catfish to our consumers who think they are buying farm-raised catfish.

Let us remember this important point: When consumers think of catfish, when we all think of catfish, we have in mind a very specific fish we have all known. But that is not what the Vietnamese are selling. They are selling an entirely different fish and calling it a catfish. This Vietnamese fish is not even a part of the same taxonomic family as a North American channel catfish. This Vietnamese fish that is coming into our country is no closer to a catfish than a yak is to a cow. My Midwesterners will understand that.

Why are they doing it? Because the catfish market in America is growing. Americans like catfish. It is wholesome. It is healthy. It is safe. It is the best protein source you can find from grain to a meat. American-raised catfish is farm raised and grain fed, grown in specially built ponds that pass environmental inspection, cared for in closely regulated and closely scrutinized environments to ensure the safest supply of the cleanest fish that a consumer could purchase or want to get at a restaurant.

The people importing these Vietnamese fish see a growing market of which they can take advantage. It is irrelevant to them that what they are selling isn't really catfish or that their fish are raised in one of the worst environmental rivers on the globe. The hard-working catfish farmers of my State of Arkansas, as well as Louisiana, Mississippi, and Alabama, are being robbed of a hard-won market that they developed out of nothing. As we all know, rural America has been in serious decline for years. The ability of family farmers throughout the country to scrape out a living has been disappearing in front of our very eyes.

Unfortunately, our rural communities in the Mississippi Delta where

much of the catfish industry is now located have shared in this devastating decline. Of course, the decline of the rural economy has many causes, but a powerful force behind this decline has been the disconnect between production agriculture in the United States and the terribly distorted and terribly unfair overseas markets these farmers face. They must compete with heavily subsidized imports that come into this country and undermine their own market. When they are able to crack open a tightly closed foreign market, U.S. farmers must compete again with heavily subsidized foreign competition.

In short, the unfair trading practices of our foreign competitors have played a very significant role in the serious damage wrought on America's farmers and has been a primary cause in the decline of rural America.

Over the past several years, rather than accept defeat to the advancing forces, farmers in our part of the country decided to fight back. They fought back by building a new market in aquaculture, recognizing the enormous percentage of aquaculture fish and shell fish that we still import into this country today. There is one thing that we can do well in the delta region; it is grow catfish. So many of these communities, these farmers, their families and related industries, invested millions and millions of dollars into building a catfish industry and a catfish market. And they have diversified. It has taken years, but they have done it and done it well. They are still doing it.

Now, just as they are seeing the fruit of their years of labor and investment, just as they are finding a light at the end of the rural economic tunnel, they find themselves facing a new and more serious form of unfair trading practices. They saw their financial return on these other traditional crops fall alongside the general decline in our rural economy by shipments of fish that is no more closely related to catfish than you and I—than a yak is to a cow. It is an unfair irony that our catfish farmers find themselves once again in the headlights of an onslaught of unfair trade from another country. But my colleagues from catfish-producing States and I are not going to stand for it.

My distinguished colleague from Massachusetts, Senator KERRY, observed earlier this is a problem that can be addressed by attacking the Vietnamese practice itself where it occurs, and that is at the labeling stages. That is exactly what I am here to do today.

Today my colleagues and I, my colleagues from the other catfish-producing States, are introducing a bill that will stop this misleading labeling at the source. Our bill will prohibit the labeling of any fish—as catfish that is; in fact, not an actual member of the catfish family. We are not trying to stop other countries from growing catfish and selling it to our country. We simply want to make sure that if they say they are selling catfish, they are doing exactly that.

This is about truth in fairness. That is what our bill seeks to accomplish. On behalf of the catfish farmers in Arkansas and the rest of our producing States, I am proud to introduce this bill. We will pursue this bill with every ounce of fight we have. Our farmers and our rural communities deserve it. This is one way we from the Congress can address the issues we see and still maintain the good trading relationships, the good engagement with other nations to help grow that hope, to help build those friendships and relationships that we need in this ever smaller global world in which we are finding ourselves.

As we work to make those trade agreements and certainly the trade initiatives that are out there more fair, we want to continue to encourage all of the engagement of opening up freer trade with many of the nations of the world in the hope of finding that hope about which the Senator from Nebraska spoke so eloquently.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH of New Hampshire. How much time do we have?

The PRESIDING OFFICER. Seventy-three and a half minutes.

Mr. SMITH of New Hampshire. I yield myself such time as I might consume.

Madam President, I will try to put back into perspective the issue before the Senate subsequent to some of the remarks made since I last spoke.

The issue is whether or not we want to continue to provide normal trade relations with the Vietnamese. That is the matter on which the Senate will be voting. The point I have been trying to make in my discussion is whether or not the Senate would be willing to do what the House did by a vote of 410–1 and approve the Vietnam Human Rights Act, H.R. 2833. I would like to see a favorable vote on H.R. 2833, but I am not asking for everybody to vote for it. I am simply asking for the opportunity to vote on it.

I don't understand, given all of the circumstances of the human rights violations that the Vietnamese have committed, why it is, if we are going to provide normal trade relations with them, that we cannot go on record as the House—and properly so—stating we object to those human rights violations. We do it to other countries all of the time. There is only one conclusion that can be drawn; let's be honest. We don't want to embarrass the Vietnamese. Those Members of the Senate holding up the opportunity to vote on H.R. 2833 are doing it strictly because they are afraid somehow this will embarrass the Vietnamese or somehow make it awkward for them.

As I said earlier, this is a quote from People's Army Daily which speaks for the Vietnamese Government on numerous occasions when they talked about the terrorist attack on the United States of America:

> . . . It's obvious that through this incident, Americans should take another look at themselves. If Americans had not pursued isolationism and chauvinism, and if they had not insisted on imposing their values on others in their own subjective manner, then perhaps the twin towers would still be standing together in the singing waves and breeze of the Atlantic.

I don't know about you, but I am offended by that remark. I am offended by that, to put it mildly. That is not what President Bush was talking about when he said: You are with us or against us in this fight against terrorism.

I know there was read on the floor an official statement by the Vietnamese Government which contradicted that, which expressed some concern about the outrage of the terrorist attack. It is also important to understand that in the paper where that was printed, there was also printed right next to it an article decrying the ''brazen'' interference by Washington in Vietnam's human rights matters.

So you are getting a double message here. The point is, we do not want a double message from the Vietnamese Government on what happened in New York and Washington 3 weeks ago. We want one very clear message, which is what President Bush asked for: You are with us or you are not.

I don't know how you feel, but as I read that statement, that doesn't strike me as somebody who is with us and supporting us in our acts against terrorism.

But however you feel about that remark—that offends me; I think it offends most Americans—that is not the issue before us today. I wish to repeat what I am asking for, which is a vote on the human rights bill—that is all—in addition to a vote on this bill.

Unfortunately, because of holds on the human rights bill—I repeat, it passed 410–1 in the House of Representatives—we can't have that vote. All it is going to do is cite and recite—and I will have some of these in the RECORD now—some of the human rights violations of which the Vietnamese Government is guilty.

I do not want to normalize trade relations with them for a number of reasons—first and foremost, because they have never fully accounted for POWs and MIAs, and I don't care how many people come on the floor and say they did. They have not. It is an issue I have worked on for 17 years, and I can tell you right now they have not fully cooperated in accounting for POWs. If anyone wants to sit down with me and go through it on a case-by-case basis, I will be happy to do it.

It is false. Paul Wolfowitz said it was. The archives have not been opened.

Have they been cooperative to some extent? Yes. Have they been fully cooperative? No. There are lots of families out there who have not gotten information on their loved ones that the Vietnamese could provide. They have not done it. So I don't want to hear this stuff that they are fully cooperative. They are not fully cooperative. There is a big difference between being cooperative and being fully cooperative. They are not cooperative fully. You can ask anyone who works on this issue in the Intelligence Committee—and certainly Paul Wolfowitz knows what he is talking about. He says they are not fully cooperative. So let's not stand on the floor of the Senate and say let's normalize trade with Vietnam because they have been fully cooperative when every one of us knows differently. End of story; they are not.

If you want to go beyond that, that is not the only issue. All I am asking is that the Senate, in addition to voting on this normalizing trade, would also give the Senate the opportunity to be heard on what the House did on the human rights violations. That is it.

Human Rights Watch and Amnesty International recently criticized the Vietnamese Government's use of closed trials to impose harsh prison terms on 14 ethnic minority Montagnards from the central highlands of Vietnam—closed trials, kangaroo courts. The Montagnards were the ones who helped us tremendously during the Vietnam war. That is a nice thank-you for what they did. Many of them gave their lives and lots of freedoms to stand up with us—stand with us during the vietnam war. Now we are having kangaroo courts, defendants charged. This is one of the charges: destabilizing security.

Why do we have to tolerate it? I understand we cannot necessarily go back into the Government of Vietnam and change their way of life. That has been said. I wish it would change. But we do not have to condone it by simply ignoring it while we give them normal trade relations. Give them the normal trade relations, if you want—I will vote no—but at the same time give us the opportunity to expose this and say on the floor of the Senate, as the House did 410–1, this is wrong. That is all I am asking.

The only reason I can't do it is because people have secret holds. I have said, and I will say it again publicly, I hate secret holds. I do not use them. When I put a hold on something, I tell people. If anybody asks me do I have a hold, I say, yes, I do, and here is the reason. If I can't take it off, I will tell you. If I can, I can work with you. I wish we did not have secret holds. I think it is wrong. I think those who have the holds should come down and say they have the holds and why. Why is it we cannot vote on the human rights accord as the House did?

I mentioned the Montagnards. I will repeat a few. But it is unbelievable, some of the things that are going on and we choose to ignore them because we do not want to offend them for fear we might not be able to sell them something.

To be candid about it, there are things more important than making a profit in America. There are about 6,500 people in New York who would love to have the opportunity to make a profit. They cannot because they have lost their freedom permanently because of what happened.

This is the insensitive, terrible comment that was made by these people in Vietnam. And there were more. I read more into the RECORD. I will not repeat them. Students on the street saying it is too bad it wasn't Bush and it is too bad it wasn't the CIA, on and on, comments coming out of the Vietnamese Government, and students and populace, and put in their papers, on the public record.

They can stop anything they want from being printed. They do not have a free press in Vietnam. If they don't want this stuff printed, they could say: We won't print it. But they did print it because it is a double slap. Here is the official message: We are sorry about what happened. But here is the other message. That is what bothers me.

Again, all I am asking for is the right to vote on this human rights accord and we cannot do it because we cannot get it to the floor.

The Government of Vietnam consistently pursues the policy of harassment, discrimination, intimidation, imprisonment, sometimes other forms of detention, and torture. Sometimes trading in human beings themselves—having people try to buy their freedom to get out of that place and after they pay the money they retain them anyway and will not let them out.

The recent victims of such mistreatment—it goes on and on. We could give all kinds of personal testimony to that—priests, religious leaders, Protestants, Jews, Catholics—anybody. They have all been victims of this terrible, terrible policy of this Government of Vietnam. Yet we ignore it. We refuse to even vote on it.

Everybody has to work with their own conscience. Again, however you feel about it, whether you agree or disagree with the violations, or whether you agree or disagree with normalizing trade with Vietnam, that is the issue. The issue is: Why can't we be heard? Why can't the Senate vote as the House did to point out what these terrible human rights violations are?

These are the Senate rules. I respect the Senate rules. Every Senator has a right to do that. I do not criticize the rule nor anyone's motives, other than to say I wish those who oppose voting on human rights would have the courage to come down and say why not. Why can't we say, at the same time we are giving you trade, that we are also willing to tell you it is wrong, what you are doing to people in Vietnam: torturing, slave trading, forcing people to buy their freedom and then not allowing them to get free after they pay the money, on and on—persecution of religious leaders. These things are wrong. We criticize governments all over the world for doing it, all the time. We take actions against them, sanctions and other things.

Then, on top of that, the insensitivity of this remark, and others—that is reason enough to say OK, we are not going to interfere with the trade, we will give you the trade, but we also want to point out to you that what you are doing is wrong. What you said here is wrong. What you are doing to citizens in Vietnam is wrong, and we are going to say that in this resolution, as the House did. That is all I am asking. I know it is not going to happen. That is regrettable. I think, frankly, it is not the Senate's finest hour that we ignore that remark, ignore the human rights violations and give them trade.

Sometimes you just have to let your heart take priority in some of these matters. You know what your heart says. You know in your heart that is wrong. You know it is. I don't care how much profit we make buying or selling—whatever, grain. It doesn't matter to me what it is. Profit should not take precedence over principle. Believe me, we are letting that happen today at 2 o'clock when we vote. I am telling you we are. It is not the Senate's finest hour.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. Before I suggest the absence of a quorum, I might recommend to my colleague from New Hampshire, he might be interested in requesting a unanimous consent to send that bill back to committee. If it went through the process, it might have a better chance of coming up to the floor.

Mr. SMITH of New Hampshire. Madam President, if the Senator will agree that we postpone this vote until we have this bill go back to the committee where it can be heard and brought to the floor, I would be fine with that. Apparently that is not going to be the case. I think it is only fair if the Committee on Foreign Relations is going to discuss human rights violations, we should hold off the vote on this and do both at the same time. That is not going to happen.

Mrs. LINCOLN. It is just a suggestion.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Madam President, I have risen many times in this body over the course of the last decade to affirm my support for moving forward our relationship with Vietnam. We began carefully, over a decade ago,

with cooperation in the search for our missing service personnel. That cooperation, along with Vietnam's withdrawal from Cambodia and the end of the cold war, fostered a new spirit in Southeast Asia that allowed us to lift the U.S. trade embargo against Vietnam in 1994 and normalize diplomatic relations in 1995. My friend Pete Peterson was nominated by the President to serve as our ambassador in Hanoi in 1996 and was confirmed by the Senate in 1997. We lifted Jackson-Vanik restrictions on Vietnam in 1998 and have sustained the Jackson-Vanik waiver for that country in subsequent years. In 2000, we signed a bilateral trade agreement with Vietnam—one of the most comprehensive bilateral trade agreements our country has ever negotiated. We stand ready today to approve this agreement and, in doing so, complete the final step in the full normalization of our relations with Vietnam.

It need not have come this far, and would not have come this far, were it not for the support of Americans who once served in Vietnam in another time, and for another purpose—to defend freedom. The wounds of war, of lost friends and battles gone wrong, took decades to heal. It took some time for me, as it did for Pete Peterson, JOHN KERRY, CHUCK HAGEL, and many other veterans, just as it took some time for America, to understand that while some losses in war are never recovered, the enmity and despair that we felt over those losses need not be our permanent condition.

I have memories of a place so far removed from the comforts of this blessed country that I have forgotten some of the anguish it once brought me. But that is not to say that my happiness with these last, nearly thirty years, has let me forget the friends who did not come home with me. The memory of them, of what they bore for honor and country, still causes me to look in every prospective conflict for the shadow of Vietnam. But we must not let that shadow hold us in fear from our duty, as we have been given light to see that duty.

The people we serve expect us to act in the best interests of this nation. And the nation's best interests are poorly served by perpetuating a conflict that claimed a sad chapter of our history, but ought not hold a permanent claim on our future.

I supported normalizing our relations with Vietnam for a number of reasons, not the least of which was that I could no longer see the benefit of fighting about it. America has a long, accomplished, and honorable history. We did not need to let this one mistake, terrible though it was, color our perceptions forever of our national institutions and our nation's purpose in the world.

We were a good country before Vietnam, and we are a good country after Vietnam. In all the annals of history, you cannot find a better one. Vietnam did not destroy us or our historical reputation. All these years later, I think the world has come to understanding that as well.

It was important to learn the lessons of our mistakes in Vietnam so that we can avoid repeating them. But having learned them, we had to bury our dead and move on.

But then Vietnam was not a memory shared by veterans or politicians alone. The legacy of our experiences in Vietnam influenced America profoundly. Our losses there, the loss of so many fine young Americans and the temporary loss of our national sense of purpose—stung all of us so sharply that the memory of our pain long outlasted the security and political consequences of our defeat. And for too many, for too long, Vietnam was a war that would not end.

But it is over now, a fact I believe the other body's overwhelming vote on this bilateral trade agreement, and the surprising lack of controversy it engenders, indicates. America has moved on, as has Vietnam. Our duty and our interests demand that we not allow lingering bitterness to dictate the terms of our relationships with other nations. We have found in the new, post-cold-war era, a place of friendship for an adversary from an earlier time. I am very proud of America, and of the good men and women who serve her, for that accomplishment.

We looked back in anger at Vietnam long enough. And we cannot allow any lingering resentments we incurred during our time in Vietnam to prevent us from doing what is so clearly in our duty: to help build from the losses and hopes of our tragic war in Vietnam a better peace for both the American and Vietnamese people.

This trade agreement between our nations cements the relationship with Vietnam we have been building all these years, since we decided to put the war behind us. In approving this agreement, Vietnam's leaders have gambled their nation's future on a strong relationship with us, and on freeing their people from the shackles of international isolation and the command economy they once knew.

History shows that nations exposed to our values and infused with the day-to-day freedoms of an open economy become more susceptible to the influence of our values, and increasingly expect to enjoy them themselves. In choosing to deepen their nation's relationship with the United States, Vietnam's leaders have made a wise choice that will benefit their people. In choosing to deepen America's relationship with Vietnam, we have thrown our support to the Vietnamese people, and cast our bet that freedom is contagious.

We do not reward Hanoi by voting for this trade agreement today. In doing so, we advance our interests in Vietnam even as we expose its people to the forces that will continue to change Vietnam for the better. The change its people have witnessed over the past decade has been dramatic. This trade agreement will accelerate positive change. This is a welcome development for all Vietnamese, and for all Americans.

Madam President, I yield the floor.

Mrs. LINCOLN. Madam President, I thank the Senator from Arizona for his wisdom and the thoughtfulness that he brings to this body. I appreciate it very much.

Mr. MCCAIN. I thank the Senator.

Mrs. LINCOLN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CARPER. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. STABENOW). Without objection, it is so ordered.

Mr. CARPER. Madam President, I rise today in strong support of the resolution that is before us.

The first time I saw Vietnam was from a P–3 naval aircraft about 31 years ago this year. Twenty-one years would actually pass from that time before I set foot on Vietnamese soil. Many times in the early 1970s my aircrew and I flew over Vietnam, around Vietnam, and landed in bases in that region. I never set foot on Vietnamese soil until 1991.

At that time, I was a Member of the House of Representatives and led a congressional delegation that included five other United States Representatives, all of whom served in Southeast Asia during the Vietnam war. We went at a time when many believed that U.S. soldiers, sailors, and airmen were being held—after the end of the war—in prison camps. We went there to find out the truth as best we could.

What we encountered, to our surprise, was a welcoming nation. We visited not only Vietnam but Cambodia and Laos. In Vietnam, we found, to our surprise, a welcoming nation. Most of the people who live in Vietnam are people who were born since 1975, since the Government of South Vietnam fell to the North.

For the most part—not everyone—but for the most part, they like Americans, admire Americans, and want to have normal relations with our country.

Our delegation also included U.S. Congressman Pete Peterson from Florida. Our delegation took with us, to those three nations, a roadmap, a roadmap that could lead to normalized relations between the United States and, particularly, Vietnam.

Our offer was that if the Vietnamese would take certain steps, particularly

with respect to providing information in allowing us access to information about our missing in action, we would reciprocate and take other steps as well.

We laid out the roadmap. We assured the Vietnamese that if they were to do certain things, we would not move the goalposts but we would reciprocate. They did those certain things, and we reciprocated. In 1994, former President Clinton lifted the trade embargo between our two countries.

Think back. It has been 50 years, this year, since the United States has had normal trade relations with Vietnam—50 years. In 1994, the embargo, which had been in place for a number of years, was lifted.

I had the opportunity to go back to Vietnam a few years ago as Governor of Delaware. I led a trade delegation to that country. What I saw in 1999 surprised me just as much as being surprised when we were welcomed in 1991.

I will never forget driving from the airport to downtown Hanoi and being struck by the number of small businesses that had cropped up on either side of the highway that we traversed. It was a fairly long drive, and everywhere we looked small businesses had popped up to provide a variety of services and goods to the people.

The Government leaders with whom we met talked about free enterprise. They talked about how the marketplace, and finding ways to use the marketplace, might allow them to better meet the needs of their citizens, how it would enable them to become a more important trading partner in that part of the world, and for them to be a nation with less poverty and with greater opportunities for their own citizens.

Vietnam today is either the 12th or 13th most populous nation in the world. Some 80 million people live there. There are a number of reasons why I believe this resolution is in our interest, and I will get into those reasons in a moment, but I want to take a moment and read the actual text of this resolution. It is not very long. It says:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That the Congress approves the extension of nondiscriminatory treatment with respect to the products of the Socialist Republic of Vietnam transmitted by the President to the Congress on June 8, 2001.

Negotiations on the bilateral trade agreement before us began in 1996 or 1997. We have been at this for almost 5 years. It was negotiated by Pete Peterson who became our Ambassador and was part of our congressional delegation 10 years ago. Pete did a wonderful job as Ambassador, and I give him a lot of credit for having hammered out the provisions of this bilateral trade agreement.

The agreement was concluded a year ago in an earlier administration and has been sent to us by President Bush for our consideration. There are a number of reasons that former President Clinton and his administration thought this was a good idea for America. There are a number of similar reasons that President Bush and his administration believe this agreement is a good one for America.

First, it acknowledges that Vietnam is a big country, a populous country, and one that is going to play an ever more important role in that part of the world and in the world. It has 80 million people, mostly under the age of 30, for the most part people who like us, admire us, who want to have a good relationship with the United States despite our very troubled relations over the last half century.

Those markets that now exist in Vietnam have not been especially open to us. Sure, we have had the ability to sell over the years more and more goods and services, including a fair amount of high-technology equipment and goods. They now sell a number of items to us. We buy those. But they have in place barriers to our exports, and we have barriers to their exports. We will create jobs in this country, and they will create jobs in their country, if we will lift the import restrictions here and there, reduce the quotas dramatically and the tariffs. This provision does that, not just for them but for us. To the extent that we can sell more goods and services there, we benefit as a nation, and we will.

A number of countries in that part of the world do not respect intellectual property rights. Vietnam is not among the worst offenders in that regard. But there are problems in this respect. This agreement will take us a lot closer to where we need to be in protecting intellectual property rights, not just of Americans but of others around the world.

On my last visit to Vietnam, in the meetings we had with their business and government leaders, we talked a lot about transparency and how difficult it was for those who would like to invest in Vietnam, do business in Vietnam, to go through their bureaucracy. Their bureaucrats make ours look like pikers. They are world class in terms of throwing up roadblocks and making things difficult for investment to occur. This agreement won't totally end that, but it will sure go a long way toward permitting the kind of investments American companies want to make and ought to be able to make in Vietnam and, similarly, to reciprocate and provide their business people, their companies, the opportunity to invest in the United States.

There is something to be said for regional stability as well. Vietnam can contribute to regional stability if their economy strengthens and they move toward a more free market system. Or they can be a contributor to destabilization. This agreement will better ensure they are a more stable country and able to promote stability within the region.

Others have raised concerns today about alleged continuing abuses in human rights and the denial of freedom of religion, insufficient progress toward democratization. There is more than a grain of truth to some of that. Religious leaders are not given the kinds of freedoms that our leaders have. The Vatican declared last year that as far as they are concerned, freedom to worship is no longer a problem in Vietnam. They open kindergartens now and they teach the catechisms as much as they are taught here in Catholic-sponsored kindergartens. When I was there in 1991, they still had reeducation camps. They no longer have those. They have been replaced for the most part by drug rehabilitation facilities.

Much has been made today of the reaction of the Vietnamese to the horrors here 22 days ago, September 11. The truth is, the Vietnamese press has been overwhelmingly sympathetic to the American people and to those who lost loved ones on September 11. Their government leaders provided, literally within days, a letter of deep condolences to our President to express their abhorrence for what happened in our Nation.

With respect to terrorism, if anything, Ambassador Peterson shares with me that they have been helpful to us in working on terrorist activities and providing not only information that is valuable to us but giving us the opportunity to reciprocate. He suggests they may have actually been a better partner at this transfer of information than we have.

Finally, the freedom to emigrate. I recall 10 years ago there were difficulties people encountered trying to emigrate to this country or other countries from Vietnam. Today, for the most part, passports are easily obtained. If a person wants to go to to Australia, to the Philippines, to the United States, if they don't have criminal records or other such problems in their portfolio, they are able to get those passports and travel.

Let me conclude with this thought: I think in my lifetime, the defining issue for my generation, certainly one of the defining issues, has been our animosity toward Vietnam, the war we fought with Vietnam, a war which tore our country apart. That war officially ended 26 years ago. A long healing process has been underway since then in Vietnam and also in this country.

We have come a long way in that relationship over the last 26 years. So have the Vietnamese. We have the potential today to take that last step in normalizing relations, and that is a step we ought to take.

Vietnam today is no true democracy. They still have their share of problems.

So do we, and so does the rest of the world. But I am convinced that if we adopt this resolution and agree to this bilateral trade agreement, it will move Vietnam a lot further and a lot faster down the road to a true free enterprise system. With those economic freedoms will come, more surely and more quickly, the kind of political freedoms we value and would want for their people just as much we cherish for our people.

With those thoughts in mind, I conclude by saying to our old colleague—the Presiding Officer also served with Congressman Peterson—later the first United States Ambassador to Vietnam: I will never forget when I visited him a year or two ago on our trade mission, he and his wife Vi were good enough to host a dinner for our delegation at the residence of the Ambassador. And as we drove to the Embassy the next day, we drove by the old Hanoi Hotel. The idea that an American flier who had spent 6 and a half years as a prisoner of war in the Hanoi Hotel would return 25, 30 years later to be America's first Ambassador to that country in half a century, the idea that that kind of transformation could occur was moving to me then, and it is today.

There is another kind of transformation that has occurred in our relationship with Vietnam and within Vietnam as well, a good transformation, a positive transformation, one that we can reaffirm and strengthen by a positive vote today.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. BINGAMAN. Madam President, I ask unanimous consent that I be allowed to speak as in morning business for up to 6 minutes.

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

(The remarks of Mr. BINGAMAN are printed in today's RECORD under ''Morning Business.'')

Mr. BINGAMAN. Mr. President, I rise today in strong support of H.J. Res. 51, the Vietnam Trade Act, which would extend normal trade relations to the nation of Vietnam. I know there is limited time available on this issue today, so I will keep my comments short and to the point.

Let me begin by clarifying what this agreement actually does. Simply put, the purpose of this trade agreement is to normalize trade relations between the United States and Vietnam. At present, Vietnam is one of only a handful of countries in the world that do not receive what is called normal trade relations status from the United States. Under this agreement, the United States will obtain a range of significant advantages in the Vietnamese market it does not have at this time, examples being; access to key sectors, including goods, services and agriculture; protection for investment and intellectual property, transparency in laws and regulations, and a lowering of tariffs on products. For the United States, this agreement translates into a unique opportunity for American companies to enter a country with significant development needs. It means sales across the board in the consumer market, sales in infrastructure development, and sales in government procurement. Importantly, it means that we will now be able to compete on equal footing with other foreign countries, all of which trade with Vietnam on ''normal'' terms and many of which already have a significant presence in that country.

For Vietnam, this agreement translates into a substantial decrease in tariffs on products it can send to the United States and a tangible opportunity for export-led economic growth now and in the future. It gives Vietnam and its people, more than half of which are under the age of 25, a very real chance to obtain the level of prosperity, security, and stability that it has desired for nearly a half a century. It means an increased standard of living, an increased exchange of ideas with the world, and an increased integration of Vietnam's institutions with the international system. Most of all, it means positive and peaceful political economic change in a country that has suffered tremendously for far too long.

Let us not lose sight of this last point, because much like the U.S.-Jordan free trade agreement, the U.S.-Vietnam bilateral trade agreement has a larger geo-political context. In 1995, after years of lingering animosity between our two countries, the United States and Vietnam made a conscious and, I think, an extremely wise decision to take a different and far more constructive path in our relations. For many, this decision was also difficult and even controversial as there was a number of critical issues that they felt remained unresolved.

These issues—the POW/MIAs, religious freedom, human rights, labor rights, and so on—are not going away quickly. I have thought about them carefully and at length as I decided whether or not I would support this legislation. I do not want to underestimate or, even worse, ignore the fact that Vietnam has a very long way to go when it comes to the rights and liberties that we in our country consider fundamental.

But I also feel that this comes down to the question of how change is going to occur. Does it occur through engagement or isolation?

Based on the evidence I have seen, both in the case of Vietnam and with other countries, I am convinced it is far more productive to integrate Vietnam into our system of norms, values, and rules—pull it into the common tent where we can talk to government officials and private citizens on a regular basis on the issues that matter to us all than leave it out. I have come to the conclusion that it is far better to create cooperative mechanisms to discuss issues like forced child labor, or environmental degradation, or trafficking in women, or international trade than to ostracize Vietnam and wonder why change is not occurring. I think it is essential that the United States interact regularly and intensively with Vietnam. Our goal should be to integrate Vietnam fully into the collective institutions of East Asia and the international community. Only through this effort will we see incremental but steady reform and progress occur.

Let me say in conclusion that Vietnam is changing in dramatic, important, and, I believe, irreversible ways. I believe this trade agreement will not only accelerate and expand that change, but it will also create a strong, mutually beneficial relationship between the United States and Vietnam. I want to thank all my colleagues who have played an integral role in drafting this legislation. I am convinced it will have a profound and lasting effect on Vietnam, on the region of East Asia as a whole, and on U.S.-Vietnam relations. Our countries have come a long way, and I am extremely encouraged to see that we have put old and counterproductive animosities aside to take a very positive step forward into the future.

Mr. ALLEN. Mr. President, I rise in support of the United States-Vietnam Bilateral Trade Agreement. I believe this agreement will help transform Vietnam's economy into one that is more open and transparent, expand economic freedom and opportunities for Vietnam's people and foster a more open society.

At the same time, I commend my colleague, Senator BOB SMITH, for his efforts to press for consideration of the Vietnam Human Rights Act. Senator SMITH is correct: These two measures should have been considered in tandem.

A constituent, and friend, of mine is Dr. Quan Nguyen. He is a respected leader of the Vietnamese community in Virginia. His brother, Dr. Nguyen Dan Que, is in Vietnam and he is not free. He is the head of the Non-Violent Movement for Human Rights in Vietnam. He spent 20 years in Vietnamese prisons because he dared to believe in the concept of freedom, liberty and democracy. He has been under house arrest since 1999. He lives with two armed guards stationed outside his residence. His telephone and Internet accounts have been cut off and his mail is intercepted. Dr. Que has been labeled a common criminal because his ''anti-socialist'' ideas are a crime in Vietnam.

The struggle for freedom of conscience, economic self-sufficiency and human rights is one that has not ended with the conclusion of the Cold War.

Regimes throughout the world continue in power while denying basic human rights to their citizens and unjustly imprisoning those who peacefully disagree with the government. One such place is the Socialist Republic of Vietnam.

I support increased trade with Vietnam and will vote for this measure. At the same time, I urge the government of Vietnam to choose the path of enlightened nations, the path of true freedom, and true respect for all its citizens and their human rights. Vietnam waits on the cusp of history, and the choices before it are important choices between freedom and respect for human rights, or stagnation and totalitarianism.

Mr. LEVIN. Mr. President, The bilateral trade agreement that the United States signed with Vietnam in July 2000 represents a milestone in U.S. relations with Vietnam. Building a foundation for a strong commercial relationship with Vietnam is not only in our economic interest, but it is in our security interest and our diplomatic interest. Vietnam has made comprehensive commitments, which will help open up Vietnam's market for products produced by U.S. workers, businesses and farmers. These commitments will not only help pave the way for changes in the Vietnamese economy, but in Vietnamese society as a whole.

While the U.S.-Vietnam bilateral trade agreement is an important step forward in our diplomatic and commercial relationship, I am disappointed that the agreement does not address Vietnam's poor record of enforcing internationally-recognized core labor standards. The Government of Vietnam continues to deny its citizens the right of association, allows forced labor, and inadequately enforces its child labor and worker safety laws. Vietnam's poor labor conditions led President Clinton to sign a Memorandum of Understanding, MOU, with Vietnam in December 2000. This MOU, pledging U.S. technical assistance for Vietnam to improve its labor market conditions, is a start, but it does not require Vietnam to take specific steps to improve enforcement of existing laws and regulations. More is needed.

I join my colleagues who have been urging the Administration to commit to enter into a textiles and apparel agreement with Vietnam that would include positive incentives for Vietnam to improve its labor conditions, similar to the agreement the U.S. has in place with Cambodia. Such an agreement is important to maintain a consistent U.S. trade policy that recognizes the competitive impact of labor market conditions. Additionally, if the United States fails to enter into a textile and apparel agreement with Vietnam similar to the agreement with Cambodia, the agreement with Cambodia may be undermined if businesses move production to Vietnam at the expense of Cambodia.

The vote today inaugurates an annual review of whether the United States should extend normal trade relations, NTR, to Vietnam. As Congress undertakes these annual NTR reviews for Vietnam, we will closely monitor progress in reaching a textiles and apparel agreement, and Vietnam's respect for core labor rights.

Mr. MURKOWSKI. Mr. President, I rise in support of H.J. Res 51, approving the bilateral trade agreement between the United States and Vietnam. Our relationship with Vietnam has come far in 25 years. Today, Vietnam is gradually integrating into the world economy, is a member of APEC, the ASEAN Free Trade Area and has economic and trade relations with 165 Countries.

Vietnam has granted normal trade relations to the United States since 1999. At the same time, our cooperative relations with Vietnam on other matters, including POW issues, has progressed admirably. Establishing normal trade relations for Vietnam is a logical step in our trade AND foreign relations.

Negotiated over a four-year period, this trade agreement represents an important series of commitments by Vietnam to reform its economy. It provides important market access for American companies and is a crucial step in the process of normalizing relations between the United States and Vietnam.

There are those in this body who do not believe, as I do, that the United States and Vietnam are ready to end thirty-five years of violence and mistrust between our two countries. There are Senators who believe the great battle between capitalism and communism has yet to be fully won. There are Senators who believe that our goal should be to destroy the last vestiges of communism. I am one of those Senators.

I believe that communism belongs, to paraphrase the President in his remarkable joint address of Congress on September 20, ''in history's unmarked grave of discarded lies.''

There are those who believe that the best way to make sure the lie of Vietnamese communism dies is to shun Vietnam, to condition interaction on a fundamental political shift in Vietnam. In other words, you change your ways, and then we will engage you. I am not one of those Senators.

I believe that trade is the best vehicle to force political change. The Vietnamese, like China before it, has gone far down a path of economic reform. They practice Capitalism and preach Communism.

I believe that capitalism is infectious. I do not believe that Capitalism and communism can co exist. I believe that the road on which Vietnam is traveling will inevitably lead to democratic change, and that its experiment with Communism will die an unlamented death.

Further delay in passing the BTA will harm will delay Vietnam on this road. The BTA is the right vehicle at the right time for our economic AND foreign policy priorities.

I urge my colleagues to pass H.J. Res. 51.

Mr. COCHRAN. Mr. President, the catfish industry in the United States is being victimized by a fish product from Vietnam that is labeled as farm-raised catfish. Since 1997, the volume of Vietnamese frozen fish filets has increased from 500,000 pounds to over 7 million pounds per year.

U.S. catfish farm production, which is located primarily in Mississippi, Arkansas, Alabama, and Louisiana, accounts for 50 percent of the total value of all U.S. aquaculture production. Catfish farmers in the Mississippi Delta region have spent $50 million to establish a market for North American catfish.

The Vietnamese fish industry is penetrating the United States fish market by falsely labeling fish products to create the impression they are farm-raised catfish. The Vietnamese ''basa'' fish that are being imported from Vietnam are grown in cages along the Mekong River Delta. Unlike other imported fish, basa fish are imported as an intended substitute for U.S. farm-raised catfish, and in some instances, their product packaging imitates U.S. brands and logos. This false labeling of Vietnamese basa fish is misleading American consumers at supermarkets and restaurants.

According to a taxonomy analysis from the National Warmwater Aquaculture Center, the Vietnamese basa fish is not even of the same family or species as the North American channel catfish.

The trade agreement with Vietnam, unfortunately, will allow the Vietnamese fish industry to enhance its ability to ship more mislabeled fish products into this country, and under the procedure for consideration of this agreement it is not subject to amendment.

However, I hope the U.S. Department of Agriculture and the Food and Drug Administration will review its previous decisions on this issue and take steps to ensure the trade practices of the Vietnamese fish industry are fair and do not mislead American consumers.

Mrs. FEINSTEIN. Mr. President, I rise today to express my support for the resolution to approve the bilateral trade agreement signed by the United States and Vietnam on July 13, 2000. I believe this agreement is in the best interests of the United States and Vietnam and will do much to foster the political and economic ties between the two countries.

Under the terms of the agreement, the United States agrees to extend

most-favored nation status to Vietnam, which would significantly reduce U.S. tariffs on most imports from Vietnam. In return, Vietnam will undertake a wide range of market-liberalization measures, including extending MFN treatment to U.S. exports, reducing tariffs, easing barriers to U.S. services, such as banking and telecommunications, committing to protect certain intellectual property rights, and providing additional inducements and protections for inward foreign direct investment.

These steps will significantly benefit U.S. companies and workers by opening a new and expanding market for increased exports and investment. Just as important for the United States, this agreement will promote economic and political freedom in Vietnam by bringing Vietnam into the global market economy, tying it to the rule of law, and increasing the wealth and prosperity of all Vietnamese.

I share the concerns many have expressed about the human rights situation in Vietnam. No doubt, there is a great deal of room for improvement. Nevertheless, I am a firm believer in the idea that as you increase trade, as you increase communication, as you increase exposure to western and democratic ideals, you increase political pluralism and respect for human rights. The more you isolate, the greater the chance for human rights abuses.

I believe the United States will continue to address this issue and use the closer ties that will come from an expanded economic and political relationship to press for significant improvement of Vietnam's human rights record. We owe the people of Vietnam no less. In addition, as I have stated above, I believe that this agreement will promote economic opportunity and the rule of law in Vietnam which will have a positive effect on that country's respect for human rights.

Mr. President, this agreement is another step in the normalization of relations between the United States and Vietnam that began with the lifting of the economic embargo in 1994 and the establishment of diplomatic relations the following year. Let us not take a step backwards. We have the opportunity today to ensure that this process continues and the political and economic ties will grow to the benefit of all Americans and all Vietnamese. I urge my colleagues to support the resolution to approve the United States-Vietnam trade agreement.

Mr. SMITH of Oregon. Mr. President, I rise today in strong support of the bilateral trade agreement with Vietnam, this trade agreement will extend normal trade relations status to Vietnam. This important legislation enjoys strong bipartisan support, it passed the House of Representatives by voice vote and implements the comprehensive trade agreement signed last year.

The United States has extended the Jackson-Vanik waiver to Vietnam for the past 3 years. This waiver is a prerequisite for Normal Trade Relations trade status and has allowed American businesses operating in Vietnam to make use of programs supporting exports and investments to Vietnam. The passage of this trade agreement completes the normalization process with Vietnam that has spanned four Presidential Administrations, and I believe it is a milestone in the strengthening of our bilateral relations.

I would like to commend our former Ambassador to Vietnam, Pete Peterson. Ambassador Peterson's tenure as Ambassador was a seminal period in United States-Vietnamese relations, and he did, by any standard, an outstanding job in representing the United States.

I believe that this trade agreement will result in significant market openings for America's companies. In particular, Oregon companies will benefit from this expansion of trade with Vietnam by having greater access to Vietnam's market of almost 80 million people, as well as lower tariffs on Oregon goods. This agreement also gives the United States greater influence over the pace of economic, political and social reforms by opening Vietnam to the West. Our goods and our democratic values will have a strong and lasting impression in that country. I believe that this agreement will help transform Vietnam into a more open and transparent society, expanding economic freedom and opportunities for the Vietnamese people.

Portland, OR is home to a strong Vietnamese-American community, most of whom left their homeland as refugees decades ago. Oregon welcomed these people with open arms and their tight-knit community have become highly sought after workers and valued American citizens. I hope that this step towards better relations will bring about true economic and social reforms to their homeland, as well as faith in their new country's ability to share western values abroad.

I applaud the Administration for its work on this trade effort and for its work in rebuilding relations between the United States and Vietnam. In particular, the work of the Department of Defense in solving unresolved MIA cases in Vietnam has been outstanding. The devotion to the goal of repatriating MIAs to the United States has provided a sense of closure to many American families who experienced a loss decades ago.

I would like to thank my colleagues on the Senate Finance Committee for the timely disposition of this trade agreement, and I look forward to working with the Vietnamese people to bring further economic and political reforms to their country.

Mr. DASCHLE. Mr. President, today, the Senate takes a significant step toward opening Vietnamese markets to America's farmers and workers, normalizing our relations with Vietnam, and reaffirming our commitment to engage, and not retreat from, the rest of the world.

H.J. Res. 51, the Vietnam Trade Act, is the result of nearly five years of negotiations. It will put into action the landmark trade agreement that was signed last summer by the United States and Vietnam.

A number of years ago, I had the opportunity to visit Vietnam. I remember the warmth with which we were greeted by nearly everyone we met. I especially remember a girl I met one morning on a street in Hanoi. She couldn't have been more than 12 or 13 years old, and she was selling old postcards of different places all over the world.

I offered to buy the one postcard she had from America.

She shook her head and said, ''No, won't sell . . . America.'' To her, that postcard was priceless. It represented a place of freedom and opportunity.

This trade agreement will allow US goods and services to enter Vietnam. Just as important, it will allow American ideals to flow more freely into that nation. It will help that young woman, and the 60 percent of all Vietnamese who were born after the war, create a freer and more prosperous Vietnam.

Instead of holding onto that old, tattered postcard, she will be able to grasp real freedom and opportunity. That will help both of our Nations.

I want to thank the many people who made this agreement possible: Ambassador Pete Peterson and the trade negotiators in the Clinton Administration; President Bush, who has pressed for this act's completion; Chairman BAUCUS and Senator GRASSLEY, who have worked together to bring this bill to the floor; and, four senators whose war stories are well known, and whose service to this country is unparalleled. This trade agreement would not have been possible without the courageous leadership of JOHN KERRY, JOHN MCCAIN, CHUCK HAGEL, and MAX CLELAND.

This is the most comprehensive bilateral trade agreement ever negotiated by the U.S. with a Jackson-Vanik country.

It demands that Vietnam provide greater access to their markets, provide greater protection for intellectual property rights, and modernize business practices.

The result will be new markets, and new opportunities, for our companies, farmers and workers.

This trade deal is far more than just a commercial pact. It is another step in the long road toward normalizing relations between our two countries.

We all know where our countries were, and how far we have come.

For people like JOHN MCCAIN and JOHN KERRY, for all of us who served

during the Vietnam War era, we came of age knowing Vietnam as an adversary.

In the years since, we've been able to open lines of communication. We've worked to provide a full accounting of American prisoners of war and those missing in action, and we are cooperating on research into the health and environmental effects of Agent Orange.

Today, we take another step toward making Vietnam a partner.

In exchange for serious economic reform and increased transparency, this agreement normalizes the economic relationship between our countries.

Those reforms, in turn, will give Vietnam the opportunity to integrate into regional and global institutions. And they will give the Vietnamese people a chance to know greater freedoms and a more open society.

We are clear-eyed about Vietnam's problems. The State Department found again this year that the Vietnamese government's human rights record is poor. Religious persecution and civil rights abuses are still rampant throughout the country.

In pressing forward today, we are not condoning this behavior. To the contrary, we are calling on the Vietnam government to fulfill its commitments for greater freedom.

And we are pledging to hold them to that commitment.

Finally, the Vietnam Trade Act is also a reaffirmation of America's continued international leadership.

Last spring, when this resolution was introduced in the Senate, I said that its passage would send a signal to the world that the United States is committed to engaging with countries around the globe by using our mutual interests as a foundation for working through our differences.

In the wake of September 11, this engagement is more important than ever, and since that time we have: overwhelmingly approved the Jordan Free Trade Act, the first ever U.S. free trade agreement with an Arab country; taken another step to make right our dues at the United Nations; and, begun building an unprecedented international coalition against terrorism.

Final passage of this agreement will send an additional message to the global community that the United States cannot, and will not, be scared into its borders.

We will not close up shop.

And to that young girl in Hanoi, and all who share her hopes, we say that we will not be content to defend our freedoms solely within our borders. We will continue to be a light to all who look to us for hope.

We will not retreat from the world. We will lead it.

This is a good resolution. And it allows us to begin implementing a good agreement. I urge my colleagues to support it.

Mr. NELSON of Florida. Mr. President, I rise today in support of the Vietnam Bilateral Trade Agreement. This agreement paves the way for improved relations between the United States and Vietnam, and will improve overall economic and political conditions in both countries. I would like to say a few words about a man who was an integral part of negotiating this agreement, Ambassador Douglas ''Pete'' Peterson. Many people in Florida are familiar with the heroic deeds and leadership of Pete Peterson. It is fitting and proper that we, in this body, recognize his exemplary service to our country.

Pete Peterson was a young Air Force pilot when he was shot down, captured, and held as a prisoner of war in Vietnam where he remained for 6½ years. He was regularly interrogated, isolated, and tortured. Very few POWs were held longer. His example of perseverance under the most horrible conditions and circumstances is one that cannot be easily comprehended, but is one that we must regard with immense gratitude.

Pete Peterson was not deterred by his horrific experience in Hanoi and continued his service in the Air Force. He went on to complete 26 years of service, retiring as a colonel. He distinguished himself as a leader in Florida, and was elected to represent the second congressional district of Florida in 1990.

After serving three terms in the U.S. Congress, Pete became the U.S. first post-war Ambassador to Vietnam. I have known Pete for many years, and he made a comment about his tour as Ambassador to Vietnam, which I believe, is indicative of his commitment to service, ''How often does one have the chance to return to a place where you suffered and try to make things right?''

Pete Peterson made things right. One step toward doing so was the Vietnam Bilateral Trade Agreement. This was Pete's top trade priority, but it was much more. It was an important part of normalizing relations with Vietnam, including political and economic reform, as well as working to improve human rights. Only someone of Pete Peterson's caliber could have successfully represented the United States during the challenging period of normalizing relations and healing between our nations. Only someone of his patriotism, honor, and integrity could have played such a prominent role in achieving this trade agreement. This agreement will increase market access for American products and improve economic conditions in Vietnam as well as the climate for investors in Vietnam

Now we still have some work to do. I know the Commission on International Religious Freedom has been critical of Vietnam, and I was disappointed to see some of the comments that came out of Hanoi in the wake of the terrorist attacks on September 11. However, only through engagement and cooperative efforts can we most effectively press Vietnam to continue to respect human rights and continue political and economic reform. That is why Pete Peterson should be recognized and thanked here today. I yield the floor.

Mr. BAUCUS. Madam President, what is the parliamentary position?

The PRESIDING OFFICER. H.J. Res. 51 is pending.

Mr. BAUCUS. Madam President, is there an agreement when a vote will occur?

The PRESIDING OFFICER. A vote will occur at 2 p.m.

Mr. BAUCUS. Seeing a vote is about to occur, I will be with you very briefly.

FAST TRACK LEGISLATION

Mr. BAUCUS. I am encouraged by the beginnings of bipartisan action from the House on fast-track legislation, otherwise known as trade promotion authority. We have a little ways to go, but I am very encouraged by the beginnings of a bipartisan agreement in the other body. It is my hope there can be more bipartisan agreement than there has been thus far.

We want a bill to pass the House with as many votes as possible. Obviously, granting fast-track authority, granting trade promotion to the President by the Congress, if it passes by an extraordinarily large margin, will be helpful in negotiating the SALT trade agreement with other countries.

If the House does pass this bill, the Senate Finance Committee will take up the bill and hopefully bring the bill to the floor and get it passed. The key is in the spirit of the bipartisanship and cooperation, which has been tremendous, that has occurred since September 11. There is an opportunity for continued bipartisan agreement in the trade bill.

I am very pleased to say there has been such cooperation in Washington, DC—both Houses, both political parties, both ends of Pennsylvania Avenue. There is an opportunity here for that same spirit of cooperation to continue on the trade bill. If it does, we will get it passed earlier rather than later.

I see 2 o'clock has arrived.

The PRESIDING OFFICER. All time has expired.

Mr. BAUCUS. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The joint resolution was ordered to a third reading and was read the third time.

The PRESIDING OFFICER (Mr. BAYH). The joint resolution having been read the third time, the question is, shall the joint resolution pass? The

yeas and nays have been ordered. The clerk will call the roll.

The senior assistant bill clerk called the roll.

The result was announced—yeas 88, nays 12, as follows:

[Rollcall Vote No. 291 Leg.]

YEAS—88

Akaka	Durbin	McConnell
Allard	Edwards	Mikulski
Allen	Ensign	Miller
Baucus	Enzi	Murkowski
Bayh	Feinstein	Murray
Bennett	Fitzgerald	Nelson (FL)
Biden	Frist	Nelson (NE)
Bingaman	Graham	Nickles
Bond	Gramm	Reed
Boxer	Grassley	Reid
Breaux	Gregg	Roberts
Brownback	Hagel	Rockefeller
Burns	Harkin	Santorum
Cantwell	Hollings	Sarbanes
Carnahan	Hutchinson	Schumer
Carper	Inhofe	Shelby
Chafee	Inouye	Smith (OR)
Cleland	Jeffords	Snowe
Clinton	Johnson	Specter
Collins	Kennedy	Stabenow
Conrad	Kerry	Stevens
Corzine	Kohl	Thomas
Craig	Kyl	Thompson
Crapo	Landrieu	Torricelli
Daschle	Leahy	Voinovich
Dayton	Levin	Warner
DeWine	Lieberman	Wellstone
Dodd	Lincoln	Wyden
Domenici	Lugar	
Dorgan	McCain	

NAYS—12

Bunning	Feingold	Lott
Byrd	Hatch	Sessions
Campbell	Helms	Smith (NH)
Cochran	Hutchison	Thurmond

The joint resolution (H.J. Res. 51) was passed.

Mr. REID. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

UNANIMOUS CONSENT REQUEST—S. 1447

Mr. DASCHLE. Mr. President, I have been in consultation with the distinguished Republican leader. I appreciate the advice we have been given on all sides with regard to how to proceed on the airport security bill. I don't know that we have reached a consensus, but I do think it is important for us to procedurally move forward with an expectation that at some point we are going to reach a consensus.

At this point, I ask unanimous consent that the Senate now proceed to consideration of S. 1447, the aviation security bill.

The PRESIDING OFFICER. Is there objection?

Mr. LOTT. Reserving the right to object, first let me say to our colleagues, Senator DASCHLE and I have been talking about this issue, along with antiterrorism, off and on for the last week or 10 days. We are committed to dealing with those two important issues as soon as is humanly possible because we believe, I believe, strongly that aviation security needs to be addressed. The administration has a lot of things it can do and is doing. Secretary Mineta has outlined things he is proposing to do in terms of sky marshals and strengthening the cockpits and a number of areas where they can move forward without additional legislative authority. Some of the things that need to be done will require additional legislative action.

This is one of the two highest priority matters we need to address that would be positive for the American public to feel more secure in flying, get flying back up to where it should be. Along with antiterrorism, which will allow us to have additional authority for our law enforcement people and intelligence to address this threat, it is the highest possible priority.

I agree with Senator DASCHLE that we should find a way to consider aviation security, but there are two or three problems. I am going to be constrained to have to object because there are two or three objections on this side that come from a variety of standpoints at this time.

There is some concern that it did not go through the Commerce Committee for the traditional markup so that other good ideas could be offered, but they could, of course, be offered when the bill is considered. And there are some concerns about the federalization of the screening, the bifurcated arrangement between urban hubs and nonurban hubs. Those that are nonurban hubs want to make sure they will not be given second-class service in that area.

There is also a concern about what may be added to this bill from any number of very brilliant Senators, very good ideas that are not relevant at all to this issue.

Some of them could relate to energy, about which I feel very strongly. Some of them could relate to Amtrak, about which I also feel very strongly. But this is about aviation security. We should have an understanding about how we deal with the displaced workers issue, how do we deal with the Amtrak security issue, and other issues. If we do that, this very important issue will begin to sink of its own weight.

We have, over the past 3 weeks, done good work in a nonpartisan, bipartisan way. But we addressed the issues that needed to be addressed, maybe not perfectly but we took action. I believe the American people have appreciated that.

We should continue to find a way to make that happen. We are not ready for consent right now, partially because Secretary Mineta will be here in 20 minutes to meet with Senator HOLLINGS, Senator MCCAIN, Senator HUTCHISON, Senator ROCKEFELLER, and others, to talk about some specific recommendations the administration would like to make. I also understand that there will be a specific recommendation as to how to proceed on the dislocated workers or the employees issue that perhaps will be discussed with Senator DASCHLE and me and others within a short period of time.

So I think all of these are very important. But for now, unless we could get an agreement that we would limit this to relevant amendments, which would knock out a number of these side issues that are floating around, then we would have to object at this time.

I understand that Senator DASCHLE will then be inclined to file a motion to proceed, and that would require a vote on the motion to proceed—we will have to talk through exactly what is required—either on Friday or next Tuesday. In the interim, I hope we will work, as we have in the past, to find a way to get a focus and to get aviation security addressed.

I know Senator HOLLINGS wants to do that. He doesn't want nonrelevant amendments. He is willing to work with Senators on both sides to make that happen. I know Senator MCCAIN is very intent on getting a focused aviation security bill. I believe we can make it happen, but we need a little bit more time to pursue understandings of how that would happen.

Let me inquire of Senator DASCHLE. I presume at this time that the Senator would not be prepared to agree to limit this to only relevant amendments. Is that correct?

Mr. DASCHLE. Mr. President, if I may respond to the Republican leader, first, I agree with virtually all he has said. There is an urgency to the airport security bill that dictates that we come to the floor this afternoon. I know Senator HOLLINGS, Senator MCCAIN, and others have spent a good deal of time working in concert with experts and with others to reach the point that they have in bringing this bill to the floor right now. Earlier today, I made the announcement that we were going to take up airport security first and counterterrorism second, and that my hope was that we could take up counterterrorism as early as Tuesday. That may not now be the case.

I don't know that there are two more urgent pieces of legislation than these two bills that are virtually ready to go. Obviously, that doesn't mean because these two bills are urgent, that there is no other urgent matter related to the tragedy that has to be addressed. The

question is, How many vehicles do you have, given the very serious limitation on time? Senator LOTT and I have spent a lot of hours, working late into the night trying to pre-conference some of this. But a lot of our colleagues, understandably, say, ''What about us? We want to participate. We have amendments that are good ideas that we would like to offer.''

So acknowledging that some of these matters cannot be pre-conferenced, our only option is to come to the floor. Then our only option is to hear out other ideas, as Senator LOTT suggested. Some are directly relevant to airport security, and some have to do with the tragedies that millions of Americans are facing in that they no longer have a job, they no longer have health insurance, they no longer have the ability to cope any more than the airlines had an ability to cope a week ago. So there is an urgency to addressing their crises as well.

One Senator on the floor just now noted that we are probably a stone's throw away from a railroad tunnel that could be every bit as much in jeopardy and in danger as any airport today. There is an urgency to railroad security that we have to address. The question is, Do we have to take up each one of these bills separately and address them individually or can we do what the Senate has always done as we look at issues, which is address them in the most collective way, asking for people to be disciplined, cooperative, and to understand the urgency and to understand that this is a different day? We are in a crisis situation. I am as much for ensuring that everybody has an opportunity to be heard as is possible. But we need to recognize that the whole country is watching, the whole country is expecting us to respond, as we have so far.

So I am disappointed, frankly, that we are not able to get agreement to go to this bill and debate issues that are of import to the country, not just to any particular Republican or Democrat. So we will file cloture and recognize that there will be another time when these bills and amendments are going to be considered. I hope that in working as Senator LOTT and I have, together with all of the cooperation we have been given these last 3 weeks, we can work through these difficult questions. I am still confident that we can, even though we may have hit a temporary snag.

Mr. LOTT. Mr. President, if I might respond, and then I will yield because I know the chairman and ranking member want to comment, too, I think what Senator DASCHLE is saying is that he would not be able to agree to limit it only to relevant amendments now. But there is another option here, and that is for us as Senators to focus on aviation security and not put all of our very best ideas on this particular bill. If we could do that, we could complete this legislation tomorrow. We would have aviation security done tomorrow. Senator HOLLINGS and Senator MCCAIN would be happy. I would like to have a different approach to screening, but I am prepared to debate and vote on that.

If it goes beyond that, the option for ideas—good ideas—and alternatives and unrelated and nonrelevant amendments, it could go on and on. I think maybe we can get this worked out this afternoon. If we do not, it guarantees that instead of being on the counterterrorism legislation on Tuesday, we will be on this, and counterterrorism will be shoved off another day or 2 or 3. That is not disastrous because we want to make sure we do them both right, but for the sake of getting this done, I plead to my colleagues on both sides of the aisle, let's find a way to agree to do aviation security and to do these other issues that are also important.

Regarding Amtrak, everybody in this Chamber probably knows—and Senator MCCAIN knows it and doesn't like it—I have been a big supporter of Amtrak. I am interested in making sure that it is safe and secure and that we have a viable Amtrak system, but we should not do it on this bill.

So I have to object at this time to the unanimous consent request. I understand Senator DASCHLE will be prepared to offer a motion to proceed and file cloture on that.

Mr. DASCHLE. Mr. President, before I file the cloture motion, let me yield to the distinguished Senator from South Carolina first, and to the Senator from Arizona second.

Mr. HOLLINGS. I thank the leader. The leaders, in all candor, have worked around the clock to get the disparate interests on this issue together so that we can decide on what we can agree upon rather than what we disagree upon. In that light, let me thank the majority and the minority leaders for their perseverance in helping us get this bill up.

It is fair to say I am as interested in this issue as the previous speakers. We have been working very hard on this issue. We just had a Commerce subcommittee hearing on rail and maritime security all day long yesterday. We are ready to go with the airline security bill. But there are some differences of views; similarly, with respect to the economic stimulus, and also with respect to the unemployment benefits bill. In fact, you can bring this bill up and, unless it is relevant, you can add Lawrence Welk's home to this measure, and so forth. We know what the rules of the Senate are. But it is going to be embarrassing if we leave for the weekend having agreed on money, but not on security. We should have put airline security ahead of money to bailout the airlines. But the K Street lawyers overwhelmed us. They were down here and we got billions to keep the airlines afloat. But, by gosh, we can't agree on taking up this airline security measure so that we can keep them in business. So we intentionally put them out of business by delaying implementation of a meaningful security measure.

We are not having votes on Friday; we are not having votes on Monday. Unless we can get this thing up this afternoon it is not likely to pass before the weekend. Someone commented that when we considered this matter in the Commerce Committee, we started at 9 o'clock and we got through at quarter to 7 that evening with only a half hour out. We had a full day's hearing and unanimously voted this bill out of committee. The bill is flexible. It was mentioned that the Secretary of Transportation is coming over with views from the White House. We are willing to go along with any reasonable compromise from the administration. What we are trying to do is get security. We are not trying to pass your bill in spite of our bill, or whatever.

We are going to meet at 3 o'clock. I hope the two Senate leaders will try to get together and work out this dispute. Senator MCCAIN has been a leader on this. We have agreed on the details. There are a few little differences. But let's get together with the leadership and get this measure up so that we can go home this weekend at least having taken care of security, and then we can move to counterterrorism and unemployment benefits later.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DASCHLE. I still retain the floor for purposes of making a motion, but I yield to the Senator from Arizona first.

Mr. MCCAIN. Mr. President, I thank Senator LOTT and Senator DASCHLE for the efforts they are making to try to bring this measure forward. I especially thank Senator HOLLINGS. He has agreed, along with me, that we would oppose any nonrelevant amendments to this legislation. That is an important commitment on the part of Senator HOLLINGS. I know how he feels about Amtrak and about seaport security and a number of other issues. I thank Senator HOLLINGS for that.

Briefly, if we now wait, as Senator HOLLINGS said, until cloture is voted on Friday, and we surely can't act until Monday, and we are not going to be in on Monday, we are well into next week. Last week, we passed legislation to keep the airlines afloat financially. Millions of Americans still will not fly on airliners because they don't believe they are safe. That is a fact.

When Americans know that the Congress of the United States has acted in a bipartisan fashion, with the support of the President of the United States, to take measures to ensure their security, that will be the major step in restoring the financial viability not only

of the airlines but of America because we are dependent on the air transportation system in order to have an economy that is viable.

I am happy to say that the airlines are totally supportive of this legislation. They want it enacted right away. They believe it is vital for their future viability.

Finally, the fact that it didn't go through the Commerce Committee, the chairman and I are not too concerned about that. I think we are fairly well known to be conscious of that. As far as the screening issue is concerned, that is why we have debate and amendments. We will let the majority rule. That is relevant to the bill. Again, about provisions being added, I don't think any Member of this body is going to try to add an amendment that would be perceived as blocking airline security, including the Senator from Massachusetts, who is very concerned about the issue of Amtrak.

I hope the two leaders will continue working together. We will meet with Secretary Mineta and hear for the first time the views of the administration on this issue. I hope that by the time that meeting is over, we will have an agreement so we can move forward.

Lots of Members are involved in this issue. Lots of Members want to talk about it. Lots of Members are involved in it, so we are going to have to have a lot of discussion on this issue. The sooner we move forward, the sooner we are going to get it done. As Senator HOLLINGS said, we can get this bill passed by tomorrow afternoon if we all work at it, but if we wait over the weekend, I do not think it is the right signal to send. I yield the floor.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. DASCHLE. I yield briefly to the Senator from California.

Mrs. BOXER. Mr. President, I believe as strongly about railroad security and airport security as I do airline security, but we need to move on this particular bill. To put it in personal terms, every one of those jets that were hijacked were headed to my State with light loads and heavy fuel, and those passengers were sacrificed.

We need to move forward. We need the air marshals. We need the funds to pay for them. We need the screeners and everybody else. Even though the bill did not officially go through the committee, I praise Chairman HOLLINGS and ranking member MCCAIN because, in fact, they led that committee through some amazing hearings. I think this bill is a terrific first step. I yield the floor.

The PRESIDING OFFICER. The majority leader.

AVIATION SECURITY ACT—MOTION TO PROCEED

CLOTURE MOTION

Mr. DASCHLE. Mr. President, I move to proceed to the consideration of S. 1447 and send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the motion to proceed to Calendar No. 166, S. 1447, a bill to improve aviation security:

Blanche Lincoln, Harry Reid, Ron Wyden, Ernest Hollings, Herb Kohl, Jeff Bingaman, Jack Reed, Hillary Clinton, Patrick Leahy, Joseph Lieberman, Jean Carnahan, Debbie Stabenow, Byron Dorgan, John Kerry, Thomas Carper, Russ Feingold.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, let me go right to the heart of airport security. I had the most unique experience earlier today with El Al officials who came to the Committee on Commerce and reviewed in detail their security provisions for Israel's airline. They have not had a hijacking in the last 20 to 25 years.

I do not want to necessarily single them out other than to say that the officials present included, the regional director for the North America and Central America Israeli Security Agency and the head of the Israeli Security Agency of the Aviation Department. We also had the chief of security for El Al Airlines, and the top captain of El Al Airlines visit with us.

The four gentlemen went through in detail the Israeli airport security program. It was an eye opener for me. I have been working on this issue since the eighties when Pan Am Flight 103 went down over Lockerbie, Scotland. I was insisting then that we have federalization of security at our airports and on our airplanes. I was in the minority.

With respect to TWA Flight 800, in 1996 it was the same, and we had bill upon bill and measure upon measure and study upon study, more training, more this, more that, a particular officer in charge, the Vice President Gore study. None of this made a difference. Of course, the hijackers still flew the planes into buildings in America and killed 6,000 people.

I borrowed this diagram from the Israeli delegation. This particular diagram is entitled ''Onion Rings Security Structure.'' The security in Israel and El Al Airlines brings into sharp focus that security is not a partial operation. Security is not part private contract and part governmental. As has been said for years, the primary function of the State government—and a former distinguished Governor is occupying the Chair—is public education, and the primary function of the National Government is national defense. We have gone now from, in a sense, international defense to national defense, homeland security. That is our primary function.

There is no difference in safety and security. We would not think for a second of privatizing the air traffic controllers. I agreed with President Reagan. He said: You are not striking; you are staying on the job. We are going to have, in a sense, security and safe flights.

This diagram starts with the outer rim of intelligence. The second rim is in the airport. The third rim is the check-in area. The fourth rim is the departure gate. The fifth ring is cargo, and the next two rings are the airport area and the aircraft itself.

They Israeli officials were asked: How about somebody who vacuum cleans the aircraft aisles and in between the seats? They have 100-percent security checks. Point: There is no such thing as a low-skilled job in security. As a matter of fact, they periodically rotate security officers to different postings. They found out, like we found out with the Capitol Police that rotations make a difference in the effectiveness of our security personnel. We do not have the Capitol Police sit in the same spot from early morning until their 8 hours are up just looking at the screen as the tourists come into the Nation's Capitol. The officer does that for about 4 hours, and then they swap him off to another post.

The Israeli security officials keep their airport personnel alert, they keep them well paid, they keep them well trained, and they keep them well tested.

The El Al folks were telling me that they make 150 annual security checks at Israel's airports. They try to sneak vicious items through security like a knife or a metallic object resembling a bomb. Of course, it is not a real bomb. The airports are not given a check in January and then they wait until the next January to check again. They have intermittent checks throughout the entire year.

By way of emphasis, in that check-in area they confer with intelligence. Intelligence confers with them. Intelligence will tell them, for example, if you have ever been down to Tijuana, they have certain entities down in Mexico that can really plagiarize, copy, an immigration pass. They know when they come from certain areas what passes to look at. In fact, they have them on a board there because I have been down there and checked with the Immigration Service, in a similar fashion.

Intelligence can say: Wait a minute, if they come from this area, we found

out now they have counterfeit measures over there and they are almost perfect and here is what we have to look for, and everything else of that kind. So that is why they take them into a side room, give them a separate check, fingerprint and everything else they have, take a picture.

You have absolute security and therefore absolute trust in the flights on El Al.

You cannot have anything other than that for the U.S. travelers. Specifically, we cannot have the Capitol policemen, who give us security, be private contractors, nor can the Secret Service that gives the President security be private contractors. To put it another way, I am not going to agree to any kind of contract or partial contract or partial supervision over airline security and airport security until they privatize the Secret Service or the Capitol Police, or excuse me, the 33,000 that we have in Immigration and Border Patrol. They are all civil servants. Nobody says privatize the civilian workers, 666,000 civilian civil service workers in the Department of Defense.

I am told that the OMB called over there earlier this year and said we want to start contracting. There is a fetish about contracting out and privatizing and downsizing. That helps us get elected. I am going to get elected. I am going to Washington. I am going to downsize the Government. Just like private industry has proven its profitability in downsizing, so I am for downsizing. Those political ideologies have to be dispensed with. As the President has to get a coalition of foreign countries, he has to get a coalition of political interests in-country, get us on the right road for the war against terrorism.

They wanted to privatize over at the Defense Department and they said: You are not privatizing anything over here. We are engaged in security.

They cannot be made contract employees. They come in, they are incidental to all the information and goings on, and everything else like that. We have to have total security checks, audit them from time to time and everything else. That is the same thing with the airports.

We have made a provision for the smaller airports. They are going to have to have the same kind of security, but they can be hired. There is flexibility given in this particular bill. With that flexibility, we know we can work this out right across the hall when we meet momentarily with the Department of Transportation.

Incidentally, the Deputy Secretary of Transportation in charge of security will not only have this particular security for airlines and airports but for rail transportation, the tunnels, the stations, and for the seaports. That is the way it is in Israel. The Israeli Security Agency intermittently changes around and does different tasks, and everything else like that. So they keep them alert. They keep them well paid, and there is none of this 400-percent turnover like we have down at Hartsfield Airport in Atlanta, the busiest airport in the world. There is a 400-percent turnover in security personnel down there. It is between $5.50 and $7.25, the minimum wage. So that has to stop.

We have to have, as has been provided in this particular bill, the marshals. We expand the marshals group, I can say that. I have talked about the airport and the interims, and everything else of that kind.

There was one question I asked when I first met with El Al security. I said: Do any of you all contract? They were just amazed.

They asked: What does he mean by contract?

I said: Private employment or whatever it is.

You would not let controllers quit on you. You cannot let the security people strike on you. They are like the FBI. Do you think we can have the FBI strike or the Senators go on strike?

I have 4 more years. Should I sit down and strike? You cannot have a strike of your public employees. That has been cleared in Israel, and everything else of that kind.

The second question I asked, I said it seemed to me once you secured the cockpit, separated it from the cabin and the passengers, once you secured that cockpit and they are never permitted to open that door in flight, then what you really have is the end of hijacking because you get a better opportunity of killing a greater number of people or taking them off or something or beating on them and everything else of that kind, you cannot take the plane.

The rule of the game was otherwise. Heretofore, until September 11, the rule of the game was for the pilots to say: You want to go to Havana, Cuba? I wanted to go there, too. Let us all fly to Havana. And you ask the other hijacker: You want to go to Rio? As soon as we land in Cuba and get some fuel, we will go to Rio. They will go anywhere they want to accommodate the hijacker and get the plane on the ground at whatever place he wants to go and let law enforcement take over.

It is totally changed. We have the marshals. That door is never opened. The El Al executive told me—actually, it was the pilot I was talking to—he said, if my wife was being assaulted in that cabin in the passenger's section, I do not open the door. I land it and let the security take over, the FBI or the local security or wherever it is.

So that is the end of the opportunity to take over and take a plane wherever you want it to go. We have not just relied on that, of course. We have the marshals.

I said about these hijackers, suppose they grab the stewardess and say: Identify who the marshal is. They said the marshal is trained as soon as he sees that happening, he takes the hijacker out. He does not wait around. He is watching. He is trained. He is skilled and they do not dilly around, and everything else of that kind.

Instead, even in a disaster of that kind, they still cannot get into the cabin and hijack the plane. Of course, they know immediately. They have communications and signals. They know immediately in the cockpit that is what is going on and they land the plane.

I could go on and on. I think what everyone should know is this overwhelming bipartisan majority is ready to pass this bill no later than tomorrow night sometime. We are not having votes on Friday so we cannot get votes on cloture Friday. We are not having votes on Monday, so you cannot get cloture. You have to wait until Tuesday morning. It will be a public embarrassment that we worked patiently with the leadership, and I have commended them both. They have worked around the clock to try to get us together on what we could get together on rather than bringing in all of these amendments. We do not want to send over a bill with all kinds of amendments and then go into a long conference if we can clear, generally speaking, a barebones bill for security so that we can get the flying public back on the planes.

If we can do that by late tomorrow night, working with the White House and the House leadership who is also in this particular meeting, then more power to us. Otherwise, shame on us if we cannot do that. We are behind schedule.

I tried my best to get this particular security measure up before the money bill came up. Everybody was saying we could not put any amendments, we could not even consider security along with the money. We had to wait, although we had a unanimous consent. We did not have that particular consideration.

I thank the distinguished Chair. I thank the leadership for their diligence in trying to work this out so we can proceed to it. There is no question that we can get cloture.

If we could forgo the cloture motion and agree that nongermane amendments are not allowed, just germane amendments on the bill, we could consider them, vote them, we would be here late this evening and late tomorrow might and get it done.

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I compliment the chairman and ranking member of the Commerce Committee for work on airline safety. I know my

friend from South Carolina feels strongly about port safety and rail safety as well.

However, I say to my colleague, who happens to be presiding today and was a former board member of Amtrak, I am, as the saying goes, tired of getting stiffed around here. I have been a Senator for 28½ years. I have tried over that 28½ years to put Amtrak in a position where it can run safely, securely, and efficiently. I have gotten promise after promise after promise of support and cooperation, and always procedurally I end up being in a position where Amtrak gets left out.

Let's talk about security for a moment. The Senator from Delaware and I don't have a major airport; we have a large airport but no major commercial airport in our State. We fly commercially in and out of Philadelphia or Baltimore, sometimes. We know how important air safety is. We know how important to our economy it is. I note, by the way, with all the difficulty, understandably, of the airlines—there is apprehension on behalf of the American people to get on an airplane, with the necessary cancellations of flights because they don't have enough people flying—there has been standing room only on Amtrak trains, we are putting more and more trains in the northeast corridor, and there is standing room only on most of them.

I ask my friends, parenthetically, what would have happened to our economic system if, in fact, we had had no rail passenger service since September 11? You think you have a problem now? You ''ain't'' seen nothing yet.

I, along with my colleague from Delaware, and others, went to Amtrak and asked: Have you reviewed your safety needs? They said: Yes, we have. I said: Put together a package for us that lays out in some detail the concerns you have relative to safety, security, and terrorism.

I note parenthetically, I served on the Intelligence Committee for 10 years. I have been chairman of the Judiciary Committee for the better part of a decade. I have been on a terrorism committee or subcommittee since I arrived in the Senate in the 1970s. I will say something presumptuous: No one here knows more about terrorism than I do. I don't know it all, but I have worked my entire career trying to understand the dilemma. I now chair the Foreign Relations Committee. I made a speech literally the day before this happened at the National Press Club, saying our greatest priority was dealing with terrorism, and laid out in detail what might happen. I am not the only one.

I will make an outrageous statement: My bona fides in knowing as much about what terrorists are doing, are likely to do, and being informed are equal to anyone's on this floor, or who has ever served in the Senate, or who is now serving. I may not know more, but I don't know anybody who knows more than I do. I am saying what will happen next is not going to be another airliner into a building. It will be an Amtrak train. It will be in the Baltimore Tunnel which was built before the Civil War.

Do you realize—my colleague knows this—if you have a Metroliner and an ''Am fleet'' in that tunnel at one time, you have more people in there than in five packed 747s? Guess what. There is no ventilation in there. None. There is no lighting. There are no fire hoses. I can go on and on and on. In New York City, the Amtrak Penn Station, do you know how many people go through those tunnels, which also have no ventilation, that are underground, and have little or no security? Three hundred and fifty thousand people a day—three hundred and fifty thousand people a day.

As one of my colleagues said in an earlier meeting I had downstairs with those concerned about Amtrak, not the least of whom is my colleague presiding—he said what we are doing on airport security and airline security is acting after the horse is out of the barn. We are. And we have to. And we should. And I will. But God forbid the horse gets out of another barn.

We have a chance now—now, not after there is some catastrophe on our passenger rail system—to do something. I remind my colleagues, the First Street tunnel in D.C. runs under the Supreme Court of the United States and runs under the Rayburn Building. It was built in 1910. There is only one way out: Walk out. No ventilation. Not sufficient lighting, signals, security.

I said in that Press Club speech the day before the airline crashed into the trade towers and brought them down, it is much more likely someone will walk into a subway with a vial of sarin gas than someone sending an ICBM our way. I will repeat that: It is much more likely. Do you think these guys are stupid? Obviously, they are not stupid. They figured out if they added enough jet fuel to two of the most magnificent buildings man ever created, they could create enough heat to melt the beams and crush the building. Do you think these same folks have not sat down and figured out our vulnerabilities?

Everybody is worried about our water system, a legitimate thing to worry about. We can monitor the water system before it gets to your tap. What do you monitor in tunnels, 6 of them, that have 350,000 people a day going through them, in little cars, with no way to get out, underground?

My heart bleeds for my friends who tell me to be concerned about their airports. I am concerned about them. When are people going to be concerned? We have 500 people, as my colleagues knows, on an Am-fleet train. I think that is about two 757s. I don't know that for a fact. That is one train.

A lot of our colleagues rode up to New York City on Amtrak, because they couldn't fly, to observe the devastation. I hope they observed, while sitting in the tunnel, that in one case, over 141 years old, there was more than one train in that tunnel. Two of these tunnels run under the Baltimore harbor.

So last night our staffs got together. By the way, all those concerned about Amtrak safety are equally concerned about airline safety, and, I might add, port safety. Do you know how many cargo containers come into the port of Philadelphia or even the little port of Wilmington? Probably the only man who knows that is my colleague presiding, the former Governor.

My Lord. So we sat down last night. We thought we had a reasonable discussion, all those parties interested. We got a commitment. OK, we will bring up port safety and Amtrak safety measures and we will guarantee, to use the Senate jargon, a vehicle. In other words, we will vote for it on something we know is not going to get killed, like they kill everything else that has to do with Amtrak.

So I said OK, I will not introduce this amendment on the airline bill. I will not do it.

By the way, I want to make it clear I got full support from the chairman of the committee. He supports our effort.

So I came in this morning, about to go out, take my committee down to meet with the Secretary of State for a 2-hour lunch to go over these terrorist issues—not about Amtrak but about Afghanistan and the surrounding area—and as I am leaving I find out through my staff member who handles this issue: Guess what. We really have no deal.

So I call the leadership. The leadership says: JOE, we can't guarantee you can get this up.

Now I gather up the Members of the Senate who have a great concern about the safety issues relating to Amtrak and some say: JOE, will you dare hold up the airline bill? Would you dare do that?

My response is: Would they dare not to take on our amendment? Would they dare not take on our amendment, after being told—which I will be telling my colleagues about for the next several hours, although I am not going to speak that long now, I say to my friend from Missouri, so he can speak—would they dare take the chance of not helping us? Will they dare? Will my colleagues dare to take the chance that they are going to let another horse out of the barn this time? Will they dare?

This is serious business. This is business as serious as I have ever been engaged in as a U.S. Senator. If I act as if I am angry, it is because I am. Not only angry, I am really disappointed. I

would have thought in this moment when we are embracing each other in the sense that we are helping each of our regions deal with their serious problems—I was so, so, so overjoyed; having been here for the bailout of New York City in the 1970s, I was so gratified to see my friends from the South and the Midwest and the Northwest come to New York's aid instantaneously. I said, my God, this is really a change. It is really a change in attitude because America has been struck.

We come to the floor with an amendment that does two things: One, provides for more police, more lighting, more fencing, more cameras, et cetera, and provides for us to take equipment out of storage and refurbish it so we can handle all those passengers who are not flying, and what is the response? Either ''No'' or ''Another day, Senator.'' I have had it up to here with another day.

As I said, and I will have a lot more to say about this in the next couple of days, there are six tunnels in New York, 350,000 people per day locked inside a steel case called a car, going through those tunnels. Those tunnels have insufficient lighting. They were built decades ago. They do not have the proper signaling for emergencies. They do not have the proper ventilation. They do not have the proper safety in terms of guards.

You are talking about air marshals on an airplane with as few as 50 people on it. I am for that. And you are telling me you are not going to give me the equivalent of an air marshal at either end of a tunnel that has 350,000 people a day go through it? Where is your shame?

The Baltimore tunnel was built in 1870, just after—I said ''before'' and I misspoke—just after the Civil War. By the way, you would not be able to build these tunnels today. I want to make sure that is clear to everybody. Under EPA construction standards, you could not build these tunnels. They would not allow it to be done just for normal safety reasons.

I have been crying about this for the last 15 years, about just normal safety problems—not terrorists, just a fire in the tunnel as you had in Baltimore.

All of you who live, love, and work in Washington, there is a tunnel that Amtrak trains, MARC trains and other trains come through in DC. It is called the First Street tunnel in DC. It was built in 1910. All you need is one Amfleet train in there and one Metroliner in there—and there are more than two at a time—and you have over 800 people locked in a steel canister in a tunnel that was built in 1910, that sits directly underneath the Supreme Court of the United States of America and the Rayburn Building.

I am not suggesting I know his position, but I suspect his reaction if I told my friend from Missouri, St. Louis: Guess what. I am not going to spend Delaware money making sure there are guards or added security at the St. Louis Airport. I am not going to do it. You are on your own, Sucker. I am not going to do that. I am not going to beef up security.

We can get on an Amtrak train with a bomb. No one checks. There are no detectors to go through to get on a train. There are no security measures. We do not even have enough Amtrak police for the cars.

If I said to my friends in St. Louis and Philadelphia and Seattle and Atlanta and Miami—we use the same standard for the airlines. Under ordinary circumstances, you might be able to say to me: JOE, it is too expensive. You just have to take your chances.

We have the Attorney General saying to people that there is more to come. How many of my colleagues out here have said: ''It is not only if but when the next biological or chemical attack takes place''?

If you are going to have a biological or chemical attack, in case you haven't figured it out, the more confined the space, the more devastating the damage.

Like I said, I will come back to speak to this. What we are asking for is lighting, fencing, access controls for tunnels, bridges and other facilities, satellite communications on trains, remote engine turnoff, and hiring of police and security officers. That adds up to $515 million, and it doesn't even do it all. Tunnel safety, rehabilitating existing tunnels in Baltimore and Washington and completing the entire life safety system of New York tunnels, that is $998 million.

The total security all by itself is $1.513 billion. That does not deal with the capacity on bridges and tracks to account for the 20 percent increase in ridership because the airlines aren't moving, or the equipment capacity to be able to carry these people safely—just the safety of the cars themselves.

I tell you what. We all stood up here and we bailed out the airlines and their executives the other day to the tune of—I forget the number—$15 billion, and we did it in a heartbeat or, as they say, in a New York minute. And we cannot even now come along and deal in this bill with the workers of the airlines. But that is another fight.

Here we are with this simple, straightforward request. This isn't a 1-year undertaking. This is a permanent investment.

Unless all of you are so sure that there is no more terrorist activity underway, unless all of you are so sure that in case it is—by the way, we carry in the Northeast more passengers than every single plane that lands on the east coast in a day. Have you got that? This is not fair. This is not smart. It is not right to block our ability to have a guarantee that the Nation and the Congress speak on this issue.

As I said, it is a little like preaching to the choir. I know my colleague from Delaware, as the old saying goes, has forgotten more about the details of Amtrak, having been a board member, than even I know, having used it for 28 years. But I sincerely hope there is a change of heart. I don't want to slow up the passing of the airplane safety bill. I just want the people of my State to know that the people of my region are going to be treated as fairly as everybody else. Give them a basic shot at security—just a basic shot at security.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I thank you very much. I appreciate the kindness of my colleague from Delaware for yielding the floor.

This subject is at the top of everyone's mind—the impact of terrorism and the threat of future terrorism. We are going to be talking about security and security in all forms of transportation.

I want to mention the economic recovery that is absolutely essential because we know that terrorists cannot win. Even though they committed a dastardly act and killed over 6,000 people and destroyed major economic and military landmarks, they cannot win if they do not destroy our economy and cripple us psychologically.

Today I introduced a measure to help in the economic recovery for the small businesses in the United States, a bill called the Small Business Leads to Economic Recovery Act of 2001. It is a comprehensive economic stimulus package for the Nation's small businesses and self-employed entrepreneurs.

The Small Business Administration tells us that some 14,000 small businesses are in the disaster area in New York alone. They have been directly affected by this tragedy. But the economic impact doesn't stop with those businesses. For months, small enterprises and self-employed individuals have been struggling with the slowing economy. The dastardly terrorist attacks make their situation even more dire.

As ranking member on the Small Business Committee, on a daily basis I hear pleas for help from small businesses in my State of Missouri and across the Nation. Small restaurants have lost much of their business because of a fall-off in business travel. Local flight schools have been grounded as a result of the response to the terrorist attacks. Main street retailers are struggling to survive.

I think we should act and act soon. That is why I introduced this bill to increase access to capital, to provide tax relief and investment incentives, and to assure that when the Federal Government goes shopping for badly needed services, they will shop with small business in America.

The SBA existing Disaster Loan Program was not designed to meet the extraordinary obstacles facing small businesses following the September 11 attacks. It could be a year or more before they can reopen. Small businesses throughout the United States have shut down as a result of security concerns. General aviation aircraft remain grounded, closing flight schools and other small businesses depending on aircraft.

My bill would allow these small businesses to defer for 2 years the repayment of principal and interest on these SBA disaster relief loans, and accrued interest will be forgiven. Many small businesses are experiencing serious economic problems because their businesses have been in a sharp decline since September 11. We need to help these businesses with cashflow or working capital so their businesses can return to normal.

We would establish a special loan program for allowing small businesses to cope by lowering the interest to prime plus 1, with no upfront guarantee fee. The SBA will guarantee 95 percent of the loan.

Banks would be able to defer principal payments up to 1 year.

For general economic recovery, small businesses would benefit from an enhancement of the existing 7(a) Guaranteed Business Loan Program to make those loans more affordable.

No guaranteed fees would be paid by small business. The SBA guarantees would be increased from 80 percent to 90 percent for loans up to $150,000 and from 75 percent to 85 percent for loans greater than $150,000.

I will be cosponsoring with Senator KERRY, the chairman of the committee, a measure that will help deal with these key ingredients for assuring access to capital for small business.

In addition, under the Debenture Small Business Investment Company Program, pension funds cannot invest in small business investment companies without incurring unrelated business taxable income.

Most pension funds can't invest—eliminating 60 percent of private capital potential. My bill corrects this problem by excluding Government-guaranteed capital borrowed by debenture SBICs from debt for the Unrelated Business Tax Income rules.

On small business tax relief, we would increase the amount of new equipment that small business could expense to $100,000 per year, allowing small businesses that do not qualify for expensing to depreciate computer equipment and software over 2 years.

These will be significant enhancements to cashflow.

We increase the depreciation limitation on business vehicles to ease cashflow problems for small businesses and help stimulate automotive industry recovery.

We raise the deduction for business meals back up to 100 percent to get people to take lunches at restaurants which are struggling. The restaurant industry lost 60,000 jobs in September. We need to get restaurants back on their feet.

We would repeal the alternative minimum tax on individuals and expand the AMT exemption for small corporations to leave more earnings in the pockets of small businesses to reinvest for long-term growth and job creation.

These items will give a significant boost to small business, which has been and is the driving force in our economy.

Finally, when the Federal Government goes out shopping, we want to make sure it shops with the small businesses in America. Currently the Brooks Act prohibits small business set-asides for architectural and engineering contracts above $85,000, a figure set in 1982. My bill would raise that ceiling to $300,000.

The policy of the Federal Government that contracts valued at less than $100,000 be reserved for small businesses would be adopted for the General Services Administration. For contracts not on the Federal Supply Schedule, they would be reserved for and limited to small businesses registered with the SBA.

My bill would remove the ceiling on sole-sourcing contracting under the HUBZone and 8(a) Programs to permit larger contracts to be awarded quickly to small businesses capable of providing postdisaster goods and services.

These changes I think would help get small businesses' engines—the engine that drives our economy that will help lead us out of the economic stagnation we face as a result of these dastardly terrorist attacks.

I invite my colleagues to join with me to contact my small business staff and let me know if they have questions. I urge them to join with me in sponsoring this badly needed stimulus package for small business.

I thank the Chair. I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

Mr. DORGAN. Mr. President, I ask unanimous consent to speak for 10 minutes.

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

The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, it is a bit disappointing that this afternoon we had to file a cloture motion in order for the Senate to consider a piece of legislation dealing with airport and airline security in this country.

All Americans understand that on September 11, when hijackers hijacked four commercial airlines and used fully loaded 767s to run into buildings and kill thousands of Americans using those commercial airliners as guided missiles—bombs, with substantial amounts of fuel to kill thousands of innocent Americans—everyone understands that from that moment forward, when the airlines were shut down—all of them were grounded, and then, following that grounding, the airlines began to ramp back up and provide some additional passenger service once again—that the American people are concerned, and have been concerned about safety.

So the Congress began working on this question of, How do we prevent this from ever happening again? How do we promote and develop the safety and security that the American public wants with respect to air travel? How do we give the American people the confidence that getting on an airplane and using that commercial airliner for travel around the country is safe and secure for them?

We do that in the following ways: The Congress writes a piece of legislation, as we have done in the Senate in the Commerce Committee—and that piece of legislation deals with the range of security issues that the American people are concerned about—and then you bring it to the floor of the Senate, you debate it, and have a vote on it. Regrettably, today we are not able to do that because we have people objecting to its consideration.

But let me go through the elements of this legislation and explain how important it is. First of all, from the broader standpoint, it is critically important that a country such as ours, with an economy such as ours, have a system of commercial air travel that is vibrant and available to the American people, to move people and commerce around this country. A strong economy cannot exist in this country without a network of commercial air services that are available around the country. So we have to take steps very quickly to repair this and deal with the damage caused by the September 11 tragedies.

Going into September 11, we had a very soft economy in this country. The leading economic indicators in America—our airlines, for example: When things begin to go soft, the first thing people cut back—both families and businesses—would be air travel. You do not take the trip you were going to take because the economy is softer. You do not know what the future is going to hold. Airlines are the first to be hurt in a soft economy. So going into September 11, we had all of our major carriers in this country hemorrhaging in red ink, showing very substantial losses.

September 11 was a tragedy unlike any this country has ever seen. That tragedy occurred with the hijacking of commercial airliners. And, of course, all airlines were grounded in America immediately on that day. Each day thereafter, when those airlines were grounded, of course, the airlines continued to lose a massive quantity of money. No one, at all, criticized the grounding. That had to be done. But that industry suffered massive losses at a time when post-September 11 no airplanes were flying anywhere.

When the airlines began flying again, with the permission of the FAA and the Department of Transportation, it appeared very quickly that people were not quickly coming back, or easily coming back, to use commercial air services. They were concerned. They were nervous. They wondered whether it was safe and secure.

This Congress then believed it had a responsibility—and it does—to do the things necessary to say to the American people, we are taking steps to prevent this from happening again. What are those steps?

My colleague, Senator HOLLINGS, the chairman of the Commerce Committee, along with Senator MCCAIN and Senator KERRY, Senator BOXER, myself, and many others, have proposed a piece of legislation that but for the objections would be on the floor of the Senate at this moment for debate, a piece of legislation that takes the steps necessary to give the American people confidence that this system of air travel is safe and secure.

Here is what we do: We change the screening at airports, the baggage screening process at airports, change it in a very significant way. Federal standards: In the largest airports, Federal workers; in the smaller airports, law enforcement, repaid by the Federal Government; but Federal standards with respect to all baggage screening; law enforcement capabilities with Federal standards with respect to guarding the perimeter of airports; sky marshals that will be used extensively on airplane flights all across this country; the hardening of cockpits so potential skyjackers cannot get through the cockpit doors.

All of these issues—screening, sky marshals, perimeter security, baggage screening security—all of these, and more, including an Assistant Secretary of Transportation, whose sole responsibility will be to make sure that we take the measures necessary to assure safety on America's commercial airline services, all of these are designed to say to the American people: You can have confidence in America's air service. What happened on September 11 is not going to happen again. These security measures are designed to prevent hijackings because they are designed to prevent hijackers from ever boarding an airplane again in this country.

Those things are necessary to give the American people confidence about the safety and security of air travel. And it is necessary to do them not later, not 2 weeks from now, or a month from now, or next year—it is necessary to take this action now.

This Senate ought to take action now on this issue of airport security. We ought not have to file cloture on a bill like this, not a bill that is so important to this country. A piece of legislation this important ought not have to have a cloture motion filed on it. This ought to be where the good will of both sides comes together to say: Let's do this. We know it needs to be done. We know it is important for America. Let's do it.

It doesn't mean there aren't better ideas that can come to bear on this legislation. But we ought to have it on the floor and debate it, have people offer amendments, if they choose—if they can improve it with amendments, good for them—but it is very disappointing to me that cloture had to be filed on something this important and this timely.

Let me say, on a couple of the issues people are concerned about—I understand some, perhaps, would object because they object to linking some sort of extended unemployment compensation to this legislation or they object to doing unemployment compensation or extended benefits for unemployed people, especially those who have been laid off by the airlines, and other related industries—they object to doing that at some time certain.

Well, look, I supported the piece of legislation about 2 weeks ago that addressed the critical financial needs of the airlines themselves. But we cannot ignore those who have been laid off. It is only reasonable, in my judgment, that if we are going to help the companies, that we also ought to be responsible enough to help the people. The people make up those companies.

When 120,000 of those people find their jobs are lost, we ought to be willing to say: We are willing to help you as well. Unemployment compensation and extended benefits is not radical, it is the right thing for this Congress to do.

With respect to the other issue—that is Amtrak—I would say to those who support Amtrak, you do not support it more than I do. I really believe Amtrak is important to this country. Passenger rail service is something this country needs, and it has been ignored far too long.

I do not agree with those in the Senate who say: It is awful that we have subsidized passenger rail service. Of course we have subsidized it, but we have subsidized every other form of commercial transportation service in this country as well. In fact, we have subsidized them more than we have subsidized Amtrak.

I happen to think this country ought to be proud of commercial rail passenger service. We ought to invest in it. We ought to provide a security bill for it because there are real security issues, as evidenced by the comments just addressed to the Senate by my colleague from Delaware—real security issues. But even more than that, more than the security issues—or at least as important as the security issues—we need to make the investment in Amtrak so that all across this country, and especially in the Eastern corridor, we have first-class rail service up and down that corridor that will allow us to take a substantial quantity—up to 30 or 40 percent—of those commuter flights off the Eastern corridor out of the air, and move those people by rail. It makes much more sense to do that. Yet we have people in this Chamber who somehow do not want to continue rail passenger service in our country.

Rail passenger service is important. I do not believe, however, those who support it, which includes myself—I do not believe we ought to hold up the airport security bill because of our concern about Amtrak. I say, do this bill—do it now—and next week let's come back and do that Amtrak security bill. I believe we can do that.

I believe there will be 60 votes in support of the motion to proceed. If we have to break a filibuster, I believe we will have 60 votes to do that with respect to Amtrak. And, as I said, I do not take a back seat to anyone in my support of rail passenger service in this country. I think it is important, critically important, and we ought to manifest that importance in what we do in the Senate. We ought not be afraid of a vote. Let's fight that issue, but let's not do it by holding up an airport security bill. That is not the right thing to do and it is not the fair thing for the American people.

There is one other thing we have to do. We ought to do airport security now. Yes, let's provide extended unemployment compensation for those people who have lost their jobs as a result of direct Federal intervention in their industry. That list is an extended list. But there is nothing wrong with this country saying: During tough times, we are here to help.

Incidentally, when we have an economy that has been as soft as ours has been and has taken the kind of hit our economy took, we better be prepared to take some bold action to help companies and people, to help them up and say: We want to give you some lift.

With respect to that last point, we also not only need to do the issue of airport security, extended unemployment, and Amtrak, we also need to do an economic stimulus package. I want to talk about that for a moment.

If we are going to make a mistake in this country with respect to this economy, I want us to make a mistake of

doing something rather than doing nothing. I don't want us to sit around with our hands in our suspenders and talk about what would have or should have been. I want us to take aggressive action to say: We understand this economy is in peril. We have watched the Asian economies. We have seen the Japanese economy stall for 10 years.

This country had a vibrant, growing economy. And going into September 11, it had fallen off a shelf of some type early, about a year ago, maybe 9 months ago. We were in very serious difficulty.

The Federal Reserve Board was cutting interest rates furiously to try to recover and provide lift to this economy. That has not provided the lift—at least not the lift they certainly would have wanted. The September 11 event cuts a huge hole in this economy. What to do next?

First of all, let's all admit we don't understand this economy. It is a new, different, and global economy. It is a fact that we have economic stabilizers that we have not previously had. In the last 20 and 30 years we have put in economic stabilizers that provide more stability with respect to movements up and down.

It is also true that the stabilizers have not and could not repeal the business cycle, the cycle of inevitable contraction and expansion in the economy. We were on the contraction side of that cycle going into September 11. And then we saw a huge hole torn into this country's economy by the tragic events committed by terrorists.

What to do now? First, let's try to understand what the consequences of this might be. Almost all of us understand the consequences are dire for our economy. We must restore confidence in the American people about their economic future.

How do we do that? The only remedy that we understand and know is a remedy in which we try to stimulate the economy with fiscal policy to complement what the Fed is doing in monetary policy.

Senator DASCHLE and I, in my role as chairman of Democratic Policy Committee, wrote to 11 of the leading economic thinkers in America—some in the private sector, some in the public sector—Nobel laureates, among others. We asked them the following questions last Wednesday: Do you believe there should be an economic stimulus package? If not, why not? And if you do, what should that stimulus package be?

These leading economists were good enough to turn around a paper, in most cases two pages of their analysis, within a matter of 4 or 5 days. I have compiled and given to every Member of the Senate a special report from the Democratic Policy Committee regarding eleven leading economic thinkers on whether Congress should pass a stimulus package. I hope all of my colleagues will read this.

Every single one, with one exception, of the leading economists in this country have written an analysis for us telling us they believe we must pass some kind of economic stimulus package. Most of them say it ought to be temporary. Most of them say we should be somewhat cautious that we not do the wrong thing here. But they have recommendations on how they believe we should enact a stimulus package that tries to provide lift and opportunity to the American economy.

The easiest thing in the world for the Congress to do at this point would be just to sit around and ruminate, which we do really well, and muse and debate and talk and end up not doing anything. Why? Because we have all kinds of fiscal issues. We have an economy that has slowed down. We don't have the revenue coming in. We have huge bills piling up.

What is the solution to that? Just swallow your tobacco and sit around and do nothing? It was Will Rogers who once said this about tobacco: When there is no place left to spit, you either have to swallow your tobacco juice or change with the times. Well, we don't have anyplace left at this moment. We have to decide that we are going to take action and we are going to have to change with the times.

The times changed for this country on September 11. This country took a huge hit to its economy. In addition to that, of course, the tragedy is immeasurable in terms of the cost of human life. But as we now try to pick up the pieces, one of the wonderful things about the American spirit is, we are doers. We are a country of action.

If you look at a couple hundred years of economic history in America—I have studied some, and I have taught some economics—you see a country that is intent on creating an economy that is in its own image, in its own desire, by taking action rather than waiting for things to happen. It is not a market system that needs no nurturing. It is a market system that from time to time needs some help to move along.

If ever this economy needs some help from this Congress and from the Federal Reserve Board, it is now. Let us not make the mistake of omission. Let us not make the mistake of doing nothing. If we do the wrong thing, if we make a mistake, let's make that mistake by having taken action. I would much sooner do that than to decide to sit around at this time and in this place and not be bold.

I am hoping my colleagues will take a look at this special report that has some of the best analysis in it that we can find. It is very unusual to be able to write Nobel laureates and top economists in this country, from Goldman Sachs and Brookings and Princeton, Massachusetts Institute of Technology and Yale, people who we know and have studied for years, the great thinkers in this country about our economy. It is an opportunity that is extraordinary to be able to come here and to offer this analysis to the Senators who are interested in fiscal policy.

That is where we are. We find ourselves at the moment unable to move on airport security. That is a profound disappointment. Apparently, we have filed a cloture petition. I hope we will rethink that today.

We must, in addition to getting airport security as quick as we can, then also do something with respect to extended unemployment benefits. I believe next week we also ought to go to the Amtrak issue. I am fully supportive of that. We ought to decide very quickly to join with the President and Members of Congress and enact a stimulus package that will provide lift and some assistance to the American economy.

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

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

Mr. CLELAND. Mr. President, I second the remarks of the distinguished Senator from North Dakota. I thank him for his insight into the economy and for his desire to get this legislative body moving.

I will quote from a distinguished author, Charles Dickens, who said:

> It was the best of times, it was the worst of times. It was the age of wisdom, it was the age of foolishness. It was the epoch of belief, it was the epoch of incredulity. It was the season of light, it was the season of darkness. It was the spring of hope, it was the winter of despair.

That introduction to ''A Tale of Two Cities'' written by Dickens is apropos of the time we have at hand. Dickens' words speak to us today as we try to make sense of the events of September 11 because, though the darkness and despair were all too readily apparent, I believe we can actually see wisdom and light and hope as this great Nation moves forward in unity and resolve.

It is a sad but nonetheless true fact that our country is no more vulnerable to terrorist assault now than it was on September 10. It just feels that way. With the heightened attention to this threat, I would contend that the vulnerability is less now than it was actually before, but that is certainly no guarantee against future attacks.

While the September 11 acts of terror demonstrate all too vividly the depth of inhumanity that some human beings are capable of, the response in the United States and around the world has conclusively proved that for most people, it is, in Lincoln's words, ''the better angels of our nature'' which ultimately prevail.

When in our lifetimes have we seen the selfless men and women who serve as police and firefighters extolled above athletes and rock stars? When have we seen cynicism and apathy largely vanish from our public airwaves? When have we seen such sustained bipartisanship at home and unity of purpose in the international community? Not in my lifetime, Mr. President.

The current challenge facing our country and the entire civilized world is indeed a crisis, but I contend that it is a crisis in the way the Chinese understand the word—one word, one phrase, one character, meaning danger; but the other character meaning opportunity. The Chinese write the word ''crisis'' in two characters, Mr. President, not one: danger and opportunity. We have before us both.

For some time, I have been planning to come to the Senate floor to mark the first anniversary of the completion of an effort I undertook last year with my distinguished friend and colleague, the distinguished Senator from Kansas, PAT ROBERTS. Over the course of last year—completed on October 3—Senator ROBERTS and I conducted a series of bipartisan dialogs on the global role of the United States in the post-cold-war era. That sounds somewhat esoteric in light of the attacks on our country on September 11, but our purpose then was to draw attention to this important topic and to help begin the process of building a bipartisan consensus on national security, which both of us felt was needed and indispensable to protecting our national interests.

Over the course of our discussions last year, we came to mutual agreement on a set of general principles which we felt should undergird America's security policy in the 21st century. These included that we, as a nation, need to engage in a national dialog to define our national interests, differentiate the level of interest involved, and spell out what we should be prepared to do in defense of those interests and build a bipartisan consensus in support of the resulting interests and policies.

The President and the Congress need to, among other things, find more and better ways to increase communications with the American people on the realities of our international interests and the costs of securing them. We need to find more and better ways to increase the exchange of experiences and ideas between the Government and the military to avoid the broadening lack of military experience among the political elite and find more and better ways of ensuring that both the executive and legislative branches fulfill their constitutional responsibilities in national security policy, especially concerning military operations other than declared wars.

We are in such a situation now. We have a war on terrorism. It is actually undeclared legally, but it has been declared publicly. The President and the Congress need to urgently address the mismatch between our foreign policy ends and means, and between commitments and our forces, by determining the most appropriate instrument—diplomatic, military, et cetera—for securing policy objectives; reviewing carefully current American commitments—especially those involving troop deployment to ensure clarity of objectives, and the presence of an exit strategy. That is something we ought to keep in mind in this war, too. Increasing the relatively small amount of resources devoted to the key instruments for securing national interests, including our Armed Forces, which need to be reformed to meet the requirements of the 21st century, diplomatic forces, foreign assistance, United Nations peacekeeping operations, which also need to be reformed to become much more effective, and key regional organizations.

We are the only global superpower, and in order to avoid stimulating the creation of a hostile coalition of other nations against us, the United States should and can afford to forego unilateralist actions, except where our vital interests are involved. One of the things I am encouraged about now, is our unilateralist tendencies have been swept up in an agreement among civilized nations to support us in our war on terrorism. That is a very comforting thought.

One of the things that helps us along these lines is that the United States should pay its international debts, and we agreed to do so. We also must continue to respect and honor our international commitments and not abdicate our global leadership role. Finally, the United States must avoid unilateral economic and trade sanctions. I think in the wake of the attack on our country, we have lifted some of these sanctions, especially against India and Pakistan.

With respect to multilateral organizations, the United States should more carefully consider NATO's new Strategic Concept and the future direction of this, our most important international commitment. We need to press for reform of the peacekeeping operations and decisionmaking processes of the U.N. and Security Council. We need to fully strengthen the capabilities of regional organizations, such as the European Union, the Organization for Security and Cooperation in Europe, the OAS, the Organization for African Unity, and the Organization of Southeast Asian Nations, and so on, to deal with threats to regional security. We need to promote a thorough debate at the U.N. and elsewhere on proposed standards for interventions within sovereign states.

In the post-cold-war world, the United States should adopt a policy of realistic restraint with respect to the use of U.S. military forces in situations other than those involving the defense of vital national interests.

We crossed that threshold on September 11. Responding to the terrorist attack is in our vital national interests, and we ought to use military force to do that. As a matter of fact, this Congress authorized the President to use all necessary force to go after those who came after us on September 11.

In all other situations, we must insist on well-defined political objectives. As a matter of fact, it is not a bad idea in this particular war either. We must determine whether nonmilitary means will be effective and, if so, try them prior to any recourse to military force. I think we are doing that in so many ways in tightening the noose around the terrorists' necks. We should ascertain whether military means can achieve the political objectives. Sometimes military means cannot attain a political objective. We ought to be aware of that. We need to determine whether the benefits outweigh the costs—in other words, whether the cost of military engagement is worth the cost. We need to determine the ''last step'' we are prepared to take before we get involved militarily. That was the advice of Clausewitz, the great German theoretician, on war two centuries ago. We must insist that we have a clear, concise exit strategy when we involve ourselves in military affairs around the world, and we must insist on congressional approval of all deployments other than those involving responses to emergency situations.

The United States can and must continue to exercise international leadership, while following a policy of realistic restraint in the use of military force. We must pursue policies that promote a strong and growing economy, which is actually, as we now see, the essential underpinning of any nation's strength.

We must maintain superior, ready, and mobile Armed Forces capable of rapidly responding to threats to our national interest. My goodness, do we ever see the need for that since September 11. We must strengthen the nonmilitary tools as well. We must make a long-term commitment to promoting democracy abroad via a comprehensive, sustained program which makes a realistic assessment of the capabilities of such a program.

Obviously, much has changed since Senator ROBERTS and I submitted our list last year, but I think the fundamentals remain the same. If anything, the events of September 11 have underscored several of the points we were trying to make.

First, foreign policy matters. American leadership and engagement in the world make a real difference to our security here at home.

I remember having lunch with Tom Friedman, the great author of ''The Lexus and The Olive Tree,'' a best selling book. He said, ''Without America on duty, there would be no America on line.''

We forget that our first line of defense in so many ways is America on duty. So foreign policy matters.

Secretary of State Powell has done an awesome job, along with the President, and Secretary Rumsfeld, in arraying the international community against terrorism, including the key countries bordering Afghanistan, in the effort to bring the terrorists and collaborators to justice. It is very clear now, if it was doubted before, that these efforts could not succeed without this multinational cooperation.

One of the things that has also been reinforced is that when we move to protect our national interests, we need to make use of the whole range of instruments available to us. The instruments we have available are not only and not necessarily primarily our military forces, but our diplomatic, economic, intelligence, and law enforcement assets as well, all of which are engaged today, even as I speak, in the fight against the forces of terrorism.

Third, Senator ROBERTS and I were anxious to have our country take a good hard look at its multitudinous overseas military engagements and commitments, with an eye toward focusing on the vital and essential deployments while deemphasizing other engagements which can divert both resources and attention from our most crucial national interests, of which homeland defense must be at the top of the list.

In so many ways, as someone who has traveled to the Balkans, Kosovo, and South Korea, it is a strange feeling to know that our country in our defensive effort guards Kosovo and protects South Korea almost better than it does New York City and Washington.

In short, I believe we can and must be prepared to commit all available American resources, including military forces, in defense of truly vital national interests, the most important of which is our homeland defense. In other cases, I believe we must impose a much higher bar before we put American service men and women in harm's way.

Former Chairman of the Joint Chiefs of Staff Henry Shelton put it very well in an address to the Kennedy School at Harvard University. He said:

> The military is the hammer in America's foreign policy toolbox . . . and it is a very powerful hammer. But not every problem we face is a nail. We may find that sorting out the good guys from the bad guys is not as easy as it seems. We also may find that getting in is much easier than getting out.

It reminds me of a good line by Napoleon that wars are easy to get into but hard to get out of.

General Shelton went on to conclude:

> These are the issues we need to confront when we make the decision to commit our military forces—

Even as we commit them today.

> And that is as it should be because, when we use our military forces, we lay our prestige, our word, our leadership, and—most importantly—the lives of our young Americans on the line.

Let me be very clear that the events of September 11 did, indeed, touch upon our vital interests, and we can and will use our military ''hammer'' to capture or kill those responsible. This body voted unanimously to confer that authority on President Bush and to stand firmly behind our service men and women who, as the President said so well, are ready to ''make us proud'' once again. Certainly this Senator does. I stand behind our forces, our troops, and our President in this resolve to accomplish this goal.

Finally, as I said before, Senator ROBERTS and I began our process over a year ago, convinced of the need to bring greater attention to national security and foreign policy, as well as to forge a durable bipartisan consensus on the major elements of such a policy. Frankly, we saw little evidence that either greater attention or more bipartisanship was likely anytime soon. This is where the opportunity I spoke of earlier comes in. At least for now, we have an attentive Congress and public and a bipartisan foreign policy. We have come a long way. The challenge is to sustain that in the months and years ahead.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DAYTON). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mrs. HUTCHISON. Mr. President, we are trying to move to the bill that will upgrade aviation security in our country. I hope we can work out an agreement that will allow us to start debating the aviation security bill.

What we are all trying to do is get a bill that is just on aviation security. There are a lot of other issues people want to bring up that are quite legitimate issues, but I do not think we should put them on a bill dealing with aviation security because this issue is the one we need to address right now. It is a separate issue, and it should be kept separate.

If we can assure the flying public that everything that can be done is being done to upgrade aviation security, that will mitigate the damage we are seeing to our economy as a result of a smaller number of flights and smaller number of people traveling. We want to bring back the aviation industry. We want people to go on vacations, to travel for business, just as they did before September 11. We want people to stay in the hotels and rent the cars so the economy does not experience a domino effect from airlines not flying and people being afraid to get on with their daily lives.

We understand why people are concerned. I have been flying every weekend since September 11. I know their concerns. We need to address the security issue so people will know they can fly and this, in effect, will begin to rebuild our economy.

What we are trying to put forward in a bipartisan bill is sky marshals so that we can begin the recruitment and training to beef up the Sky Marshal Program.

We want to make our cockpits more secure. We want to make sure our pilots are protected and they are able to give their full attention to flying the airplane.

We are trying to upgrade the screening of carry-on baggage.

We have only had 3 weeks to determine the changes that need to be made. I know the administration and Members of Congress are looking at all options for closing the loopholes in aviation security, but we can take some major steps forward, even as we are studying other ways in which we can do better, by upgrading the training and the education requirements for the screeners, to make sure they have enough training to recognize an illegal item.

We want to make sure there is armed supervision of those screeners, Federal marshals. Right now we have Guardsmen from the States and we have detailees from other agencies that are overseeing screeners in many airports. We want to make that more permanent so that people will know it is not business as usual at the airports and that is why it is safer to fly.

I hope we will be able to move to this bill today. It is important that we finish the bill this week. We will have differences on some of the details of the bill. We can have amendments and up-or-down votes. If you win, you win; if you lose, you lose.

The basic agreement we have on the key components of the bill is solid and bipartisan, and the components are also, I believe, agreed to by the administration. There are a couple of sticking points. We need to work those out, but we do not need to hold the bill up to work out the differences. We need to go to the bill.

If we can get an aviation security bill passed in the Senate, send it to the House, and send it to the President, the American people will begin to see that there is a heightened awareness of the need for security, and they will see the beginning of the implementation of the plans to do more at our airports.

I want to thank all of those who are working on it, Senator MCCAIN and I on our side, Senator HOLLINGS and Senator ROCKEFELLER on the Democratic side. We are working very well together. We had a meeting with the Secretary of Transportation, talking about the areas where we agree, which is 90 percent of the bill we would have before us.

I think we need to go to the bill. Let Congress work its will. Other Members have some very good ideas. We need to start talking about them. I do not think we should waste this valuable time.

The President has said, and Congress has agreed, there are certain things we must do quickly. We certainly took quick action for trying to shore up and stabilize the airlines. We have done that. We now need to give our law enforcement agencies the ability to gather intelligence.

Our FBI is doing an incredible job of finding all of the tentacles of these terrorist cells, but we need to give them the tools they need to continue that investigation and to find out where these people are in our country or in other countries that would affect our own security.

We need to act quickly on that antiterrorism bill. We need to act quickly on the aviation security bill. These are the priorities the President has set, and we need to go forward and address those. We are wasting time by not going to this bill, and I urge my colleagues to work out the differences. Do not require us to have extraneous amendments. Let us get on the bill. Let us have amendments that are germane to the bill and go forward in the way we have always done, having our votes, getting the final passage. Let us do the important business that will increase our capability to keep our country going, to keep our economy strong, to keep our people safe. That is our responsibility, and that is what we should be doing right now.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. WELLSTONE. Mr. President, I want to talk about something that is very familiar to the Presiding Officer: the meetings that the Senator and I have had with airline employees back home. The most recent meeting was a rally at the Capital. We have made the commitment to these workers that we want to help the industry. We want the industry to get back on its feet. That is critically important and what everybody wants.

We also believe the help has to be there for the employees. By the way, Mr. Richard Anderson, the CEO of Northwest Airlines, dropped by the other day and left me a letter of support. He has come out as CEO of Northwest firmly, squarely, behind getting assistance to the employees.

Maybe this has been said on the floor. I have been at briefings today, one of which was superb, with Secretary of State Powell, about whom I cannot say enough good things in terms of his wisdom and his hopes for how we proceed now in the aftermath of September 11. I cannot believe some of my colleagues are opposing moving to the floor with this airline safety bill in part because they are not committed to this package of benefits for employees. They don't want to see it happen. I will get people angry at me, and later we will have debate. I will be pleased to debate people later. To me, it is heartless. When people are flat on their backs, you help them. That is part of what government is for.

I say to the Presiding Officer, Senator DAYTON, I felt on Sunday, beyond speaking at a rally, you sometimes get the sense that people are reaching out to you. It is not so much to shake your hand, it is not to beg you, but to reach out for help. The handshake was more, in our State, a reaching out for help. It is frightening to be out of work and to not know how you will support your family.

We have this package to extend the unemployment benefits up to a year, and actually improve the U.I. with more benefits, and calling on States to increase what they will pay out, with the Federal Government providing the money. And in this nightmare situation, which we don't have to deal with, Senators, but if we did, if we were out of work, we would sure want the help.

When you lose your job and then in a couple of months you lose your health care benefits, you cannot afford what is called the COBRA program. The idea was to help families provide for health care, to be able to afford the coverage and not be without any coverage.

For God's sake, how much longer do Senators think we should wait?

I am not going to go after the industry, I don't think they were crying uncle. Frankly, as someone who has been a severe critic of Northwest Airlines—I never been able to get along with them—I give Mr. Anderson credit. I have had some of the employees say: He might care about us. I give him a lot of credit. Several flight attendants on a flight said that to me.

The truth of the matter is, they were ready, they had their array of lobbyists, et al, up here. We put the package through, and we were told: If you don't indemnify us—several carriers said—we will shut down Monday, a week ago. We didn't want that to happen.

But now we have employees out of work, what is it, 4,500 in our State, or thereabouts. We have Senators who do not want this bill coming to the floor. First, we have to take the steps on airline safety—no question about it—now. But it is absolutely appropriate to also, in the same legislation, talk about Amtrak. It is part of the transportation system. It is related.

But the other part of it is the employees. I say to the Presiding Officer, I don't know if I will feel empty, depressed, or just furious and angry, to go back home this weekend and see some of those same employees who are going to be saying: Why? Why? Why the delay? Why can't you help us?

That is what I say to some of my colleagues. What is going on here? In all due respect, this should be a no-brainer. We should have the airline safety bill out. We have amendments; people can vote for or against the amendments. But it is not business as usual. This is not a business-as-usual time. This is not a typical time in our country.

I say to Senators, I know if you are thinking: In all due respect, PAUL, don't be gratuitous; it is not like anyone needs to tell us that, given what happened to our country on September 11 and the murder of so many people.

I get the impression that maybe on the economic hard times and what has happened to people in their own lives here on the economic security part, there are a number of Senators who I don't think get it. They don't get it.

I have not had a chance to talk to the majority leader. I assume we will file cloture, have a vote, and force this issue. If people don't want to vote for assistance for the aviation employees, let them vote no. I think it would be pretty hard to sleep if you were to cast such a vote.

I say to the Presiding Officer, I remember 4 or 5 days after September 11, I was coming back here and talking to some of the employees and saying, hello, how are you, to a woman while checking in; the woman said: All right; I'm hanging in there.

I realized what she was talking about was not September 11. She was talking about herself because she knew they would be out of work. My first reaction was: Why wouldn't you be focused on September 11 and the slaughter of people in the country? Then I said to Sheila: Wait a minute; she was not wrong to react that way. She had to be concerned about what would happen to her and her family. She knew she would be out of work.

These workers are asking us for help. I would like to smoke out Senators, have Senators over the next 2 days come out here and debate and tell us why they don't want to support an amendment, if that is the case.

I have to make this distinction. I can some see Senators saying: Well, of all people, PAUL, over the years, it is not like you haven't come out here and

slowed things up and used your leverage.

I understand that. Frankly, I don't know what the cause is here. Maybe I am just being self-righteous. I don't, frankly, know what the cause is. If the cause is, as I suspect, there are some Senators who don't want to see this package go through, then I say, just come on out here and ''have at it,'' make your arguments, and let's vote.

We have a lot going on in terms of unity and Members of both parties feeling so strongly about what happened. All of us, I think, have a lot of concerns. It is hard not to every day worry about, What next not to worry about? What kind of action are we going to take? What kind of military action? What will be the reaction? Will we be successful? Will we be able to hold the people who committed this act of murder accountable? Can we minimize the loss of life of helpless civilians? I pray so. What will happen in Pakistan? What about other Middle East countries? What about our own country? Will there be other attacks? Will our people be protected? What is happening to the economy?

The truth is, we should, by tonight, be near getting this bill done, and then we have to put together another economic stimulus package. I do not know, but I think maybe our party, I say to the Presiding Officer, is a little bit too timid. I think we have to put together a significant stimulus package. I think part of it can be tax rebates, especially for the people who pay the Social Security tax who did not get any help. Let's put some money in the hands of people who are going to go out and spend it—do it. We should be extending the unemployment insurance, the health care benefits as well, and definitely help small business. There is no doubt in my mind that a lot of small businesses are really taking it on the chin.

There are child care expenses. There is affordable housing. There are some things we can do that are like a marriage. Let's put some money in affordable housing. I have my own ideas. I will not go through specifics today. I think I will tomorrow. Rebuilding crumbling schools—all of it has immense potential. And, frankly, we have to get onto that as well.

There is a whole lot we need to do, and the sooner the better. I guess I think the unity can apply to a lot of the challenges ahead. But I just find this refusing to proceed—maybe I am just coming on one of these weeks where Monday we were supposed to deal with the mental health bill, not an unimportant piece of legislation. I am not going to try to mix agendas. I will just say again the mental health equitable treatment legislation is bipartisan. I have been fortunate enough to be joined on this effort with Senator DOMENICI. There are 65 supporting Senators. We could have done it in several hours with debate on amendments. It was blocked.

By the way, there are going to be huge mental health issues, lots of struggles for families. Nobody should doubt that.

I have done a lot of work with Vietnam vets with PTSD. I have seen it. There is going to be so much of that. And the fact is, once you say you have to provide the same coverage for people dealing with this illness as with that, then you have the care following the money. Then you get some good care out of this. That was blocked.

I have been trying to get to some legislation that passed the House unanimously. It seems small. But there is not anything I care more about. It is for families dealing with a disease called Duchenne's disease. Senator COCHRAN has been helping on it. It is muscular dystrophy for children, little boys, a problem with a recessive gene. It is Lou Gehrig's disease, and for these little children there is no hope; there is no future. It is a very cruel disease, if you know Lou Gehrig's disease. It takes everything away from these children and then they die.

These families, they are so young when you meet them and the children are so young and they are just trying to get some focus in the Centers for Disease Control, NIH, some centers for excellence. We have bipartisan support. My understanding is, again, some Senators do not want to let that go through on unanimous consent.

There are things we can do that are good things for people that should not be that controversial, that we should be able to do. Maybe part of what I am doing today is just expressing my overall frustration. But I will say again, there is no more important piece of legislation than this aviation safety bill.

I think the Presiding Officer, his suggestions about having the Guard involved and giving some people reassurance—the President is taking that up. I am proud of the Senator from Minnesota. Thank you for getting that idea out there. I think it will be adopted. It is part of what we will do in this transition period.

And then there are a lot of other proposals that make a whole lot of sense: federalizing the workforce, having highly trained people. I was talking with Senator HOLLINGS and he said a lot of people who now do the security work, they should really have first priority to get the job training. It is not as if we just bash people and say: You are gone. Some are very qualified—with the training. Others may not be able to do the work.

There are other features as well. But the other part of it is I never dreamed we would have such a hard time getting help to the workers, to the employees. Maybe there is something wrong with the way my mind works. I am sure there are other colleagues who think so. But to me it is like 2 plus 2 equals 4. Yes, you help out the industry. Yes, we had to do it under emergency conditions. Yes, the next step is to make sure the employees, all the people who have been part of this industry, get help. They are out of work. And there is opposition to this. It is obvious.

I guess we are basically at a point where we are going to file for cloture, have a vote on it, and I suppose this will go over to next week. If so, fine. But as far as I am concerned—I have heard the Presiding Officer say this—I am getting to the point now where I think we are going to have to be here quite a long time this fall. We have a lot of work to do. If it is going to be delayed, things are going to have to extend on.

There is an education bill—the same kind of interesting issue where for some reason there is a lot of opposition to providing the resources to which I think we made a commitment to schools. I would say to Senator DAYTON, the Presiding Officer, my guess is—and I think we should do this—this Monday we are going to have the hearing together and focus on the terrorist attack, the recession, and their effect on the Minnesota population.

I think there will come a time where we probably should just focus on education. Just imagine what is going to happen with the State budgets that are going to contract, whether there will be the resources for the schools. Imagine the number of kids who will be eligible soon for the free- and reduced-cost lunch program. Imagine the struggles families are going to have.

By the way, we could help these families if we could get some of these benefits out there to them.

I think that ties in to another issue the Presiding Officer has worked on and been very outspoken on, directly correlated to whether or not we are going to keep the IDEA program mandatory funding and fund it or get the money for title 1. There are things we can do now, colleagues, that will help people.

I will finish this way: The two things that have most inspired me, if that word can be used, given what we have been through as a nation, is, A, the wisdom of people in Minnesota and around the country who were not—I said this to Secretary of State Powell, and I think everybody would agree—the people are not impatient. They are not bellicose. They are not sayings ''Bombs away.'' People are very well aware of how difficult this will be. They want to have it done in the right way. They want it to be consistent with our values. They do not want to see the kind of military action that will lead to massive loss of innocent civilians.

They want to deal with the humanitarian crisis in Afghanistan. They don't want people to be starving to death, people who have nothing to do with the Taliban and nothing to do with terrorism. And the other thing is I think a lot of what I would call ''people values'' have come out. I don't know if I can remember another time in my adult life where I have seen people so involved in helping other people. Part of it, of course, is to help all the people who have lost loved ones in New York and those lost on the plane that went down in Pennsylvania and the Pentagon and D.C. and Virginia and surrounding areas.

But I think it goes beyond that. If there is one good thing you can point to, it is that I think people really are thinking more about ways in which they can help other people. Call it a sense of community or whatever you want to call it. I can't for the life of me figure out why that hasn't yet reached the Senate.

Where are the people values? How can we continue to delay helping these employees who are out of work in the aviation industry? How can we delay putting together a package? We call it economic stimulus, but the truth of the matter is, the best thing you can do in an economic stimulus package is also get help to people flat on their back who can use the money to consume because they have tried to make ends meet.

I have amendments. We have all worked together on the Carnahan package. I thank the Senator from Missouri for her fine work. We want to see that passed. I think some of us have other amendments. We want to get to an economic stimulus package.

There is a lot of work to do here: Education, and appropriations bills. I hope the whole question of prescription drug costs for elderly people doesn't just get completely put off. Frankly, those problems are no less compelling. I don't think I am exaggerating the point if I say that it is not going to be easy on a lot of working families if they have to end up with hard times and continue to have to help their parents and grandparents with prescription drug costs. It all gets tied in together.

It is all about communities. It is all about families. It is all about our being a family. It is all about how to help people. There were a lot of people who campaigned on this issue. Senator DAYTON of Minnesota probably campaigned as effectively on this issue as anybody in the country.

It is not as if these issues go away. It is all a part of what we need to do in the country. If I wanted to be kind of ''Mr. Economist,'' I would say: My God, elderly people are paying half their monthly budget on prescription drug costs. Help them out so it is affordable, so they can have some money to consume with.

There are lots of things we can do that sort of represent a good marriage of helping people, which also will enable people to consume, and which will also help our economy. We need to do it now. We should do it for humanitarian reasons. We should do it out of a sense that we are our brothers' and sisters' keepers. We should do it with a sense of ''there, but for the grace of God, go I.'' We should do it for economic reasons and national security reasons.

Here I am at 5 minutes to 5 on the floor of the Senate, and no one is here because moving to the airline safety bill has been blocked. Outrageous.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. NELSON of Florida). Without objection, it is so ordered.

Mr. MCCAIN. Mr. President, I want to make some brief remarks about our progress, or lack of progress, on airport security, which is a very important and vital issue.

We had a good meeting with the Secretary of Transportation, Norman Mineta, and I think we are defining some of our differences, as well as areas of agreement. I am hopeful that we can negotiate out those differences. We need to move forward with this legislation. It is now 5:25 in the afternoon and we have not had a single amendment debated or proposed. We have not moved to the bill. We need to move to this legislation.

Last week, with a degree of bipartisanship that was very gratifying, this body passed legislation to take care of the financial difficulties that airlines are experiencing and have experienced as a result of the terrorist attacks. Now we need to restore the confidence of the American people in their ability to fly from one place to another with a sense of safety and security, which they do not have today.

It is inappropriate for us not to act before we go out of session tomorrow. Already, there are only a few amendments that would need to be considered. As I mentioned earlier, Senator HOLLINGS, the chairman, and I have committed to opposing nonrelevant amendments no matter what their virtues may be. So I intend, tomorrow, if we are unable, for whatever reason, to come down and ask unanimous consent that this legislation be the pending business. I think it is very important.

I see the Senator from Nevada on the floor. I thank him for his efforts in trying to see this bill brought up and addressed before we go out of session for the week.

I don't think we should allow any peripheral issues to prevent us from moving forward. I have had good will statements made from strong supporters of Amtrak that they would not have those provisions on this bill. For those who are worried about the unemployed and others who have suffered because of the airline shutdown, those people have also said we can move forward. There is no reason we should not. I hope we will, and I hope we will not have to employ any parliamentary procedures in order to do what we all know is necessary, which is to protect the flying safety of our air transportation system.

By the way, the Air Transport Association is strongly in support of this legislation. I have been visited by airline executives who have urged that we act as quickly as possible to restore the confidence of the American people. I hope we will listen to them as well and not get hung up on some rather unimportant—when you look at the importance of this bill—side issues.

So I hope we will act tomorrow, and, if not, I will try to come down to the floor and force action in whatever parliamentary fashion I can.

I yield the floor.

Mr. THOMPSON. Mr. President, I am offering an amendment to the Aviation Security Act that would ensure that results-oriented management is a key component of whatever changes are ultimately made to our airport security system. We can not afford more business as usual. We have to insist that the traveling public is safe from those who would perpetrate evil deeds like those of September 11.

First, my amendment requires the Federal Government to set and enforce goals for aviation security. It requires the head of aviation security, within 60 days of enactment, to establish acceptable levels of performance and provide Congress with an action plan to achieve that performance. Over the long-term, the head of aviation security must establish a process for performance planning and reporting that informs Congress and the American people about how the government is meeting its goals. By creating this process, we will be constantly assessing the threats we face and ensuring that we have the means to measure our progress in preparing for those threats. This is a new, detailed method for ensuring that performance management is in place specifically in the government's aviation security programs.

I firmly believe that good people, well managed, can substantially improve our aviation security. So this amendment gives those responsible for aviation security enhanced tools to regain the confidence of America's flying public. We employ a good mix of carrots and sticks to drive performance. For instance: Managers and employees would be eligible for bonuses for good

performance. The head of aviation security may have a term of 3 to 5 years, which can be extended if he or she meets performance standards set forth in an annual performance agreement. This amendment establishes an annual staff performance management system that includes setting individual, group, and organizational performance goals consistent with an annual performance plan. The amendment allows FAA management to hold employees—whether public, private, or a mix thereof, strictly accountable for meeting performance standards. Those who fail to meet the performance measures that have agreed to could be terminated, be they managers, supervisors, or screeners.

These provisions are not new. Agencies like IRS, the Patent and Trademark Office, and the Office of Student and Financial Assistance, already have many of these flexibilities. This amendment targets these flexibilities specifically to the area of aviation security so that we can immediately begin the process of ensuring the public's safety.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Before the Senator leaves the floor, we would like to report to him that I finished speaking with Senator HOLLINGS. Senator HOLLINGS and Senator MCCAIN have worked together in the Commerce Committee for many years now. I think the cooperation the two of them have shown during this difficult time of the past 3 weeks is exemplary. I personally appreciate the work the two of them have done, setting aside partisan differences and moving through difficult issues. I, too, hope we can figure out a way to move on to complete the work we have before us.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I join my colleague from Nevada in complimenting my friend from Arizona. It is also very much my hope and desire that we can bring up the airport security bill and complete it tomorrow. I heard my colleague from Arizona say that both he and Senator HOLLINGS are willing to object to amendments that are not relevant to the underlying package. That is a concern of a lot of people. That will help streamline and finish the bill.

I hope and believe we will have the bipartisan leadership in agreement with that so that we can keep nongermane amendments off this package and we can pass the airport security bill. Then we can work on other issues together as well. I hope that is the case. We have had good progress in working in a bipartisan way on a lot of issues. I would like to see that the case on this package as well. Then we can take up the antiterrorism package next week and finish it as well.

I thank my friend.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. NELSON of Florida. I ask unanimous consent that there now be a period for morning business, with Senators permitted to speak for up to 5 minutes each.

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

RECOGNIZING AMBASSADOR DOUGLAS P. PETERSON

Mr. NELSON of Florida. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 167, submitted earlier today by Senators MCCAIN, KERRY, GRAMM, and myself.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 167) recognizing Ambassador Douglas ''Pete'' Peterson for his service to the United States as the first American ambassador to Vietnam since the Vietnam War.

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, on behalf of the other Senators—and I know they are in various negotiations on other legislation; in Senator MCCAIN's case, the Airline Security Act, and in the case of Senator GRAMM, he is involved in the Intelligence Committee right now—I say on behalf of all of them, and for me, what a great privilege it is to recognize a public servant, Ambassador Pete Peterson, who served as a Member of Congress prior to being named by President Clinton as the first United States Ambassador to Vietnam.

We bring forth this resolution commending Ambassador Peterson because of his extraordinary leadership in helping bring about the Vietnam Trade Act, which this Senate passed earlier today. What is so poignant about this story of Douglas Pete Peterson is the fact that when he first went to Vietnam during the Vietnam war as an Air Force pilot, he was shot down and captured and held in captivity for over 6 years. He was able to return to that country as Ambassador and has won the hearts of the people of Vietnam.

I remember reading a story that absolutely gripped me about a few days before Pete Peterson departed as Ambassador to Vietnam, he had a reunion with one of his captors. This was a captor who, at a time of great stress, after Pete had been beat over and over again to the point of unconsciousness, and he did not know if he was going to live or die at that particular point, in his stupor of coming in and out of consciousness, he motioned to one of his captors that he was thirsty, and his captor brought him a cup of tea.

A couple of days before Pete was to depart as the first Ambassador from America to Vietnam, and a very successful Ambassador, he had a reunion with that captor, and that Vietnamese gentleman offered him a cup of tea again.

How times had changed and what a great leader for us to have representing America where he held no grudge; he did not want revenge. He offered the best of America showing that we are a forgiving people. After serving six distinguished years as a Member of Congress from the State of Florida, for Pete, a Vietnam POW, to return to that country that had held him captive the longest as one of the POWs, then to come back extending the hand of friendship with no malice in his heart, was to win the hearts of the Vietnamese people. In the process, he negotiated and tweaked and nurtured the Vietnam trade bill, which we passed earlier today.

It is with a great deal of humility that I speak on behalf of so many others, including Senator MCCAIN. Although he was not in the same POW camp with Ambassador Peterson, he clearly knew of him and thinks the highest of him. My words are inadequate to express the thoughts of all these other Senators.

I want to say one thing in closing about Pete Peterson. He is not only a hero to so many in his public and professional life —his professional life as a military officer, as a Member of Congress, and as our first Ambassador to Vietnam—but he is also a role model as a human being. After he returned from Vietnam, he suffered through the years of a long and torturous process of cancer with his first wife, finally claiming her life, but Pete Peterson was right there with her the whole way. He had the joy in Vietnam of meeting an Australian diplomat's daughter of Vietnamese descent, his present wife Vi. They make an engaging and attractive couple.

Mr. President, I offer these comments of appreciation as we pass this resolution.

Mr. MCCAIN. Mr. President, four years ago, I rose in this body to encourage my colleagues to confirm the nomination of my friend Pete Peterson to serve as the American ambassador to Vietnam, the first since the end of the Vietnam War. When we confirmed Pete for this important assignment in 1997, many of us could not have foreseen his success in building a normal

relationship between our two countries.

Indeed, the best measure of Pete's success is the fact that it seems quite normal today for the United States to have an ambassador resident in Hanoi to advance our array of interests in Vietnam, which range from accounting for our missing service personnel to improving human rights to cooperating on drugs and crime to addressing regional challenges together. That normalcy is due largely to the superb job Pete did as our ambassador to Vietnam.

As a former fighter pilot shot down and held captive for six and a half years, some would have assumed it was not Pete's destiny to go back to Vietnam to restore a relationship that had been frozen in enmity for decades. Indeed, there was a time in Pete's life when the prospect of voluntarily residing in Hanoi would have been unthinkable. Much time has passed since then. Our relationship with Vietnam has changed in once unthinkable ways.

Pete rose to the occasion and helped us to build the new relationship we enjoy today. Pete's willingness, after having already rendered many years of noble service to his country, to answer her call again and serve in a place that did not occasion many happy memories for him, was an act of selfless patriotism beyond conventional measure. I am immensely proud of him.

I know of no other American whose combination of subtle intuition and steely determination, whose ability to win over both former Vietnamese adversaries and skeptics of the new relationship here at home, could have matched the success Pete had in transforming our relations. Pete did this in service to America, and as an acknowledgment that the range of our interests in Vietnam, and the values we hope to see take root there, called for such an approach.

Our nation is better off for Pete's service. So are the Vietnamese people. So are those Americans who learned the grim but whole truth about the fate of their loved ones who had been missing since the war as a result of Pete's unending commitment to a full and final accounting. After the number of POW/MIA repatriation ceremonies over which he presided—each flag-draped coffin containing the hopes and dreams of a lifetime—Pete can confirm that providing final answers to all POW/MIA families is alone ample reason for our continuing engagement with the Vietnamese.

Pete Peterson has built a legacy that serves our nation and honors the values for which young Americans once fought, suffered, and died, in Southeast Asia. I can think of no higher tribute than that.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, the Senate is considering a resolution in recognition of the outstanding service of our former U.S. Ambassador to Vietnam, Mr. Pete Peterson. I will comment briefly on the exceptional life of Mr. Peterson.

Mr. President, Pete Peterson is an American in our proudest tradition. Throughout his adult life, he has served America as a career officer in the United States Air Force, serving with bravery during the Vietnam war, including a period of over 6 years of incarceration in a Vietnam prison after having been shot down in combat.

Pete Peterson returned to the United States and to Marianna, FL, after his long period of incarceration in Vietnam and, as a civilian, established his own business but continued his commitment to service, service in the form of being a volunteer at the State's principal school for boys who have the most difficult experience of delinquency.

Pete Peterson served as a role model to these young men who were at the point in life where they either were going to recapture a sense of personal responsibility and values or they were likely to spend their own adult life in another form of prison for periods of longer than 6 years, even, that Pete Peterson spent in Vietnam.

He performed great service to these young men and, in the course of that service, became aware of the role that service in elective office might have in terms of furthering his interest in America's youth. And so, in 1990, Pete Peterson, in what many considered to be almost a cause without hope, announced that he was going to run for the U.S. Congress. He did, and by the end of the campaign had managed to rally such public support that he defeated an incumbent Member of Congress—a rare feat in these days.

He then served 6 years of very distinguished service in the House of Representatives. Having announced in 1990, when he first ran, that he would only serve three terms, at the end of his three terms, in 1996, he indicated he was going to return home to Marianna, having completed that congressional phase of his public career. Little did he know there was yet to be another important chapter before him. And that chapter developed as a result of the Congress and the President—President Clinton—reestablishing normal diplomatic relations with our previous adversary, Vietnam.

President Clinton asked Pete Peterson to be the first United States Ambassador to Vietnam in the postwar era. Of course, Pete accepted that challenge to return to the service of the Nation that he so deeply loved.

He was an exceptional Ambassador. You can imagine the emotion he felt, as well as the people of Vietnam—to have a man who had spent years as a prisoner of war in Vietnam now returning as the first United States Ambassador.

Any sense of bitterness, any sense of loss that Pete may have felt evaporated. He represented our Nation and reached out to the people of Vietnam with unusual ability and warmth.

A testimony to his great service is the legislation that this Senate today approved, which is a trade agreement with Vietnam. This is symbolic of the new relationship that will exist between the United States and Vietnam as we rebuild our relationship based on our common interest in advancing the economic well-being of both of our peoples. This trade agreement would not have been before the Senate today but for the exceptional skills, as our Ambassador to Vietnam, which were exercised by Pete Peterson.

So, Mr. President, I join those who are taking this opportunity, as we enter into a new era of relationship with Vietnam, to recognize the particular role which our former colleague in the House of Representatives, Pete Peterson, played in making this possible.

He is truly an exceptional American, but in the mold of so many generations of exceptional Americans. We are fortunate, as Americans, and those of us who know him also as a Floridian, to have served with and to have lived at the same time with such a special human being as Pete Peterson.

I commend him for his many contributions to our Nation, and wish him well, as I am certain he will be pursuing further opportunities for public service.

Mr. NELSON of Florida. I ask unanimous consent the resolution and the preamble be agreed to en bloc, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD.

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

The resolution (S. Res. 167) was agreed to.

The preamble was agreed to.

(The resolution, with its preamble, is printed in today's RECORD under ''Resolutions Submitted.'')

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Are we in morning business?

The PRESIDING OFFICER. The Senator is correct.

Mr. BIDEN. I ask unanimous consent to proceed up to 22 minutes.

The PRESIDING OFFICER (Mr. NELSON of Florida). Without objection, it is so ordered.

AFGHANISTAN

Mr. BIDEN. Mr. President, I rise to speak in a matter that is very hard to discuss these days, when we are dealing with the aftermath of the destruction that has been visited upon our country. I rise to speak of a matter that is at the very heart of our fight against terrorism.

Today I met with the Secretary of State, along with my Senate Foreign Relations Committee colleagues, including the occupant of the Chair, for about 2 hours. I applaud the actions of President Bush and Secretary Powell and the rest of the administration throughout this terrible crisis. I applaud what he had to say at our meeting.

Of all the topics Secretary Powell discussed with me and other members of the Foreign Relations Committee, none was more important in my view than this: We must make a bold, brave, and powerful decision to provide generous relief and reconstruction aid to the people of Afghanistan and neighboring countries, even as we move toward war. We must wage a war against the vicious thugs who attacked our nation, but we must not permit this war to be mischaracterized as a battle against the people of Afghanistan or the wider Muslim world.

If we can't make this critical distinction, all our efforts are doomed to failure. The people of Afghanistan, who are looking for a way of ridding themselves of the Taliban regime, might direct their anger at us rather than at the brutal warlords who have caused them so much misery and pain. The people of Muslim countries from Morocco to Indonesia could turn against the United States, with disastrous consequences for many years to come—notwithstanding my belief that we will prosecute this military effort with discreet and precise efforts to minimize civilian casualties.

We have already seen how those who wish us ill can portray legitimate, restrained military action as an indiscriminate attack on innocent civilians, and how such an argument can be persuasive to so many people in the Middle East. Saddam Hussein, a man who has killed far more Muslims than any American attack before, during, or since the gulf war, has depicted the United States-led actions against Iraq as an assault on Iraqi women and children, an assault on Islam. That is a guy who has killed more believers of Islam than just about anybody else—and yet he is able to put out a boldfaced lie, the lie that our soldiers have gone out of their way to hurt innocent civilians. In fact, our soldiers have always gone out of their way to avoid collateral damage to civilians, even during the height of the gulf war.

The United Nations' sanctions imposed since that time place no restrictions on the delivery of food or medicine to the people of Iraq. Quite the opposite. Yet Saddam has won the international battle. He has convinced a significant portion of the Islamic world that we are the reason the people of Iraq do not have food and medicine in sufficient supply. It is Saddam who is starving his own people, deliberately sitting on billions of oil dollars earmarked for humanitarian aid to the people of Iraq while he pursues his weapons of mass destruction and builds himself more palaces.

The reason I bring this up is that throughout much of the Muslim world Saddam's propaganda remains convincing. People see these images of children and their mothers scrambling for food, the footage of destroyed buildings, and they know the United States conducts bombing raids to enforce the no-fly zone and we are leading an international coalition to maintain sanctions. So they conclude, with his distinct urging, that we are not acting in accordance with U.N. resolutions and the consent of the world community, but that we are acting in the way Saddam Hussein portrays us as acting: victimizing his people, oppressing women and children, and causing great hardship.

No matter how we cut it, he has won the battle over who's at fault. If you had told me that was going to be the case after the gulf war, I would have told you that you were crazy. One of the reasons he has won is we are so accustomed in America to not beating our own chests about what we do for other people, we are so accustomed to thinking that people are going to be open minded, as we are. It is almost beyond our capacity to believe anyone could think we were responsible for those women and children and old people in Iraq starving, being malnourished, and not having adequate medical care.

It is very simple in the Muslim world right now. When America bombs, America is blamed for anything else that happens. And not just blamed for what we have done, but we are blamed for what we have not done. It is not fair, but it is the fact. As the world's only superpower, we receive a lot of misdirected blame under the best of circumstances. The nuances and subtleties of geopolitics don't get translated to the language of the street. And once the bombs start to fall, any vestige of nuance is blown away with whatever they hit.

We cannot allow what happened in Iraq to happen in Afghanistan. Osama bin Laden and the Taliban leader, Mullah Omar, have been trying to cast the current conflict in terms of religion and have been calling our efforts a crusade against Islam.

You mention the word ''crusade'' in the Middle East and it has a very different context than when we use it here. It is not accidental that the word is used by bin Laden. It conjures up several hundred years of painful history.

This is not a crusade. It is not a war against Muslims. And we cannot permit bin Laden and the Taliban to portray it as such. So how do we prevent it from happening this time?

We have all said the right words. President Bush, Secretary Powell, and most Senators gathered in this Chamber have all spoken out forcefully. Our rhetoric has been fine, but if we want to convince the world's 1.6 billion Muslims of our sincerity, it will take much more than our rhetoric. It will take action, real action, to save the lives of real people.

After my long-time involvement with and strong advocacy for Muslims in Europe, whenever I go to the Balkans I can barely take a step without being reminded of this dynamic. If my name is mentioned among Muslim leaders, I am thanked for being one of their saviors; I am thanked for being one of the people who has fought to help them—and I'm sure all those American servicemen and servicewomen over there now protecting the Muslims in the Balkans feel the same. But none of that message has gotten to the Middle East. It is ironic.

So what we need to do is back up our words with our wallets. In my view, we must do this ahead of time.

We say we have no beef with the Afghan people, and we do not. But one out of four Afghans—perhaps 7 million people—are surviving on little more than grass and locusts. We say our fight is only against the terrorists, along with their sponsors, and it is. But the people of Afghanistan have been subjected to constant warfare for the past two decades. They are looking for help, and they are looking at us.

We did not cause the terrible drought that brought so many Afghans to the brink of starvation, and we did not cause the Soviet invasion or the civil war that followed. We were interested in Afghanistan, but only when it suited our own interests. We paid attention during the 1980s, but then came down with a case of attention deficit disorder. As soon as the last Russian troops pulled out in 1989, our commitment seemed to retreat along with them. And I was here, so I share this responsibility.

The years of bloody chaos that followed were what gave rise to the Taliban. If we had not lost interest a decade ago, perhaps Afghanistan would not have turned into the swamp of terrorism and brutality that it has become.

I say this not to cast stones, because I was here. We do not need to ask who ''lost'' Afghanistan. There is more than enough blame to go around. It is not a matter of political party or ideological outlook. Nobody—Republican, Democrat, liberal, conservative—stepped up to the plate when it counted because we did not take it as seriously as it turned out to be.

It is time we all stepped up to the plate.

In fairness to the folks who were here, like me and others, the truth of the matter is we get called on from all over the world and we find ourselves responding to whatever the crisis of the moment is.

It is time to reverse more than a decade of neglect, not only for the sake of Afghanistan, but for our sake. Not only for the sake of Pakistan, which faces growing instability exacerbated by the enormous burden of sheltering millions of Afghan refugees. Not only for the sake of the Central Asian republics, all of which are threatened by chaos fomented in Kabul and Kandahar. We have to take action not merely for their sake, but for our own sake.

The tragedy of September 11 served as a stark reminder that isolation is impossible. What happens in South and Central Asia has direct impact on what happens right here in the United States. If we ever were able to think of our nation as one buffered from faraway events, we can no longer maintain that illusion. So what can we do?

Let me make this very bold proposal as to what I think we should and could do. The plight of the Afghans had reached a crisis point before September 11, and the prospect of military action has made matters even worse. The U.N. places the number of Afghan refugees at about 3 million, and in Iran at about one half that, with another million displaced within Afghanistan itself. These people are living—if one can call it that—in conditions of unspeakable deprivation. One camp in the Afghan city of Herat is locally called, quite appropriately, ''the slaughterhouse.'' The expectation of U.S. attacks has already prompted more desperate people to flee their homes, and a estimated 1.5 million may soon take to the road.

U.N. Secretary Kofi Annan has issued an appeal for $584 million to meet the needs of the Afghan refugees and displaced people, within Afghanistan and in neighboring countries. This is the amount deemed necessary to stave off disaster for the winter, which will start in Afghanistan in just a few weeks.

We must back up our rhetoric with action, with something big and bold and meaningful. We can offer to foot the entire bill for keeping the Afghan people safely fed, clothed, and sheltered this winter, and that should be the beginning.

We can establish an international fund for the relief, reconstruction, and recovery of Central and Southwest Asia. We can do this through the U.N. or through a multilateral bank, but we must be in it for the long haul with the rest of the world.

The initial purpose of the fund would be to address the immediate needs of the Afghans displaced by drought and war for the next 6 months. But the fund's longer-term purpose would be to help stabilize the whole region by, as the President says, draining the swamp that Afghanistan has become.

We can kick the effort off in a way that would silence our critics in the rest of the world: a check for $1 billion, and a promise for more to come as long as the rest of the world joins us. This initial amount would be more than enough to meet all the refugees' short-term needs, and would be a credible downpayment for the long-term effort. Eventually the world community will have to pony up more billions, but there is no avoiding that now, not if we expect our words ever to carry any weight.

If anyone thinks this amount of money is too high, let me note one stark, simple and very sad statistic. The damage inflicted by the September 11 attack in economic terms alone was a minimum of several hundred billion dollars and a maximum of over $1 trillion. The cost in human life, of course, as the Presiding Officer knows, is far beyond any calculation.

The fund I propose would be a way to put some flesh on the bones, not only of the Afghan refugees, but on the international coalition that President Bush has assembled. All nations would be invited to contribute to this fund, and projects for relief and reconstruction could be carried out under the auspices of the United Nations. Countries that are leery of providing military aid against the Taliban could use this recovery fund as a means to demonstrate their commitment to the wider cause.

Money from the fund would be used for projects in several countries. In the short term, it could help front-line countries handle the social problems caused by existing refugee burdens or the expected military campaign. This would further solidify the alliance and give wavering regimes, especially Pakistan, a valuable ''deliverable'' to present to its own people.

The fund would also be used for relief efforts within Afghanistan itself. This could take several forms. It could help finance air drops of food and medical supplies. It could support on-the-ground distribution in territories held by the Northern Alliance and other friendly forces. And perhaps, most significantly, it could provide the Pashtun leaders of the south with a powerful incentive to abandon the Taliban and join the United States-led effort.

Think of the impact. Many Pashtun chiefs, including current supporters of the Taliban, are already on the fence. If the Pashtuns, who are now going hungry, saw relief aid pouring into neighboring provinces or in from the air, with their own leaders stubbornly stuck by Mullah Omar and refused such aid well, we could suddenly find ourselves with a lot of new allies. The seemingly intractable problem of forging a political consensus in Afghanistan might become a whole lot easier to solve.

A massive humanitarian relief effort will not guarantee a favorable political solution. But it clearly is within the realm of possibility. We can establish our credibility by committing ourselves to providing this aid now, before the first bomb falls.

The funding that I propose will address not only the short-term goal, but the more important (and more difficult) longer term ones as well. Whatever we do in Afghanistan—whether it involves the commitment of military, political, or humanitarian assets—must be geared toward a long-term solution. We cannot repeat the mistakes of the past. If we think only in the short term, only of getting Bin Laden and the Taliban—which we must do, but that is not all we must do—we are just begging for greater trouble down the line.

We have a unique opportunity here and right now—a window of opportunity that will not be open forever. Now, while the attention of the country and the world is focused on this vital issue, we can create a consensus necessary to build a lasting peace in the region.

This will be a multinational, multiyear, multibillion-dollar commitment. And if we take a leading role, I am confident that other nations will follow.

Today is not the time to speak about political reconstruction of Afghanistan. The situation is extremely fluid, and delicate negotiations are in progress. This Chamber is not the appropriate place for such a sensitive discussion.

Today is also not the time to discuss all the details of the long-term economic reconstruction package for the region. Once the immediate refugee crisis is dealt with, there will be plenty of opportunity to deal with the nitty-gritty of how best to help the people in the region rebuild their lives. I will not presume to lay out a long-term agenda today. But some of the foremost items on such an agenda might include the following:

Creation of secular schools, both in Pakistan and Afghanistan, to break the stranglehold of radical religious seminaries that have polluted a whole generation of Afghan boys. The Taliban movement is an outgrowth of this network of extremist seminaries, a network which has been funded by militant forces around the world and has fed off the lack of secular educational opportunities.

We can also be involved in the restoration of women's rights. The Taliban created a regime more hostile to the rights of women than any state in the whole world. Women under Taliban rule have been deprived of even the most basic of human rights. A critical element of the new school system, I should emphasize, will be providing equal education for girls and boys alike. If Afghan girls and women do not have a chance to go to school, they will never be able to have the rights they are so cruelly denied now by the Taliban.

De-mining operations: Afghanistan is the world's most heavily mined country. Clearing these mines will take

time, money, and expertise. Until these fields are cleared, farmers—whether currently trapped in refugee camps or trapped by drought—cannot start farming their land.

Creation of full-scale hospitals and village medical clinics in Afghanistan and throughout the region. As in the case of schools, the absence of such services has created a void filled by radical groups.

People sometimes ask why extremist organizations have been so successful in recruiting support in the Muslim world. Let me tell you, they don't do it all by hate. Many militant groups provide valuable social services in order to gain goodwill, and then twist that goodwill to vicious ends.

Another thing we can provide is a crop substitution program for narcotics. This week, the Taliban reversed its short-lived ban on growing opium. As part of a long-term solution, we have to help the Afghan farmers find a new way to support their families. We cannot let Afghanistan resume its place as the world's No. 1 source of heroin.

Building basic infrastructure: Just as Saddam manipulated images of war in Iraq, the Taliban could have success doing the same. We have to counter this effort by drilling wells, building roads, providing technical expertise, and a whole range of development projects.

We are portrayed as bringing destruction to the region. We must fight that perception: we must prove to the world that we are not a nation of destruction, but of reconstruction.

This afternoon, the members of the Foreign Relations Committee and I had a very productive meeting with the Secretary of State. Everything I have said here today is an attempt to support Secretary Powell and President Bush in their efforts to send the world a simple message: Our fight is against terrorism—not against Islam. We oppose the Taliban not the Afghan people.

We stand ready as a great nation, as a generous nation, as a nation that has led the world in the past, a nation whose word is its bond, and we stand ready to match our words with our actions.

I thank the Chair. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. CARNAHAN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

THE ANTITERRORISM PACKAGE

Mr. SPECTER. Madam President, I have sought recognition to express my concern about what is happening on the antiterrorism package. Two weeks ago Attorney General John Ashcroft met with Members in an adjacent room, 211, down the hall, and asked for legislation that week. I responded we could not do it instantly but we could do it briefly.

Since that time, we have only had one hearing in the Senate Judiciary Committee, a week ago yesterday, where we heard from Attorney General Ashcroft for about 75 minutes. Most of the members of the committee did not have a chance to question him. I did.

We really have a serious issue of prompt action by the Congress. But it has to be deliberative. We have to be sure of what is in the legislation. When Attorney General Ashcroft testified, he said on the detention of aliens, the only ones they wanted to detain were those who were subject to deportation proceedings. My response to that was that I thought they had the authority now, but the bill was much broader. It authorized detention of aliens without any showing of cause at the discretion of the Attorney General, and we could give the Attorney General and law enforcement the additional authority. But it had to be carefully drawn.

Similarly, on the use of electronic surveillance, the Attorney General said he wanted to have the availability of electronic surveillance on content only on a showing of probable cause, but the amendments to the Foreign Intelligence Surveillance Act were broader.

Here again, I think we can give the Department of Justice and law enforcement what they need, but we have to carefully craft the bill. We have not had any hearings since. There is a meeting scheduled later today with all Republican Senators, with our ranking member, Senator HATCH, to have what I understand will be compromise legislation which has been worked out. But the difficulty is that the Supreme Court of the United States has, in a series of decisions, struck down acts of Congress when there has been an insufficient record showing a deliberative process and showing reasons for why the Congress has done what the legislation seeks to accomplish. In the area of law enforcement and civil liberties, there is, perhaps, more of a balancing test than in any other field.

What we need to do is to have a record. If the Department of Justice can show that there is a need for electronic surveillance which more closely approximates the standards of the Foreign Intelligence Surveillance Act than the traditional standards of probable cause—a really pressing need with factual matters—that is something which the Judiciary Committee ought to consider. If there are pressing matters about the detention of aliens—I understand the House has a bill which would allow for detention for 7 days, which is a protracted period of time—there has to be a showing as to what is involved. That can be accomplished only through the hearing process. Perhaps we need closed hearings. But I am very concerned, and I have communicated my concern that something may happen in the intervening time which might be attributable to our failure to act.

I hope we will let the Judiciary Committee undertake its activities. We have a lot of seasoned people there who have prosecutorial and governmental experience, who have things to add to really understand exactly what the specific needs are and to structure legislation which will meet those specific needs and which, under a balancing test that the courts have imposed, will survive constitutional muster.

But we are on notice and we are on warning that the Court will strike down legislation if there is not a sufficient deliberative record as to why the legislation is needed.

It was my hope that we could have had a markup early this week, and we still could with dispatch. There is no reason that the Senate can't have hearings on Fridays, or on Saturdays, when we are not going to be in session, to have markups and sit down with Department of Justice people to get the details as what they need perhaps in closed session and move ahead to get this legislation completed.

I think we can accommodate the interests of law enforcement, a field in which I have had some experience, and also the civil liberties and constitutional rights, a field again that I have had some familiarity with.

I thank my distinguished colleague from New Hampshire for letting me speak at this time.

THE FUTURE OF THE AIRLINE INDUSTRY

Mr. WYDEN. Madam President, less than 2 weeks ago, legislation providing $15 billion to the airline industry flew through the Congress like a runaway express. The legislation moved so quickly that I am of the view that additional steps are needed to impose accountability on the airlines for this unprecedented infusion of taxpayer money.

One-third of the $15 billion is already on its way out the door of the U.S. Treasury and will be given to the carriers according to a formula that they sought. Saturday is the deadline for deciding the basic process and rules for apportioning the remaining $10 billion in loans and loan guarantees. The way this staggering sum of money is allocated will shape the structure of the airline industry for years to come.

Yesterday the Wall Street Journal reported that the larger and financially healthier airlines have attempted to impose their terms for the $10 billion in loan guarantees on the smaller and the weaker carriers. If the Office of Management and Budget acquiesces to the

demands of the larger carriers, it could crush the smaller airlines in the short term and squash significantly the hopes of competition and consumer choice in the long run.

On the horizon of the aviation industry there may be only two or three carriers dominating routes, dictating prices, and reducing service to small and usually rural markets. It is for this reason that I come to the floor today, and I intend to outline several principles that I believe the Congress should insist upon in order to keep an eye on shaping the future of this industry so that there is real competition, affordable prices for consumers, and adequate service across this country.

It is obviously critically important to focus on the short-term needs of getting people traveling again on those near empty planes and restoring consumer confidence. But it is just as important to put in place policies that protect the long-term interests of the flying public and the taxpayer.

The $10 billion package of loans and loan guarantees is going to dramatically reshape the industry for years to come. On the question of competition, on whether flights are affordable, and whether rural areas are turned into economic sacrifice zones, the decisions that are going to be made in the next few weeks will have a dramatic impact.

The entire Senate understands that there is a national airline rescue effort underway. Since September 11, Congress has heard much from the airline industry about what the industry believes needs to be done. Congress has responded. It is time now for the Congress to set out what the American people have a right to expect from the airline industry. Fortunately, this job is going to be easier because the Comptroller General, David Walker, and the Department of Transportation Inspector General, Ken Mead, are in place in order to provide a crucial reality check. Already Mr. Walker has performed an important service of pulling together a General Accounting Office team, getting me and other Members of the Senate a sense of what the industry's loss projections are, and particularly an analysis of their short-term needs. This type of independent third-party review is going to be essential in the weeks and months ahead.

Let me give the Senate just a few examples of the important questions that the public has a right to have debated now, in order to know to what the end product of this debate involving the $15 billion is going to lead. For example, suppose that the $10 billion in loan guarantees is allocated in a way that favors a few large carriers, which is something that is being sought by some in the industry. The end result could be consolidation to just a couple of airlines, precisely the result the Government was trying to avoid when it blocked the proposed United-US Airways merger. Or suppose carriers use loan guarantees to strengthen their operations in ''fortress hubs'' while pulling back elsewhere. The end result for many consumers would be a monopolistic environment with little competition and few choices.

Of course, there is the risk that taxpayer dollars will be wasted on airlines that may not survive in any case or on airlines that really do not need the help. Care has to be taken to ensure that these dollars are used to get the maximum for the American public.

Responsibility for avoiding these pitfalls lies, in the first instance, with the Air Transportation Stabilization Board. The Board has the authority to decide who will receive loan guarantee assistance and subject to what terms and conditions. The Congress, unfortunately, has not provided this Board with a lot of guidance. The legislation provides only general criteria, such as the requirement that the loan in question be prudently incurred. Congress has not told the Board where to place its priorities or what the goals should be. Therefore, I believe some guiding principles are needed with respect to how that $15 billion is allocated. I propose the following principles this morning:

First, Government assistance must be allocated in ways that are going to promote and not hinder competition between the airlines. This must be a primary goal because without competition the entire premise of the deregulated industry relying on market forces makes no sense. The Government cannot afford to focus narrowly on each individual loan guarantee application while ignoring the big picture issue of how the overall assistance package affects the balance of competition in the industry.

Second, companies receiving assistance need to be monitored closely to make sure they are using the money responsibly. Are the taxpayer funds being used to subsidize dividends to the shareholders, lucrative compensation for top executives, or increased lobbying? The legislation does contain some provisions with respect to executive compensation, but the additional issues I am raising could send a message, at a time when America is hurting, that some of the powerful may be profiting.

Third, companies receiving assistance and their major stakeholders should be required to demonstrate that they are doing everything in their power to improve the situation. Companies would have to show that they have a plan for returning to profitability and that the plan is actually being followed. Top managers should take salary reductions and debtholders and employees should make sacrifices as well. Taxpayers who are funding that $15 billion legislative package should know that all of the company's stakeholders are helping to shoulder the burden.

Fourth, there needs to be an upside for the taxpayer. In the Chrysler bailout legislation, the Treasury Department received stock options that eventually led to a substantial profit for the taxpayers. Similarly, this effort should be coupled with a mechanism for the public to recoup its investment when airlines return to profitability.

Fifth, service to small markets must not be a casualty of this crisis. As airlines cut flights or routes in response to the current predicament, their first instinct may be to eliminate small market service and turn small communities in Nebraska and Oregon and other rural States into sacrifice zones. Americans need an airline system that connects the entire country and not just the large hubs. Any program of Government assistance to the airlines must seek to encourage the airlines to maintain and indeed improve service in the small markets.

Sixth, companies should be rewarded for treating employees in a responsible manner. Approximately 100,000 airline workers have already been laid off—but there are significant differences from airline to airline in the type of severance arrangements offered, and also in the efforts the airlines make to rehire workers when conditions begin to improve again. When it comes to public assistance, companies with more responsible labor policies should have a significant leg up in those loans and loan guarantees.

Seventh, and finally, the current focus on the interests of the airlines should not come at the expense of efforts to protect the interests of consumers. The fact is, this is a concentrated industry in which consumers often face limited choices. There is a real risk that, if some air carriers fail, the competition situation may get worse before it gets better.

That makes consumer protection all the more important in a number of basic areas—areas where the Department of Transportation Inspector General has already said there is a serious problem, and that Members of this body have tried to address in passenger rights legislation.

There may be a need as this new effort goes forward for proconsumer rules in order to protect consumers.

Adhering to these seven core principles that I have laid out this morning is not going to be easy. There is no simple rule or formula that Congress should impose, or that the board could follow that would automatically achieve all of the objectives that I have laid out today.

It is critical, in my view, in order to make sure this job is done responsibly, for Congress to obtain on a weekly basis the information necessary to exercise responsible oversight over the airline industry. This information

must be real-time data, including load factors, yields per mile, fares, type of aircraft, dividend payments, service to small markets, cancellations, workforce statistics and route information.

In the coming weeks, the Air Transportation Stabilization Board begins to implement the loan guarantee program. I am certain the Senate Commerce Committee under the leadership of Chairman HOLLINGS will be actively engaged. I am anxious to work with my colleagues to put in place the principles that I have outlined today, as well, I am sure, as other Members of the Senate who will propose what they believe should govern how this $15 billion is allocated.

The airline industry has been heard from. Now the public has a right to ask the airline industry to support policies and to work with the U.S. Congress to ensure that this is true competition, affordable prices, and decent service.

In closing, I am of the strong view that the work of the Congress on that $15 billion legislation began when the bill passed. I hope and trust that my colleagues will join with me in doing everything we can to ensure that at the end of the bailout process the American people are left with a more competitive airline industry, one that offers high-quality service to every area of the country and gives the public what they have a right to expect will be the end process of that unprecedented legislation that the Congress passed a little less than 2 weeks ago.

Madam President, I yield the floor.

MEMORIAL TRIBUTE TO D. MICHAEL HARVEY

Mr. BINGAMAN. Madam President, it is both with a sense of sorrow and with great admiration that I rise today to pay tribute to an exemplary public servant and a good friend, D. Michael Harvey, who died on August 31, 2001. Mike served the United States Senate and the Committee on Energy and Natural Resources with distinction for some 22 years. He often said that there was no higher calling than public service. Mike worked for and counseled some of the giants of the committee: Clifford Hansen of Wyoming; Lee Metcalf of Montana; Henry M. (Scoop) Jackson of Washington; Mark Hatfield of Oregon; Dale Bumpers of Arkansas; and J. Bennett Johnston of Louisiana. He served at the direction of the committee's leaders, but all the committee's members—Democrats and Republicans alike—had access to and benefit of his counsel.

Mike was born in Winnipeg, Manitoba, and raised in Rochester, NY. He received his B.A. from the University of Rochester in 1955. He joined Eastman Kodak Co., for 4 years, before moving to Washington.

Mike began his public service career in 1960 with the Bureau of Land Management in the Interior Department, spending his last 4 years there as chief of the Division of Legislation and Regulatory Management. He received a J.D. from Georgetown University in 1963, while working at BLM. In the mid-1960s he served with the Public Land Law Review Commission and the Federal Water Pollution Control Administration.

In 1973 Mike accepted an invitation from Senator Henry M. Jackson to become special counsel to the Senate Committee on Interior and Insular Affairs. In February 1977, when the Senate reorganized its committee structure and created the Senate Committee on Energy and Natural Resources, Mike was appointed its first chief counsel. Until his retirement in 1995, he served as majority chief counsel during the years that the Democrats controlled the Senate and as chief counsel and staff director for the minority when Republicans held the majority.

During his tenure with the committee, Mike played a key role in developing landmark legislation involving Alaska lands, the regulation of surface coal mining, and Federal energy policy and land management. His knowledge of the law regarding natural resources was enclyclopedic and his judgment was well-respected. Mike was dedicated to achieving good public policy and his counsel was always given with that paramount objective in mind. In addition to providing a sounding board on a huge range of issues, Mike was a role model, a teacher and a mentor for his colleagues. He established a high standard of professionalism among the committee staff and instilled it, by his example more than by precept, in the generation of young staff members that he trained.

Mike was known by all who worked with him for his dedicated professionalism and the breadth and depth of his substantive expertise. But he was perhaps known best for the extremely high standard of ethics he brought to public service. You could always get a legal opinion from Mike of the highest caliber, and you could be absolutely confident that the opinion was free of any special interest or personal prejudgment. He was a talented professional and a fine human being.

Mike was actively involved in American Bar Association activities. He served on the council of the ABA Section of Natural Resources Law. He was past chairman of the Fairfax County Park Authority. He served as a congressional adviser to the U.S. delegation to the third U.N. Conference on the Law of the Sea and served on the board of governors of the Henry M. Jackson Foundation and the board of directors of the Public Land Foundation. Mike often attended the theater, loved poetry, and was known to quote Shakespeare at length.

The Senate was fortunate to have the benefit of Mike Harvey's considerable talents for many years. I was privileged to have worked with him and to have known him. Our deepest sympathies go out to Mike's family: his wife, Pat; his four children, Michelle, Jeffrey, David, and Leslie; and his 10 grandchildren. We share in their loss.

In eulogizing the great Scoop Jackson, Mike relied on a quotation from Shakespeare. I believe that Shakespeare's eloquent words apply as well to the late Mike Harvey:

> His life was noble, and the elements so mixed in him that Nature might stand up and say to all the world: ''This was a man.''

I yield the floor.

CAPITOL HILL POLICE

Mr. WELLSTONE. Madam President, regarding the Capitol Hill police, I will try to write a resolution and have it passed by the Senate, I hope they will do the same on the House side. I want to thank the Capitol Hill police for what they have been doing for us. I think my colleagues are aware, but sometimes in the rush of war it is easy to forget. Many of the Capitol Police are putting in 17- and 18-hour days. You can see the exhaustion on their faces.

I have been thanking the officers individually when I walk by, and they are very gracious, but it is almost as if they are saying: Well, it is hard, but we want to do this.

We owe a real debt of gratitude to them. I will try to bring a resolution to the floor tomorrow and have that passed. It would mean a lot. I think all Senators are very grateful. Those are long days and weeks. They are doing the extra work for the security for all of us.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Madam President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of this year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred March 6, 2001 in Middleburg, PA. Two brothers, Todd Justin Clinger, 20, and Troy Lee Clinger, 18, were charged with attempted homicide after severely beating a neighbor, Michael Aucker, 41. Police allege that one of the brothers, Troy, said that Aucker tried to make a pass at them while the trio drank beer in their trailer. Police said the three men walked out on the deck, where the brothers allegedly punched and stomped on Aucker with heavy work boots several times before taking the bleeding Aucker to his nearby trailer.

Aucker was discovered a day and a half later by a neighbor and co-worker. When they found him, he was in a coma and every bone in his face and nose were broken.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

THE NEED FOR RURAL AIR TRANSPORTATION

Mrs. LINCOLN. Madam President, I rise today to express my deep concern with the state of the airline industry in the United States.

On Friday, September 21, Congress passed the ''Air Transportation Safety and System Stabilization Act.'' This bill provided the commercial airline industry with $15 billion in emergency aid and loans. The intention of the bill was to ensure that our system of commercial air transportation remained viable nationwide, both in less populous rural areas and in larger metropolitan areas.

When this bill came before the Senate, I had reservations about how effective it would be. I was not convinced that it would do enough to help the tens of thousands of workers who were being laid off by the airline companies; I was not convinced that it provided adequate incentives to assist the airlines in correcting the management problems that had forced them into a corner to begin with; I was not convinced that it would do enough to encourage passenger confidence in the wake of the horrible hijackings of September 11; and I was not convinced that we were taking adequate time to consider the ramifications of the package. I expressed my reservations to several of my colleagues, and I was assured that we would deal with those concerns soon after.

It would appear my reservations were well-founded. One important provision of the stabilization bill was that the airlines would honor their service commitments so that small communities would not lose scheduled air service. This week, United Airlines announced that they are discontinuing service to Little Rock, AR. The cutback at Little Rock was one component of a sweeping reduction in capacity which will reduce United's service from 2,300 daily flights worldwide to 1,900 daily flights. According to the airline, the cutback is a result of the reduced demand for travel nationwide. Similar cuts were made in Virginia, Washington, and Alabama. The airline claims that service will resume if demand for air travel picks up.

The day after the United announcement, other airlines followed suit. American Eagle, USAirways Express, Continental Express, TWA, Delta, and Northwest all curtailed their service to Arkansas as well. Most of these airlines only reduced their schedules, but it is still enough to limit the options for transportation in and out of Arkansas. These cuts are a blow to the economic well-being of rural States. How can rural economies ever grow if we don't maintain transportation to those States?

When the airline stabilization bill came before the Senate, there were several legitimate reasons for us to support it. In the aftermath of the September 11 attacks, the federal government had shut down the airlines for nearly three days, dealing a serious blow to their revenues. Furthermore, once the planes were in the air again, the airlines suffered a significant decline in passengers. When we passed the bill, we were looking to ease the blow of the shutdown and subsequent decline in ridership.

Now that I see how the commercial airlines are going to treat small- and mid-sized markets and rural States, it is clear to me that we may have rushed the airline stabilization package. Certainly, if I had known that the airlines were simply going to take the money and then announce they would no longer serve my constituents, I might have thought again about the vote I cast in favor of that package.

I have contacted the Secretary of Transportation to express my concerns and ask for a full review of these scheduled service reductions. I hope that my colleagues will join me in requesting this review, to ensure that the American people are getting a fair return on the investment they have made in the airline industry.

Perhaps the great lesson of the airline stabilization package is that, if we are going to enact policy to build and strengthen our economy, we need to have adequate discussion and debate to ensure that the policies are effective, constructive, and broad-based. In the coming weeks and months, as we take up other matters of economic policy, funding for defense and national security, and agricultural policy, let's take care to consider the ramifications and the realities of what we're dealing with so that we can do what's best for our entire Nation.

DEFENSE NATIONAL STOCKPILE

Mr. CLELAND. Madam President, I am pleased to join the Chairman and our colleagues from the Senate Armed Services Committee, Senator COLLINS, and Senator HUTCHINSON, in a colloquy on the forest products industry and the release of materials from the Defense National Stockpile that poses a potential threat to this industry.

The forest products industry is an important industry for our Nation, and for my own State of Georgia as well. It is important in the sense that it provides materials critical to our way of life, and also because it employs a large number of our fellow citizens. It is an industry that reaches into a large number of States. Any process undertaken by a branch of our Federal Government that would harm the forest products industry would, therefore, be likely to draw the attention and the immediate response of this Congress. I certainly would seek to participate in such a response, and to engender the greatest possible support among my colleagues.

We have been faced in recent weeks with the prospect that the sale or other release of sebacic acid, a lubricant and plasticizer made by the forest product industry, by the Defense National Stockpile might result in the harmful depression of the sebacic acid market and thereby harm the forest products industry. I have been following this matter closely. My staff coordinated a meeting between the officials responsible for the Defense National Stockpile and representatives of the industry, in the hopes that such a meeting and negotiation would resolve any potential problems associated with the authority for Federal sebacic acid release. The officials responsible for the stockpile assured me that the current authorization for release of sebacic acid was not excessive and that the release would be gauged so as not to have a negative impact on the price of sebacic acid. These assurances were made while acknowledging the release of an additional 400,000 pounds of acid, which I understand was needed this year in order to make up for the mismanagement of the contracting process for last year's stockpile release.

The forest products industry in Georgia and, indeed, across the country is highly concerned with this year's proposed release, and has requested that Congress restrict the authorization to release material from the stockpile. Having received assurances from the officials managing the stockpile release, along with their request that we avoid legislation affecting the annual authorization to release sebacic acid, I am here today to serve notice that I will closely follow the scope and effect of any sebacic acid release over the next year. If the release has a negative effect on the market for sebacic acid, I will vigorously pursue legislation in the next authorization bill to curtail future releases of sebacic acid.

Ms. COLLINS. I thank the Senator. As does the Senator from Georgia, I view this matter as one of national importance, deriving from the policies of the Department of Defense, which fall within the oversight of our Committee. I also share his concerns because, as does he and many of our colleagues, I have constituents who depend on the forest products industry for their livelihood.

I am also pleased that we have agreed to this colloquy as a bipartisan expression of our mutual concern over the current Department of Defense release authority for sebacic acid. Having taken this measured step this year, I will monitor the impact of Department of Defense sebacic acid release on the market, and will be ready to join my colleagues in taking legislative action as required.

The fact that an additional amount of acid is being released now, due to the acknowledged contracting miscues on the part of Department of Defense officials last year, is a further indication that we must be prepared to act in our oversight role to restrict future releases of sebacic acid. The horrible acts of terrorism that befell us on September 11 have had an effect on our economy. I believe the Department must take current economic conditions into account as it implements its releases of sebacic acid over the coming year.

Mr. HUTCHINSON. I thank my good friend from Maine, Senator COLLINS, and our distinguished colleagues from the Senate Armed Services Committee. I need not tell them that the forest products industry is an important industry in Arkansas. I will stand with you, if it becomes necessary, to restrict the Department of Defense authorization for release of sebacic acid. I know that we will be joined by many others, on both sides of the aisle. It is easy to see that the impact of this issue has the potential to affect the quality of life of working Americans across any number of states. I find it reassuring that our Committee is making such a strong statement of our intention to act if necessary. Our restraint this year demonstrates the trust we place in the Department of Defense to act reasonably within the scope of current legislative language. But that restraint will turn to resolve if the release of sebacic acid under the current authority proves harmful to the sebacic acid market.

Mr. LEVIN. I appreciate the Senator from Georgia, Mr. CLELAND, bringing this issue to my attention. I also appreciate the fact that the Senators from Georgia, Maine, and Arkansas have sought a colloquy on this issue to avoid offering an amendment to the National Defense Authorization Act for Fiscal Year 2002 and thereby slowing its passage in this time of crisis. The current law requires the Department of Defense to ensure that its sales of excess materials from the National Defense Stockpile do not adversely affect the markets for those materials. It is especially important in our current economic situation that the Department not take actions that would harm the private sector. I fully expect that the Department will comply with the law and act prudently in this regard.

AMERICA: 'BACK ON THE JOB'

Mr. NELSON of Nebraska. Madam President, I would like to recognize the tremendous outpouring of solidarity and support from America's citizens in response to the September 11 terrorist attacks. The nation's collective reaction to the horror of that day has been one of compassion and focused determination. I am pleased, not just with the response from our elected officials and our opinion-makers, but with all of our citizens across the country who have shown such courage in the face of adversity.

In an outcome that has surely flummoxed the mastermind of this tragedy, a reality has emerged: America is still strong and, because of this tragedy, America ultimately will be even stronger.

There is no firmer support for this belief than the way in which Americans have worked, as directed by our Commander-in-Chief, to get back to the demands of our daily schedules. The best civilian offense in the aftermath of these attacks is not to cower to fears of future attacks, but instead to quickly 'get back on the job' and resume our routines. To that end, our nation has been constructing an effective and forceful civilian offense. But we can still do more.

I have come to the floor today to encourage the continuation of debate—specifically here in the Senate—on issues critical to our national security. A return to such a dialogue should not be frowned upon or considered as a sign of splintered resolve, but rather as proof that America and her values are alive and well.

I commend President Bush and his advisors for their efforts thus far in preparing our minds and our military for the long battle we've undertaken. Our leaders, both civil and military, have built a coalition of nations sharing in our objective to thwart terrorist activity around the globe. We've sent a clear message to our friends, and they have responded with strong support.

And just this morning, we've communicated another message. By announcing our intent to reopen National Airport, we're telling not only friends, but the whole world, that we Americans will not live in fear within our own borders. I am pleased with President Bush's announcement. Now that added security measures have been implemented, I agree with him: It's time to unlock the symbolic front door to our nation's capital and re-affirm our commitment to get back to business.

That determination to get back to business is evident, not just at National, but at airports across the country. We have increased security measures at all airports, which in turn, have increased our sense that freedom has triumphed fear.

It's important to recognize, though, that the lack of convenience resulting from increased security measures cannot, and should not, be misconstrued as a loss of liberty. Let us not confuse the longer lines at airports and the time-consuming luggage screenings as threats to liberty; instead, consider these measures as threats to terrorism.

We are witnessing America's most important moment, and we are meeting the challenge with dignity and pride. With the events of September 11, tyranny has tried to mute the freedom that rings throughout our nation. We have defeated similar efforts in the past, and we will defeat them again. As long as we stand unified and stand strong, our spirit will never be silenced.

The solidarity shown at the different levels of government of the past few weeks, within the various agencies, and across party lines has been unwavering. Here in the Senate, we swiftly approved legislation to provide $40 billion toward the recovery effort and to help finance the retaliation measures currently being developed by the U.S. Military under the direction of the President. In addition, we approved a resolution authorizing the use of force in response to the unwarranted attacks. Without question, this unity is an extraordinary asset for a country poised to wage an assault on terrorism.

A few weeks ago, at Yankee Stadium in New York, and earlier at the National Cathedral in Washington, DC, thousands of people—Muslims, Jews, Hindus, Christians—people of all faiths—came together and honored and remembered the fallen heroes, the innocent lives, and the bright futures claimed by terrorism. At these services, and at services across the country and in my home state of Nebraska, people revived their spirits and their faith in democracy.

These gatherings are visual displays of unity signaling that America is on the mend. Sure, for some of us, it may not ever feel like 'business as usual' again, or at least for awhile, life in America may feel more like business as 'unusual.' Nonetheless, it is important for we policymakers to get back to work, including debate and discussion of all these issues. Such action will help ensure the continued viability of democracy and the continued vitality of the United States of America. After all, lockstep agreement among policymakers is not an American ideal. The free exchange of ideas, which helped America flourish, was the terrorists' true target on September 11. The terrorists, who likely don't even understand the true meaning of freedom, loathe America's system of government, her ideals and her liberty.

In response, we must show the world how the American government will carry on, that the people will continue to have their say, and that debate will still be the prelude to unity—and not the construct of obstruction.

To be clear, I am not saying we, as a nation, will no longer be unified in this effort to combat terrorism. I am simply saying that we all need to actively participate in developing, not simply rubber-stamping, policy.

As a legislative body, we can return to the comparatively mundane and, consequently, more polarizing issues without losing sight of our resolve to fight terrorism. By doing so, we will not have swayed our national values to placate forces of evil.

Yes, in times of tragedy, it is imperative to find a common bond to bring our nation together. But, as we heal our wounds, we must give all people, on all sides of an issue, a chance to be heard. After all, democracy is the healthiest alternative to war. Our weapons are words, and our nation's internal battles are fought on the grounds of the Constitution, rather than on the grounds of the combat zone.

I do not believe in the bitter partisanship that has, at times, characterized our nation, but I do believe that debate is critical to a strong democracy. Freedom of expression is fundamental to life in America and, by extension, to healthy debate here in Congress. We in the Senate are free to speak our minds and hearts. And as a result of that freedom, we need to freely come together and return to 'normal' debate empowered by the Constitution. Then, and only then, we will have successfully given back to the country that has given so much to each of us.

ADDITIONAL STATEMENTS

MAJOR GENERAL EDWARD SORIANO

● Mr. ALLARD. Madam President, I rise today to honor a great military leader, MG Edward Soriano, the outgoing commanding general of 7th Infantry and Fort Carson, CO. Major General Campbell will assume command and General Soriano will be moving on to greater responsibilities. As he and his wife Vivian depart Ft. Carson, they leave with a record of outstanding public service and numerous significant accomplishments.

Among these accomplishments is the Army's first housing privatization project. This project has been a major success, is ahead of schedule, and is now a model for military installations throughout the country. Additionally, General Soriano has overseen numerous successful deployments of units, including the deployment of the 3rd Armored Cavalry Regiment to Bosnia. Now, as our military forces conduct the war on terrorism, it is evident that the service members and their families of Ft. Carson will benefit greatly from his work.

His efforts to improve the readiness and capability of Ft. Carson and its units has met with great success and will have a long lasting and significant positive impact on the soldiers and civilians who live and work there. Furthermore he has ensured that Ft. Carson will provide our President and Secretary of Defense a first class platform from which to deploy military power.

General Soriano has done his excellent work on the facilities at Ft. Carson, despite funding shortfalls. His most significant achievement, however, has been in preparing the war fighting capability of its people. The soldiers and civilians at Ft. Carson are among the best in the Army, and are proven performers. Any venture managed by the men and women of ''The Mountain Post'' will certainly meet with success.

Finally, General Soriano and his wife have developed and nurtured an outstanding working relationship with the people of Colorado Springs, surrounding local communities, and the nearby Air Force Bases. They will be sorely missed, but they leave an organization committed to the pursuit of excellence. I wish him good luck and God speed.●

COMMENDING WILLIAM F. HOFMAN

● Mr. KENNEDY. Madam President, I welcome this opportunity to commend a distinguished citizen of Massachusetts, William F. Hofmann III of Belmont, who is now completing his highly successful term as president of the nation's largest insurance association—the Independent Insurance Agents of America.

Bill is partner in Provider Insurance Group, which has offices in Belmont, Brookline and Needham in Massachusetts, and his career has long been notable for his outstanding contributions, and dedication to his community and his profession.

Bill began his service in the insurance industry with the Massachusetts Association of Insurance Agents where he served as president. He also served the State as its representative on the national board of the Independent Insurance Agents of America.

Bill was elected to IIAA's Executive Committee in 1995, and became its president last fall. He has worked effectively through the IIAA to strengthen the competitive standing of independent insurance agents by helping to provide the support they need to run more successful businesses. He served as chairman of IIAA's Education Committee for four years, and in 1994 he received a Presidential Citation for his work in this area.

For many years, Bill has also been an active and concerned member of his community. He served as president and as a member the Board of Directors for the Boston Children's Service, and has been active in the Belmont Youth Basketball program. He served as chairman of the Belmont Red Cross, and as treasurer for the Belmont Religious Council. Bill is an elected town meeting member, finance committee member, and registrar of voters in Belmont.

I commend Bill for his leadership in all these aspects of his brilliant career, and I know he will continue his service to our community in the years ahead. Massachusetts is proud of him for all he has done so well.●

THE STATE OF IDAHO'S PROCLAMATION OF WORLD POPULATION AWARENESS WEEK

● Mr. CRAPO. Madam President, I rise today to enter into the RECORD a proclamation signed by the Governor of the State of Idaho.

Rapid population growth and urbanization have become catalysts for many serious environmental impacts and they apply substantial pressures on many facets of our infrastructure. These pressures often result in transportation, health, sanitation, and public safety problems, making urbanization an issue that cannot be ignored.

It is, therefore, important for us to recognize the problems associated with rapid population growth and urbanization. The Governor of the State of Idaho has proclaimed the week of October 21–27, 2001, as World Population Awareness Week in my State. I would like to commend the Governor for his commitment to this issue.

I ask that the proclamation be printed in the RECORD.

The proclamation follows:

PROCLAMATION

Whereas, the world population stands today at more than 6.1 billion and increases by some one billion every 13 years; and

Whereas, the most significant feature of the 20th century phenomenon of unprecedented world population growth was rapid urbanization; and

Whereas, cities and urban areas today occupy only 2% of the earth's land, but contain 50% of its population and consume 75% of its resources; and

Whereas, the most rapid urban growth over the next two decades is expected in cities with populations ranging from 250,000 to one million; and

Whereas, along with the advantages and amenities, the rapid growth of cities leads to substantial pressure on their infrastructure, manifested in security, health and crime problems, as well as deterring the provision of basic social services; and

Whereas, in the interest of national and environmental security, nations must redouble voluntary and humanitarian efforts to stabilize their population growth at sustainable levels, while at all times respecting the cultural and religious beliefs and values of their citizens; and

Whereas, World Population Awareness Week was proclaimed last year by Governors of 32 states, as well as Mayors of more than 315 United States cities, and co-sponsored by 231 organizations in 63 countries; and

Whereas, the theme of World Population Awareness Week in 2001 is ''Population and the Urban Future'';

Now Therefore, I, Dirk Kempthorne, Governor of the State of Idaho, do hereby proclaim the week of October 21 through 27, 2001, to be World Population Awareness Week in Idaho and urge all citizens of our state to take cognizance of this event and to participate appropriately in its observance.●

SPINA BIFIDA AWARENESS MONTH

● Mr. BROWNBACK. Madam President. I rise today to alert my colleagues that October is Spina Bifida Awareness month.

Many Americans don't know much about Spina Bifida. For instance, most don't know Spina Bifida is a neural tube defect and occurs when the central nervous system does not properly close during the early stages of a child's development in the womb. Even fewer American's realize that the most severe form of Spina Bifida occurs in 96 percent of children born with this disease. However, thanks to the good work that the Spina Bifida Association of America is carrying out to promote the prevention of Spina Bifida and to enhance the lives of all affected by this condition, we are all learning more every day.

During the month of October the Association makes a special push to increase public awareness about Spina Bifida, and future parents about prevention. Simply by taking a daily dose of the B vitamin, folic acid, found in most multivitamins women of childbearing age have the power to reduce the incidence of Spina Bifida by up to 75 percent. That such a simple change in habit can have such a profound effect should leave no question as to the importance of awareness.

However, awareness is not the only important work done by the Spina Bifida Association of America. The Association was founded in 1973 to address the needs of the Spina Bifida community and is currently the only national organization solely dedicated to advocating on behalf of the Spina Bifida community. There are more than 60 chapters serving over 100 communities nationwide.

One such chapter in Wichita, KS, was started by Tammy and Tim Wolke. Tammy and Tim have four children, two of whom are adopted. Not only do these heroic parents care for one child born with Spina Bifida, but also a child with cerebral palsy. But caring for their own children just hasn't been enough to keep Tammy and Tim busy. So, in their ''free time,'' the Wolkes have developed and cultivated a chapter of the Spina Bifida Association of America which serves about 200 families in their part of Kansas.

As we discuss the wonderful work of the Spina Bifida Association of America and the Wolkes, I would be remiss if I failed to mention another great Kansan. In 1988, the Association established a scholarship fund to enhance opportunities for individuals with Spina Bifida to achieve their full potential through higher education. This year's four year scholarship of $20,000 was recently awarded to Jennifer Maxton of Derby, KS. Thanks to this scholarship, Jennifer will be able to attend the school of her dreams at the University of Kansas. Jennifer is a truly amazing person who wants to become a pediatric surgeon and study abroad in Nepal. As if those goals weren't lofty enough, Jennifer hopes to some day climb Mount Everest. Jennifer wants to improve the lives of others who have not been as fortunate as she. This scholarship will start her down this path. I wish her the best of luck as she begins her academic life this fall as a Jayhawk.

I would also be remiss if I failed to mention that this evening, the Spina Bifida Association of America will be holding its 13th annual event to benefit the Association and its work in local communities around the country. Washington Post Sports columnist, Tony Kornheiser will be roasted at this event by a number of distinguished members of the Washington community, including our Congressional colleagues Senator CLINTON and Representative STEVE LARGENT. I regret that I will be unable to join my friends tonight, but wish to commend the Association for all of its hard work to prevent and reduce suffering from this birth defect and to improve the lives of those 70,000 individuals living with Spina Bifida throughout our Nation. I wish the Spina Bifida Association of America the best of luck in its endeavors and urge all of my colleagues and all Americans to support its important efforts.

God bless the Spina Bifida Association and God bless America.●

TRIBUTE TO LIEUTENANT COMMANDER RONALD JAMES VAUK

● Mr. CRAIG. Madam President, today I wish to pay tribute to a wonderful man, Lieutenant Commander Ronald James Vauk, whose life was cut short on September 11, 2001, while he was doing what he loved to do, serving his country. He was a Reservist on duty as Watch Commander at the Naval Command Center when terrorists attacked the Pentagon in Washington, D.C. This tragedy was not only a savage blow to the United States, but will forever be remembered in the hearts and minds of a loving family, a strong Idaho community, and many loyal friends.

Ron was a devoted husband and good father who was born to Dorothy and Hubert Vauk and raised in Nampa, ID. He was the youngest of nine children and attended St. Paul's Catholic School and Nampa High School, graduating in 1982. I had the pleasure of recommending Ron for an appointment to the United States Naval Academy after he served a year as an enlisted sailor. He graduated the Naval Academy in 1987 and married an incredible young women by the name of Jennifer Mooney. Ron had an exemplary career as a Naval Officer and submariner, serving on both the USS Glenard P. Lipscomb and the USS Oklahoma City. His love for the Navy continued with his service as a Reservist and a project manager for the Delex Corporation and then as an assistant group supervisor in submarine technology for the Johns Hopkins University Applied Physics Laboratory. Ron's work at Johns Hopkins was extremely important, but he was always ready to serve our Nation as a Naval Reserve Officer whenever called upon. He was a quiet genius who wasn't afraid to work hard to get the job done. And, he was a very good man who loved his family and was devoted to his wife Jennifer and their pride and joy, Liam, who is almost four years old. The entire family is excited and looking forward to the upcoming birth of Ron and Jennifer's second child, expected in November.

Ron will also be sorely missed by his parents, Dorothy and Hubert, and their eight other grown children. Ron's brothers and sisters all came together to be with Jennifer and son Liam at their home in Mt. Airy, MD. They are Charles Vauk, of Boise, Teri and Bill Masterson, Carson City, NV; Celia and Ken Shikuma, Huntington Beach, CA; David and Suzie Vauk, Nampa; Lynne and Alan Caba, Nampa; Gary and Julie Vauk, Grapevine, TX; Patricia Vauk and Paul Wilson, Minneapolis, MN; and Dennis and Donna Vauk, Houston, TX. Ron is also survived by his father and mother-in-law Patrick and Carol Mooney of Baltimore, and sister and brother-in-law Alissa and Chris DeBoy of Mt. Airy, MD, and 18 nieces and nephews. I know I speak for all my colleagues in the Senate in expressing my profound sorrow to the Vauk family for their loss.

LCDR Ronald James Vauk was awarded the Purple Heart in the name of the United States President for his ultimate sacrifice. General George Washington, this Nation's Founding Father, established the Badge of Military Merit in 1782 as a means of recognizing courage and steadfastness in actual combat against the enemies of our Country. From the original three Badges of Military Merit awarded by General Washington, we now have the Purple Heart. LCDR Vauk was one of the first casualties of the War on Terrorism. Rest assured, this war will be won and the United States will continue to lead the world in protecting freedom. Ron was at the Pentagon on September 11, 2001, because he was bravely doing what he believed in and what needed to be done. He was a thorough professional who believed in his

country and his duties as a Naval Officer.

On Monday I visited Jennifer, Liam and members of the Vauk family. Jennifer is a remarkable woman, who bears the burden of this tragedy with tremendous grace and dignity. I am very proud to recognize LDCR Ronald Vauk and tell him and his family, Thank you from a grateful Nation.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:58 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 169. An act to require that Federal agencies be accountable for violations of antidiscrimination and whistleblower protection laws, to require that each Federal agency post quarterly on its public Web site, certain statistical data relating to Federal sector equal employment opportunity complaints filed with such agency; and for other purposes.

H.R. 203. An act to amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a pilot program to provide regulatory compliance assistance to small business concerns, and for other purposes.

H.R. 1161. An act to authorize the Government of the Czech Republic to establish a memorial to honor Tomas G. Masaryk in the District of Columbia.

H.R. 1384. An act to amend the National Trails System Act to designate the route in Arizona and New Mexico which the Navajo and Mescalero Apache Indian tribes were forced to walk in 1863 and 1864, for study for potential addition to the National Trails System.

H.R. 1456. An act to expand the boundary of the Booker T. Washington National Monument, and for other purposes.

H.R. 2385. An act to convey certain property to the city of St. George, Utah, in order to provide for the protection and preservation of certain rare paleontological resources on that property, and for other purposes.

H.R. 2666. An act to amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a vocational and technical entrepreneurship development program.

H.J. Res. 42. Joint resolution memorializing fallen firefighters by lowering the American flag to half-staff in honor of the National Fallen Firefighters Memorial Service in Emittsburg, Maryland.

The message also announced that the House has disagreed to the amendment of the Senate to the bill (H.R. 2904) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes and has agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House: Mr. HOBSON, Mr. WALSH, Mr. MILLER of Florida, Mr. ADERHOLT, Ms. GRANGER, Mr. GOODE, Mr. SKEEN, Mr. VITTER, Mr. YOUNG of Florida, Mr. OLVER, Mr. EDWARDS, Mr. FARR of California, Mr. BOYD, Mr. DICKS, and Mr. OBEY.

ENROLLED BILLS SIGNED

At 3:08 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 1860. An act to reauthorize the Small Business Technology Transfer Program, and for other purposes.

H.R. 1583. An act to designate the Federal building and United States courthouse located at 121 West Spring Street in New Albany, Indiana, as the ''Lee H. Hamilton Federal Building and United States Courthouse.''

The enrolled bills were signed subsequently by the President pro tempore (Mr. BYRD).

NOTE: In the RECORD of September 19, 2001, on page S9503, the following items were inadvertently omitted:

MESSAGE FROM THE HOUSE

At 7:18 p.m., message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 231. A concurrent resolution providing for a joint session of Congress to receive a message from the President.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

S. 1424. An act to amend the Immigration and Nationality Act to provide permanent authority for the admission of ''S'' visa nonimmigrants.

MEASURES REFERRED

The following bills were read the first. And the second times by unanimous consent, and referred as indicated:

H.R. 169. An act to require that Federal agencies be accountable for violations of antidiscrimination and whistleblower protection laws, and for other purposes; to the Committee on Governmental Affairs.

H.R. 203. An act to amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a pilot program to provide regulatory compliance assistance to small business concerns, and for other purposes; to the Committee on Small Business and Entrepreneurship.

H.R. 1384. An act to amend the National Trails System Act to designate the Navajo Long Walk to Bosque Redondo as a national historic trail; to the Committee on Energy and Natural Resources.

H.R. 1456. An act to expand the boundary of the Booker T. Washington National Monument, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 2385. An act to convey certain property to the city of St. George, Utah, in order to provide for the protection and preservation of certain rare paleontological resources on that property, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 2666. An act to amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a vocational and technical entrepreneurship development program; to the Committee on Small Business and Entrepreneurship.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–4217. A communication from the Associate General for Legislation and Regulations, Office of Public and Indian Housing, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Revision to Cost Limits for Native American Housing'' (RIN2577–AC14) received on October 1, 2001; to the Committee on Indian Affairs.

EC–4218. A communication from the White House Liaison, transmitting, pursuant to law, the report of a nomination confirmed for the position of General Counsel, Department of Education, received on September 26, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–4219. A communication from the Director of the Corporate Policy and Research Department, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the report of a rule entitled ''Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits'' received on October 1, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–4220. A communication from the Secretary of Labor, transmitting, pursuant to law, the Annual Report on the Operations of the Office of Workers Compensation Programs for Fiscal Year 2000; to the Committee on Health, Education, Labor, and Pensions.

EC–4221. A communication from the Inspector General, Federal Communications Commission, transmitting, pursuant to law, the commercial inventory report; to the Committee on Governmental Affairs.

EC–4222. A communication from the Director of the Office of Personnel Management, Office of Insurance Programs, transmitting, pursuant to law, the report of a rule entitled

''Suspension of Enrollment in the Federal Employees Health Benefits (FEHB) Program to Enroll in TRICARE'' (RIN3206–AJ36) received on October 1, 2001; to the Committee on Governmental Affairs.

EC–4223. A communication from the Director of the Office of Personnel Management, Workforce Compensation, transmitting, pursuant to law, the report of a rule entitled ''Final Regulation on Pretax Allotments for Health Insurance Premiums'' (RIN3206–AJ16) received on October 1, 2001; to the Committee on Governmental Affairs.

EC–4224. A communication from the Assistant Secretary for Export Administration, Bureau of Export Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Revisions and Clarifications to the Export Administration Regulations—Chemical and Biological Weapons Controls: Australia Group; Chemical Weapons Convention'' (RIN0694–AC43) received on October 1, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–4225. A communication from the Deputy Legal Counsel, Community Development Financial Institutions Fund, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Notice of Funds Availability Inviting Applications for the Community Development Financial Institutions Program—Core and Intermediary Components'' received on October 1, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–4226. A communication from the Chief Counsel, Foreign Assets Control, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Federal Republic of Yugoslavia (Serbia and Montenegro) Kosovo Sanctions Regulations; Federal Republic of Yugoslavia (Serbia and Montenegro) Miloservic Regulations'' received on October 1, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–4227. A communication from the Secretary of Energy and the Secretary of Agriculture, transmitting jointly, pursuant to law, a report relative to the Biomass Research and Development Initiative; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4228. A communication from the Congressional Review Coordinator , Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Tuberculosis in Cattle, Bison, and Captive Cervics; State and Zone Designations'' (Doc. No. 99-092-2) received on October 1, 2001 ; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4229. A communication from the Acting Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Oranges, Grapefruit, Tangerines, and Tangelos Grown in Florida; Limiting the Volume of Small Red Seedless Grapefruit'' (Doc. No. FV01–905–1IFR) received on October 1, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4230. A communication from the Acting Administrator of the Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Irish Potatoes Grown in Colorado; Suspension of Continuing Assessment Rate'' (Doc. No. FV01–948–2IFR) received on October 1, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4231. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Tebufenozide; Tolerances for Emergency Exemptions'' (FRL6804–3) received on October 1 , 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4232. A communication from the Deputy Assistant Administrator of the Office of Diversion Control, Drug Enforcement Administration, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Waiver of Advance Notification Requirement to Import Acetone, 2-Butanone (MEK), and Toluene'' (RIN1117–AA53) received on October 1, 2001; to the Committee on the Judiciary.

EC–4233. A communication from the Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, pursuant to law, the Annual Report for Fiscal Year 2000; to the Committee on the Judiciary.

EC–4234. A communication from the Director of the Administrative Office of the United States Courts, transmitting, pursuant to law, the 2000 Activities of the Administrative Office of the United States Courts, and the 2000 Judicial Business of the United States Courts; to the Committee on the Judiciary.

EC–4235. A communication from the Acting Director of Endangered Species, Fish and Wildlife Service, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Determination of Endangered Status for the Scaleshell Mussel'' (RIN1018–AF57) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4236. A communication from the Acting Director of the Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants: Determination of Endangered Status for the Ohlone Tiger Beetle (Cincindela ohlone)'' (RIN1018–AF89) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4237. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Guidelines for Implementing the Three Percent Set-Aside Provision Contained in the State and Tribal Assistance Grants Account Section of the Agency's Fiscal Year Appropriations Act'' received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4238. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Pretreatment Program Reinvention Pilot Projects Under Project XL'' (FRL7073–3) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4239. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Clean Air Act Approval of Operating Permit Program Revision: West Virginia'' (FRL7073–9) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4240. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Clean Air Act Full Approval of Operating Permit Program; West Virginia'' (FRL7073–7) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4241. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Clean Air Act Full Approval of Operating Permit Program; Delaware'' (FRL7072–7) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4242. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''NSPS and NESHAP; Delegation of Authority to the States of Iowa; Kansas; Missouri; Nebraska; Lincoln-Lancaster County, Nebraska; and City of Omaha, Nebraska'' (FRL7071–5) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4243. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Revisions to the California State Implementation Plan, Imperial County Air Pollution Control District, Montery Bay Unified Air Pollution Control District'' (FRL7098–9) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4244. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Clean Air Act (CAA) Full Approval of Operating Permits Program in the State of Florida'' (FRL7072–1) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4245. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Clean Air Act (CAA) Final Full Approval of Operating Permits Program; State of Idaho'' (FRL7068–5) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4246. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Clean Air Act (CAA) Full Approval of Operating Permits Program and Approval and Promulgation of Implementation Plans; State of Arkansas; New Source Review (NSR)'' (FRL7072–2) received on October 1, 2001; to the Committee on Environment and Public Works.

EC–4247. A communication from the Deputy Chief, Programs and Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report relative to the Air Force Academy, Colorado; to the Committee on Armed Services.

EC–4248. A communication from the Director, Defense Procurement, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Domestic Source Restrictions—Ball and Roller Bearings and Vessel Propellers'' (Case 2000–D301) received on October 1, 2001; to the Committee on Armed Services.

EC–4249. A communication from the Director, Defense Procurement, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Cancellation of MIL–STD–973, Configuration Management'' (Case 2001–D001) received on October 1, 2001; to the Committee on Armed Services.

EC–4250. A communication from the Director, Defense Procurement, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Use of Recovered Materials'' (Case 2001–D005) received on October 1, 2001; to the Committee on Armed Services.

EC–4251. A communication from the Director, Defense Procurement, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Cost or Pricing Data Threshold'' (Case 2000–D026) received on October 1, 2001; to the Committee on Armed Services.

EC–4252. A communication from the Director, Defense Procurement, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Memorandum of Understanding—Section 8(a) Program'' (Case 2001–D009) received on October 1, 2001; to the Committee on Armed Services.

EC–4253. A communication from the Under Secretary of Defense, Acquisition, Technology and Logistics, transmitting, pursuant to law, a report relative to the Auxiliary Cargo and Ammunition Ship Live Fire Test and Evaluation Management Plan; to the Committee on Armed Services.

EC–4254. A communication from the Chief of the Regulations Branch, United States Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Name Change of User Fee Airport in Ocala, Florida'' (T.D. 01–69) received on September 26, 2001; to the Committee on Finance.

EC–4255. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Rev. Rul. 97–31—Modification of Rev. Rul. 97–31'' (Rev. Rul. 2001–48) received on September 26, 2001; to the Committee on Finance.

EC–4256. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Liabilities Assumed in Certain Corporate Transactions'' (RIN1545–AY55) received on September 26, 2001; to the Committee on Finance.

EC–4257. A communication from the Chief of the Regulations Branch, United States Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''User Fee Airports'' (T.D.01–70) received on September 26, 2001; to the Committee on Finance.

EC–4258. A communication from the Acting Commissioner of Social Security, transmitting, pursuant to law, the Annual Report of Continuing Disability Reviews for Fiscal Year 2000; to the Committee on Finance.

EC–4259. A communication from the Chairman of the United States International Trade Commission, transmitting, pursuant to law, a report entitled ''The Impact of the Caribbean Basin Economic Recovery Act (CBERA) for calendar years 1999 and 2000; to the Committee on Finance.

EC–4260. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Appeals Settlement Guidelines: Loss Utilization in a Life-Nonlife Consolidated Return—Separate V. Single Entity Approach'' (UIL: 1503.05–00) received on October 1, 2001; to the Committee on Finance.

EC–4261. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Appeals Settlement Guidelines: Gaming—Applicable Recovery Period under IRC sec. 168(a) for Slot Machines, Video Lottery Terminals, and Gaming Furniture, Fixtures, and Equipment'' (UIL: 0168.20–06) received on October 1, 2001; to the Committee on Finance.

EC–4262. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Archer MSA Count for 2001'' (Ann. 2001–99) received on October 1, 2001; to the Committee on Finance.

EC–4263. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''2002 Per Diem Rates'' (Rev. Proc. 2001–47) received on October 1, 2001; to the Committee on Finance.

EC–4264. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Bureau of Labor Statistics Price Indexes for Department Stores—August 2001'' (Rev. Rul. 2001–45) received on October 1, 2001; to the Committee on Finance.

EC–4265. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airspace Actions Amend Class E5 Airspace, Ocracke, NC'' ((RIN2120–AA66)(2001–0154)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4266. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Request for Comments Goodyear Tire and Rubber Company Flight Eagle Tires, 34x9.25–16 18PR210MPH, Part Number 348F83–2'' ((RIN2120–AA64)(2001–0491)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4267. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Rolls Royce Corporation (Formerly Allison Engine Company) AE 210 Turboprop and AE 3007 Turbofan Series Engines'' ((RIN2120–AA64)(2001–0491)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4268. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Coast Guard Force Protection Station Portsmouth Harbor, Portsmouth, New Hampshire; Coast Guard Base Portland, South Portland, Maine, and Station Boothbay Harbor, Boothbay Harbor Maine'' ((RIN2115–AA97)(2001–0113)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4269. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Part of Jacksonville and Port Canaveral, Florida (COTP Jacksonville 01–095)'' ((RIN2115–AA97)(2001–0114)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4270. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations: Piscataqua River, ME'' ((RIN2115–AE47)(2001–0073)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4271. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations: Harlem River, MA'' ((RIN2115–AE47)(2001–0074)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4272. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Technical Amendments; Organizational Changes; Miscellaneous Editorial Changes and Conforming Amendments'' ((RIN2115–ZZ02)(2001–0001)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4273. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Lake Ontario, Rochester, New York'' ((RIN2115–AA97)(2001–0109)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4274. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Snell and Eisenhower Locks , St. Lawrence River, Massena, New York'' ((RIN2115–AA97)(2001–0110)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4275. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Lake Ontario, Oswego, New York'' ((RIN2115–AA97)(2001–0111)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4276. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Saint Lawrence River, Massena, New York'' ((RIN2115–AA97)(2001–0112)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4277. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; St. Croix, U.S. Virgin Island (COTP San Juan 01–098)'' ((RIN2115–AA97)(2001–0105)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4278. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Port of Charleston,

South Carolina (COTP Charleston 01–101)'' ((RIN2115–AA97)(2001–0106)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4279. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Tomlinson Bridge, Quinnipiac River, New Haven, CT'' ((RIN2115–AA97)(2001–0107)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4280. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Port of Charleston, South Carolina (COTP Charleston 01–097)'' ((RIN2115–AA97)(2001–0108)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.ec4281

EC–4281. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations; Lake Pontchartrain, LA'' ((RIN2115–AE47)(2001–0100)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4282. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Temporary Flight Restrictions'' (RIN2120–AH13) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4283. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airspace Designations; Incorporation by Reference'' (RIN2120–ZZ37) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4284. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Security Control of Air Traffic; request for comments'' (RIN2120–AH25) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4285. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Prohibition Against Certain Flights Within the Territory and Airspace of Afghanistan'' (RIN2120–ZZ36) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4286. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (35); amdt no. 2070 [9–21/9–27]'' ((RIN2120–AA65)(2001–0051)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4287. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (102); amdt. no. 2067 [9–10/9–27]'' ((RIN2120–AA65)(2001–0050)) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4288. A communication from the Attorney/Advisor, Department of Transportation, transmitting, pursuant to law, the report of a nomination for the position of Assistant Secretary for Aviation and International Affairs, Office of the Secretary, received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4289. A communication from the Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska—Final Rule to Implement Amendment 60 to the Fishery Management Plan (FMP) for the Groundfish Fishery of the Bering Sea and Aleutian Islands Area, Amendment 58 to the FMP for Groundfish of the Gulf of Alaska, and Amendment 10 to the FMP for the Commercial King and Tanner Crab Fisheries in the Bering Sea and Aleutian Islands'' (RIN0648–AL95) received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4290. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Ocean Perch in the Central Aleutian District of the Bering Sea and Aleutian Islands Management Area'' received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4291. A communication from the Director for Executive Budgeting and Assistance Management, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements'' received on October 1, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4292. A communication from the Secretary of Commerce, transmitting, a draft of proposed legislation to amend section 3007 of the Balanced Budget Act of 1997 to shift auction deadlines for spectrum bands; to the Committee on Commerce, Science, and Transportation.

EXECUTIVE REPORT OF COMMITTEE

The following executive report of committee was submitted:

By Mr. BIDEN for the Committee on Foreign Relations:

*Robert W. Jordan, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia.

(The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.)

Nominee: Robert W. Jordan.

Post: Ambassador to Saudi Arabia.

Contributions, Amount, Date, and Donee:

1. Self: Robert W. Jordan: $600, February 27, 2001, Baker Botts Bluebonnent Fund; $100, May 18, 2001, Republican National Committee; $500, January 12, 2000, Jon Newton for U.S. Congress; $600, February 27, 2000, Baker & Botts Bluebonnet Fund; $100, March 31, 2000, Darrell Clements (for U.S. Congress); $100, March 31, 2000, Republican National Committee; $100, June 14, 2000, Pete Sessions (for U.S. Congress); $50, June 14, 2000, Republican National Committee; $1,000, June 20, 2000, Good Government Fund; $600, February 23, 1999, Baker & Botts Bluebonnet Fund; $1,000, March 17, 1999, Bush for President; $1,000 (general), April 8, 1999, Senator Kay Bailey Hutchison; $1,000 (primary), April 8, 1999, Senator Kay Bailey Hutchison; $300, November 17, 1999, Baker & Botts Bluebonnent Fund; $500, December 9, 1999, Congressman Pete Sessions; $600, March 23, 1998, Baker & Botts Bluebonnet Fund.

2. Spouse: Ann T. Jordan: $30, June 8, 2000, Native American Heritage Association; $25, March 31, 1999, Native American Rights Fund; $30, March 31, 1999, Native American Heritage Association; $200, May 2, 1999, Emily's List; $30, November 1, 1998, NARAL; $30, January 5, 1997, Native American Heritage Association.

3. Children and Spouses: Mark T. Jordan, none; Peter P. Jordan, none; Andrew R. Jordan, none.

Parents: Philip L. Jordan (deceased); Eloise W. Jordan (deceased).

5. Grandparents: Gilbert and Edna Wood (deceased); Francis and Marie Jordan (deceased).

6. Brothers and Spouses: Philip Jordan, Jr., none; Karen Jordan, none.

7. Sisters and Spouses: none.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. EDWARDS (for himself and Mr. HAGEL):

S. 1486. A bill to ensure that the United States is prepared for an attack using biological or chemical weapons; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SCHUMER (for himself and Mrs. CLINTON):

S. 1487. A bill to amend the Internal Revenue Code of 1986 to encourage the patronage of the hospitality, restaurant, and entertainment industries of New York City; to the Committee on Finance.

By Mr. ROCKEFELLER (by request):

S. 1488. A bill to amend title 38, United States Code, to authorize a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and dependency and indemnity compensation for the survivors of certain disabled veterans, to make modifications in the veterans home loan guaranty program, to make permanent certain temporary authorities, and for other purposes; to the Committee on Veterans' Affairs.

By Ms. SNOWE (for herself and Mrs. FEINSTEIN):

S. 1489. A bill to provide for the sharing of information between Federal departments, agencies, and other entities with respect to aliens seeking admission to the United States, and for other purposes; to the Committee on the Judiciary.

By Ms. SNOWE:

S. 1490. A bill to establish terrorist lookout committees in each United States Embassy; to the Committee on Foreign Relations.

By Ms. SNOWE (for herself and Mrs. FEINSTEIN):

S. 1491. A bill to provide for the establishment and implementation of a fingerprint processing system to be used whenever a visa is issued to an alien; to the Committee on the Judiciary.

By Mr. GRAMM (for himself and Mr. MILLER):

S. 1492. A bill to amend the Internal Revenue Code of 1986 to repeal the tax relief sunset and to reduce the maximum capital gains rates for individual taxpayers, and for other purposes; to the Committee on Finance.

By Mr. BOND:

S. 1493. A bill to forgive interest payments for a 2-year period on certain disaster loans to small business concerns in the aftermath of the terrorist attacks perpetrated against the United States on September 11, 2001, to amend the Internal Revenue Code of 1986 to provide tax relief for small business concerns, and for other purposes ; to the Committee on Finance.

By Mrs. LINCOLN (for herself, Mr. SHELBY, Mr. SESSIONS , Mr. BREAUX, Ms. LANDRIEU, Mr. HUTCHINSON, and Mr. COCHRAN):

S. 1494. A bill to amend the Federal Food, Drug, and Cosmetic Act to limit the use of the common name ''catfish'' in the market of fish; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SMITH of New Hampshire (for himself and Mr. INHOFE):

S. 1495. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to modify provisions concerning the liability associated with a release or threatened release of recycled oil; to the Committee on Environment and Public Works.

By Mr. GRAHAM:

S. 1496. A bill to clarify the accounting treatment for Federal income tax purposes of deposits and similar amounts received by a tour operator for a tour arranged by such operator; to the Committee on Finance.

By Mr. HATCH:

S. 1497. A bill to convey certain property to the city of St. George, Utah, in order to provide for the protection and preservation of certain rare paleontological resources on that property, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LIEBERMAN (for himself, Mr. THOMPSON, Mr. AKAKA , and Mr. WARNER):

S. 1498. A bill to provide that Federal employees, members of the foreign service, members of the uniformed services, family members and dependents of such employees and members, and other individuals may retain for personal use promotional items received as a result of official Government travel; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. REED (for himself, Ms. COLLINS, Mr. TORRICELLI, Mr. BOND, Mr. AKAKA, Mr. BAYH, Mrs. BOXER, Mr. BREAUX, Mrs. CARNAHAN, Mr. CARPER, Mr. CHAFEE, Mr. CLELAND, Mrs. CLINTON, Mr. CONRAD, Mr. CORZINE, Mr. DEWINE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. EDWARDS, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. FRIST, Mr. GRAHAM, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KERRY, Mr. KOHL, Ms. LANDRIEU, Mr. LEVIN, Mr. LIEBERMAN, Mrs. LINCOLN, Ms. MIKULSKI, Mr. REID, Mr. SARBANES, Mr. SCHUMER, Mr. SMITH of Oregon, Ms. STABENOW, and Mr. WELLSTONE):

S. Res. 166. A resolution designating the week of October 21, 2001, through October 27, 2001, and the week of October 20, 2002, through October 26, 2002, as ''National Childhood Lead Poisoning Prevention Week''; to the Committee on the Judiciary.

By Mr. MCCAIN (for himself, Mr. KERRY, Mr. GRAHAM, Mr. HAGEL, Mr. NELSON of Florida, Mr. CLELAND, and Mr. CARPER):

S. Res. 167. A resolution recognizing Ambassador Douglas ''Pete'' Peterson for his service to the United States as the first American ambassador to Vietnam since the Vietnam War; considered and agreed to.

ADDITIONAL COSPONSORS

SEPTEMBER 21, 2001

S. RES. 160

At the request of Mr. HATCH, the names of the Senator from Ohio (Mr. DEWINE), the Senator from Colorado (Mr. CAMPBELL), the Senator from New York (Mrs. CLINTON), the Senator from Nebraska (Mr. NELSON), the Senator from Vermont (Mr. LEAHY), the Senator from North Dakota (Mr. CONRAD), the Senator from Tennessee (Mr. FIRST), the Senator from West Virginia (Mr. ROCKEFELLER), the Senator from Vermont (Mr. JEFFORDS), the Senator from Montana (Mr. BAUCUS), the Senator from Alabama (Mr. SESSIONS), the Senator from North Carolina (Mr. HELMS), the Senator from New Mexico (Mr. BINGAMAN), the Senator from Kentucky (Mr. BUNNING), the Senator from Georgia (Mr. MILLER), the Senator from Alaska (Mr. MURKOWSKI),the Senator from Oklahoma (Mr. NICKLES), the Senator from Mississippi (Mr. COCHRAN), the Senator from New Mexico (Mr. DOMENICI), the Senator from Virginia (Mr. ALLEN), the Senator from Oregon (Mr. SMITH), the Senator from Oregon (Mr. WYDEN), the Senator from California (Mrs. FEINSTEIN), the Senator from South Dakota (Mr. DASCHLE), the Senator from Illinois (Mr. FITZGERALD), the Senator from Maine (Ms. SNOWE), the Senator from Maine (Ms. COLLINS), the Senator from Minnesota (Mr. WELLSTONE), the Senator from Massachusetts (Mr. KERRY), the Senator from North Dakota (Mr. DORGAN), the Senator from Washington (Ms. CANTWELL), the Senator from Michigan (Ms. STABENOW), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Arkansas (Mrs. LINCOLN), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Delaware (Mr. BIDEN), the Senator from Kansas (Mr. BROWNBACK), the Senator from Kansas (Mr. ROBERTS), the Senator from Colorado (Mr. ALLARD), the Senator from Indiana (Mr. BAYH), the Senator from West Virginia (Mr. BYRD), the Senator from Florida (Mr. NELSON), the Senator from New York (Mr. SCHUMER), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Pennsylvania (Mr. SANTORUM), the Senator from Texas (Mrs. HUTCHISON), the Senator from New Jersey (Mr. CORZINE), the Senator from Tennessee (Mr. THOMPSON), the Senator from Indiana (Mr. LUGAR), the Senator from Ohio (Mr. VOINOVICH), the Senator from Kentucky (Mr. MCCONNELL), the Senator from Mississippi (Mr. LOTT), the Senator from Hawaii (Mr. AKAKA), the Senator from California (Mrs. BOXER), the Senator from Illinois (Mr. DURBIN), the Senator from Louisiana (Mr. BREAUX), the Senator from Minnesota (Mr. DAYTON), the Senator from Wyoming (Mr. ENZI), the Senator from Wyoming (Mr. THOMAS), and the Senator from New Hampshire (Mr. SMITH) were added as cosponsors of S. Res. 160, a resolution designating the month of October 2001, as ''Family History Month.''

SEPTEMBER 24, 2001

S. 1454

At the request of Mrs. CARNAHAN, the names of the Senator from Virginia (Mr. WARNER), the Senator from Massachusetts (Mr. KERRY), the Senator from Louisiana (Ms. LANDRIEU), and the Senator from Michigan (Ms. STABENOW) were added as cosponsors of S. 1454, a bill to provide assistance for employees who are separated from employment as a result of reductions in service by air carriers, and closures of airports, caused by terrorist actions or security measures.

S. RES. 160

At the request of Mr. HATCH, the names of the Senator from Montana (Mr. BURNS), the Senator from Idaho (Mr. CRAPO), the Senator from Nebraska (Mr. HAGEL), the Senator from Wisconsin (Mr. KOHL), the Senator from Michigan (Mr. LEVIN), the Senator from Maryland (Ms. MIKULSKI), the Senator from Alabama (Mr. SHELBY), the Senator from Maryland (Mr. SARBANES), the Senator from Washington (Mrs. MURRAY), and the Senator from Florida (Mr. GRAHAM) were added as cosponsors of S. Res. 160, a resolution designating the month of October 2001, as ''Family History Month.''

AMENDMENT NO 1599

At the request of Mr. LOTT, the names of the Senator from Maine (Ms. SNOWE), the Senator from Maine (Ms. COLLINS), the Senator from Alaska (Mr. STEVENS), the Senator from Louisiana (Ms. LANDRIEU), and the Senator from Rhode Island (Mr. CHAFEE) were added as cosponsors of amendment No. 1599 intended to be proposed to S. 1438, a bill to authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military constructions, and for defense activities of the Department of Energy,

to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 1601

At the request of Mr. LOTT, the names of the Senator from Maine (Ms. SNOWE), the Senator from Maine (Ms. COLLINS), and the Senator from North Dakota (Mr. DORGAN) wee added as cosponsors of amendment No. 1601 intended to be proposed to S. 1438, a bill to authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military constructions, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

SEPTEMBER 25, 2001

AMENDMENT NO. 1599

At the request of Mr. LOTT, the names of the Senator from Connecticut (Mr. DODD) and the Senator from Louisiana (Mr. BREAUX) were added as cosponsors of amendment No. 1599 intended to be proposed to S. 1438, a bill to authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military constructions, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, as for other purposes.

OCTOBER 3, 2001

S. 326

At the request of Ms. COLLINS, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 326, a bill to amend title XVIII of the Social Security Act to eliminate the 15 percent reduction in payment rates under the prospective payment system for home health services and to permanently increase payments for such services that are furnished in rural areas.

S. 525

At the request of Mr. GRAHAM, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 525, a bill to expand trade benefits to certain Andean countries, and for other purposes.

S. 543

At the request of Mr. WELLSTONE, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of S. 543, a bill to provide for equal coverage of mental health benefits with respect to health insurance coverage unless comparable limitations are imposed on medical and surgical benefits.

S. 686

At the request of Mrs. LINCOLN, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 686, a bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for energy efficient appliances.

S. 1017

At the request of Mr. DODD, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 1017, a bill to provide the people of Cuba with access to food and medicines from the United States, to ease restrictions on travel to Cuba, to provide scholarships for certain Cuban nationals, and for other purposes.

S. 1165

At the request of Mr. BIDEN, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 1165, a bill to prevent juvenile crime, promote accountability by and rehabilitation of juvenile crime, punish and deter violent gang crime, and for other purposes.

S. 1224

At the request of Mr. ALLARD, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 1224, a bill to amend title XVIII of the Social Security Act to extend the availability of medicare cost contracts for 10 years.

S. 1236

At the request of Mrs. FEINSTEIN, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 1236, a bill to reduce criminal gang activities.

S. 1256

At the request of Mrs. FEINSTEIN, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 1256, a bill to provide for the reauthorization of the breast cancer research special postage stamp, and for other purposes.

S. 1257

At the request of Mr. REID, the name of the Senator from Oregon (Mr. SMITH of Oregon) was withdrawn as a cosponsor of S. 1257, a bill to require the Secretary of the Interior to conduct a theme study to identify sites and resources to commemorate and interpret the Cold War.

S. 1278

At the request of Mrs. LINCOLN, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1278, a bill to amend the Internal Revenue Code of 1986 to allow a United States independent film and television production wage credit.

S. 1339

At the request of Mr. CAMPBELL, the name of the Senator from Kentucky (Mr. BUNNING) was added as a cosponsor of S. 1339, a bill to amend the Bring Them Home Alive Act of 2000 to provide an asylum program with regard to American Persian Gulf War POW/MIAs, and for other purposes.

S. 1379

At the request of Mr. KENNEDY, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 1379, a bill to amend the Public Health Service Act to establish an Office of Rare Diseases at the National Institutes of Health, and for other purposes.

S. 1434

At the request of Mr. SPECTER, the names of the Senator from Illinois (Mr. DURBIN), the Senator from Michigan (Mr. LEVIN), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of S. 1434, a bill to authorize the President to award posthumously the Congressional Gold Medal to the passengers and crew of United Airlines flight 93 in the aftermath of the terrorist attack on the United States on September 11, 2001.

S. 1444

At the request of Mr. MCCONNELL, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1444, a bill to establish a Federal air marshals program under the Attorney General.

S. 1454

At the request of Mrs. CARNAHAN, the names of the Senator from New York (Mr. SCHUMER) and the Senator from North Carolina (Mr. EDWARDS) were added as cosponsors of S. 1454, a bill to provide assistance for employees who are separated from employment as a result of reductions in service by air carriers, and closures of airports, caused by terrorist actions or security measures.

S. 1465

At the request of Mr. BROWNBACK, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1465, a bill to authorize the President to provide assistance to Pakistan and India through September 30, 2003.

S. 1478

At the request of Mr. SANTORUM, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 1478, a bill to amend the Animal Welfare Act to improve the treatment of certain animals, and for other purposes.

S.J. RES. 18

At the request of Mr. SARBANES, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S.J. Res. 18, a joint resolution memorializing fallen firefighters by lowering the United States flag to half-staff on the day of the National Fallen Firefighters Memorial Service in Emmitsburg, Maryland.

S. CON. RES. 70

At the request of Mr. WARNER, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. Con. Res. 70 , a concurrent resolution expressing the sense of the Congress in support of the ''National Wash America Campaign.''

S. CON. RES. 74

At the request of Mr. DURBIN, the names of the Senator from Indiana (Mr. BAYH) and the Senator from Tennessee (Mr. THOMPSON) were added as cosponsors of S. Con. Res. 74, a concurrent resolution condemning bigotry and violence against Sikh-Americans

in the wake of terrorist attacks in New York City and Washington, D.C. on September 11, 2001.

AMENDMENT NO. 1820

At the request of Ms. COLLINS, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of amendment No. 1820 proposed to S. 1438, a bill to authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military constructions, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROCKEFELLER (by request):

S. 1488. A bill to amend title 38, United States Code, to authorize a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and dependency and indemnity compensation for the survivors of certain disabled veterans, to make modifications in the veterans home loan guaranty program, to make permanent certain temporary authorities, and for other purposes; to the Committee on Veterans' Affairs.

Mr. ROCKEFELLER. Madam President, today I introduce legislation requested by the Secretary of Veterans Affairs, as a courtesy to the Secretary and the Department of Veterans Affairs, VA. Except in unusual circumstances, it will be my practice to introduce legislation requested by the administration so that such measures will be available for review and consideration.

This ''by-request'' bill is titled the ''Veterans' Benefits Act of 2001.'' It would, among other things, authorize a cost-of-living adjustment for fiscal year 2002 for VA disability compensation, make modifications the VA home loan guaranty program, and make permanent certain temporary authorities.

I ask unanimous consent that the text of the bill and Secretary Principi's transmittal letter that accompanied the draft legislation be printed in the RECORD.

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

S. 1488

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Veterans' Benefits Act of 2001''.

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—COMPENSATION PROGRAM

SEC. 101. INCREASE IN COMPENSATION RATES AND LIMITATIONS.

(a) RATE ADJUSTMENT.—The Secretary of Veterans Affairs shall, effective on December 1, 2001, increase the dollar amounts in effect for the payment of disability compensation and dependency and indemnity compensation by the Secretary, as specified in subsection (b).

(b) AMOUNTS TO BE INCREASED.—The dollar amounts to be increased pursuant to subsection (a) are the following:

(1) COMPENSATION.—Each of the dollar amounts in effect under section 1114 of title 38, United States Code.

(2) ADDITIONAL COMPENSATION FOR DEPENDENTS.—Each of the dollar amounts in effect under section 1115(1) of such title.

(3) CLOTHING ALLOWANCE.—The dollar amount in effect under section 1162 of such title.

(4) NEW DIC RATES.—The dollar amounts in effect under paragraphs (1) and (2) of section 1311(a) of such title.

(5) OLD DIC RATES.—Each of the dollar amounts in effect under section 1311(a)(3) of such title.

(6) ADDITIONAL DIC FOR SURVIVING SPOUSES WITH MINOR CHILDREN.—The dollar amount in effect under section 1311(b) of such title.

(7) ADDITIONAL DIC FOR DISABILITY.—The dollar amounts in effect under sections 1311(c) and 1311(d) of such title.

(8) DIC FOR DEPENDENT CHILDREN.—The dollar amounts in effect under sections 1313(a) and 1314 of such title.

(c) DETERMINATION OF INCREASE.—(1) The increase under subsection (a) shall be made in the dollar amounts specified in subsection (b) as in effect on November 30, 2001.

(2) Except as provided in paragraph (3), each such amount shall be increased by the same percentage as the percentage by which benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 2001, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)).

(3) Each dollar amount increased pursuant to paragraph (2) shall, if not a whole dollar amount, be rounded down to the next lower whole dollar amount.

(d) SPECIAL RULE.—The Secretary may adjust administratively, consistent with the increases made under subsection (a), the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857 (72 Stat. 1263) who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

(e) PUBLICATION REQUIREMENT.—At the same time as the matters specified in section 215(i)(2)(D) of the Social Security Act (42 U.S.C. 415(i)(2)(D)) are required to be published by reason of a determination made under section 215(i) of such Act during fiscal year 2002, the Secretary shall publish in the Federal Register the amounts specified in subsection (b) as increased under this section.

SEC. 102. ROUNDING DOWN OF COST-OF-LIVING ADJUSTMENTS IN COMPENSATION AND DIC RATES.

(a) COMPENSATION COLAS.—Section 1104(a) is amended by striking out ''fiscal years 1998 through 2002.''

(b) DIC COLAS.—Section 1303(a) is amended by striking out ''fiscal years 1998 through 2002.''

TITLE II—HOUSING LOANS

SEC. 201. VENDEE LOAN AUTHORITY.

(a) TERMINATION OF VENDEE LOAN AUTHORITY.—Section 3733(a) is amended by striking out paragraphs (1) and (2) in their entirety and inserting in lieu thereof:

''(1) Prior to October 1, 2001, the Secretary may sell real property acquired by the Secretary as the result of a default on a loan guaranteed or made under this chapter with the purchase financed by a loan made by the Secretary.''

(b) INTERNAL REVENUE CODE AMENDMENT.—Section 6103(I)(7)(D) of the Internal Revenue Code of 1986, is amended by striking out ''Clause (viii) shall not apply after September 30, 2003.''

SEC. 302. LIMITATION ON PENSION FOR CERTAIN RECIPIENTS OF MEDICAID-COVERED NURSING HOME CARE.

Section 5503(f) is amended by striking out paragraph (7).

SEC. 303. HEALTH CARE AND MEDICATION COPAYMENTS.

(a) Section 1710 is amended by striking out ''before September 30, 2002,'' in subsection (f)(2)(B).

(b) Section 1722A is amended by striking out subsection (d).

SEC. 304. THIRD-PARTY INSURANCE COLLECTIONS.

Section 1729 is amended by striking out ''before October 1, 2002,'' in subsection (a)(2)(E).

THE SECRETARY OF VETERANS AFFAIRS,
Washington, August 2, 2001.

Hon. RICHARD B. CHENEY,
President of the Senate,
Washington, DC.

DEAR MR. VICE PRESIDENT: There is transmitted herewith a draft bill, the ''Veterans' Benefits Act of 2001,'' to authorize a cost-of-living adjustment (COLA) for fiscal year (FY) 2002 in the rates of disability compensation and dependency and indemnity compensation (DIC), to make modifications in the veterans home loan guaranty program, to make permanent certain temporary authorities, and for other purposes. All of the bill's provisions are in support of the President's FY 2002 budget request for the Department of Veterans Affairs (VA). I request that this bill be referred to the appropriate committee for prompt consideration and enactment.

Compensation and DIC COLA

Section 101 of the draft bill would direct the Secretary of Veterans Affairs to increase

administratively the rates of compensation for service-disabled veterans and of DIC for the survivors of veterans whose deaths are service related, effective December 1, 2001. As provided in the President's FY 2002 budget request, the rate of increase would be the same as the COLA that will be provided under current law to veterans' pension and Social Security recipients, which is currently estimated to be 2.5 percent. We estimate that enactment of this section would cost $376 million during FY 2002, $7.1 billion over the period FYs 2002–2006 and $27.6 billion over the period FYs 2002–2011. Although this section is subject to the pay-as-you-go (PAYGO) requirement of the Omnibus Budget Reconciliation Act of 1990 (OBRA), the paygo effect would be zero because OBRA requires that the full compensation COLA be assumed in the baseline. We believe this proposed COLA is necessary and appropriate in order to protect the benefits of affected veterans and their survivors from the eroding effects of inflation. These worthy beneficiaries deserve no less.

Section 102 of the draft bill would amend 38 U.S.C. §§1104(a) and 1303(a), respectively, to provide that, in calculating the cost-of-living adjustment in the rates of disability compensation and dependency and indemnity compensation pursuant to the enactment of authorizing legislation governing payment of benefits in FY 2002 and thereafter, the Secretary of Veterans Affairs shall round down to the next lower whole dollar any rate that is not evenly divisible by one dollar. Currently, section 1104(a) requires the Secretary to utilize this round-down calculation method during FYs 1998 through 2002. This requirement was added by Public Law No. 105–33, §8031(a)(1), 111 Stat. 251, 668 (1997). This section was renumbered (from 1103 to 1104) by Public Law No. 105–368, §1005(a), 112 Stat. 3315, 3364 (1998). Section 102 is subject to the PAYGO requirement of OBRA. Enactment of this section would result in no cost savings in FY 2002, but would result in savings of $14.5 million in FY 2003, $196 million over the period FYs 2002–2006 and $996 million over the period FYs 2002–2011.

Housing Loans

Section 201 of the draft bill would terminate, effective October 1, 2001, the authority of the Secretary to provide financing in connection with the sale of a single-family home acquired by (VA) following the foreclosure of a loan guaranteed or made by VA. Such financing is commonly referred to as a ''vendee loan.'' After that date, purchasers of VA-owned properties would need to obtain financing from private lenders. Vendee loans are not a veterans benefit. Currently, all members of the public may purchase VA-owned homes and obtain vendee financing. Veterans receive a very limited preference with regard to purchasing such properties.

Subsection (a) would amend 38 U.S.C. §3733 to terminate vendee loans effective October 1, 2001, except with respect to properties for which VA accepted a purchase before such date.

Subsection (b) would make a conforming amendment to 38 U.S.C. §3720 regarding the powers of the Secretary to dispose of property acquired under the housing loan program.

Section 201 is subject to the PAYGO requirement of OBRA. Enactment of this section would result in a cost of $18 million in FY 2002, and then savings of $50 million over the period FYs 2002–2006 and savings of $227 million over the period FYs 2002–2011.

Section 202 of the draft bill would make permanent the increases in the fees collected from most veterans obtaining or assuming a loan guaranteed, insured, or made by VA. These increases were originally enacted by the Omnibus Budget Reconciliation Act of 1993 (OBRA '93). OBRA '93 increased the fees for most VA guaranteed housing loans by 75 basis points, or 0.75 percent of the loan amount, and established a fee of 3 percent of the loan amount on veterans who obtain a second no-downpayment loan under the VA program. The increased fees are now set to expire on September 30, 2008.

Section 202 is subject to the PAYGO requirement of OBRA. The enactment of section 202 would not result in cost savings until FY 2009. In FY 2009, cost savings would be $275 million, and cost savings for the period FYs 2002–2011 would be $841 million.

Section 203 would make permanent the VA ''no-bid formula'' contained in 38 U.S.C. §3732(c). This formula determines VA's liability to a loan holder under the guaranty and whether or not the holder would have the election to convey the property to VA following the foreclosure. As amended by OBRA '93, the no-bid formula requires VA to consider, in addition to other costs, VA's loss on the resale of the property. The no-bid formula currently applies to all loans closed before October 1, 2008.

Section 203 is subject to the PAYGO requirement of OBRA. The enactment of section 203 would not result in cost savings until FY 2009. In FY 2009, $23 million would be saved as a result of enactment of this section. Total savings from FYs 2002–2011 would be $2 million.

Extension of Temporary Authorities

Section 301 of the draft bill would amend 38 U.S.C. §5317 and 26 U.S.C. §6103, respectively, to permanently authorize VA to verify the eligibility of recipients of, or applicants for, VA's needs-based programs through data matching with the Internal Revenue Service and the Social Security Administration. VA's authority under 38 U.S.C. §5317 expires on September 30, 2008. However, authority under the Internal Revenue Code for this data matching expires on September 30, 2003. This section is subject to the PAYGO requirement of OBRA. Enactment of this section would result in cost savings of $6 million in FY 2004, and would result in cumulative cost savings of $18 million for the period FYs 2002–2006 and $48 million for the period FYs 2002–2011.

Section 302 of the draft bill would make permanent the $90 limitation on monthly VA pension payments that may be made to beneficiaries, without dependents, who are receiving Medicaid-covered nursing-home care by removing the existing September 30, 2008, expiration date set forth in 38 U.S.C. §5503(f). By reducing pension income, this provision reduces beneficiaries' share of their nursing home expenses. State Medicaid programs pay the difference, with a percentage of their expenditures reimbursed by the Federal government. This section is subject to the PAYGO requirement of OBRA. While section 302 would maintain higher State and Federal Medicaid costs, enactment of this section would result in VA cost savings of $527 million in FY 2009. VA cost savings for the period FYs 2002–2011 would be $1.6 billion.

Section 303(a) would amend 38 U.S.C. §1710(f)(2)(B) to make permanent a requirement that veterans eligible for health care under 38 U.S.C. §1710(a)(3) pay a copayment of $10 for each day they receive VA hospital care. The requirement that veterans pay the copayment expires on September 30, 2002. Section 303(a) would also extend the current $5 copayment for each day a veteran receives nursing home care. However, that $5 copayment will continue only until such time that VA publishes final regulations establishing a new copayment for nursing home care in accordance with requirements of 38 U.S.C. §1710B, a new provision added to title 38 by the Millennium Health Care and Benefits Act, Public Law No. 106–117. This section is subject to the PAYGO requirement of OBRA; however, the PAYGO effect would be zero because OBRA requires that collections be assumed in the baseline. Enactment of this section would result in continued collections of $8 million beginning in FY 2003. For FYs 2002–2006, the collections would total $40 million. For the period FYs 2002–2011, total collections would be $80 million.

Subsection (b) would amend 38 U.S.C. §1722A to make permanent a requirement that certain veterans pay VA a copayment for each 30-day supply of medication that they receive on an outpatient basis. The requirement that veterans pay the copayment expires on September 30, 2002. The copayment amount is currently $2 for each prescription, but section 1722A contains provisions allowing VA to increase the copayment amount and VA is likely to increase the amount during FT 2002. This section is subject to the PAYGO requirement of OBRA; however, the PAYGO effect would be zero because OBRA requires that collections be assumed in the baseline. Assuming continuation of only a $2 copayment, enactment of this section would result in collections of $100 million in FY 2003, $500 million over the period FYs 2002–2006, and $1 billion over the period FYs 2002–2011. In addition, enactment of this section would allow VA to implement the provision of the Veterans Millennium Health Care and Benefits Act increasing copayments, which would result in collections of $268 million in FY 2003.

Section 304 would amend 38 U.S.C. §1729(a)(2)(E) to permanently authorize VA to collect from third-party private insurers for care VA provides to insured service-connected veterans for their nonservice-connected disabilities. Under existing law, the authority to collect from insurers expires on September 30, 2002. This section is subject to the PAYGO requirement of OBRA; however, the PAYGO effect would be zero because OBRA requires that collections be assumed in the baseline. Enactment of this section would result in collections of $591 million in FY 2003. It would result in collections of $2.5 billion for the period FYs 2002–2006 and $5.9 billion over the period FYs 2002–2011.

Because this draft bill would affect direct spending and receipts, it is subject to the PAYGO requirement of OBRA. The Office of Management and Budget estimates that the provisions authorized by this draft bill would result in a total PAYGO cost of $19 million for FY 2002, but a PAYGO savings of $265 million for FYs 2002–2006, and $2.6 billion for FYs 2002–2011.

The Office of Management and Budget has advised that there is no objection to the submission of this legislative proposal to the Congress, and that its enactment would be in accord with the program of the President.

Sincerely yours,

ANTHONY J. PRINCIPI.

By Ms. SNOWE (for herself and Mrs. FEINSTEIN):

S. 1489. A bill to provide for the sharing of information between Federal departments, agencies, and other entities with respect to aliens seeking admission to the United States, and for other purposes; to the Committee on the Judiciary.

By Ms. SNOWE:

S. 1490. A bill to establish terrorist lookout committees in each United States Embassy; to the Committee on Foreign Relations.

By Ms. SNOWE (for herself and Mrs. FEINSTEIN):

S. 1491. A bill to provide for the establishment and implementation of a fingerprint processing system to be used whenever a visa is issued to an alien; to the Committee on the Judiciary.

Ms. SNOWE. Madam President, I rise today to introduce three bills that will provide our first line of defense, our Consular Officers at our embassies and INS Inspectors at our ports-of-entry, with the resources and information they need to determine whether to grant a foreign national a visa or permit them entry to the United States. They are: The Terrorist Lookout Committee Act, the Visa Fingerprinting Act, and the Information Sharing to Strengthen America's Security Act.

I saw firsthand the consequences of serious inadequacies in coordination and communication during my twelve years as ranking member of the House Foreign Affairs International Operations Subcommittee and chair of the International Operations Subcommittee of the Senate Foreign Relations Committee. It was this lack of coordination that permitted the radical Egyptian Sheik Rahman, the mastermind of the 1993 World Trade Center bombing, to enter and exit the U.S. five times unimpeded even after he was put on the State Department's Lookout List in 1987, and allowed him to get permanent residence status by the INS even after the State Department issued a certification of visa revocation.

These bills are an essential step toward removing a vulnerability in our national security that has continued through the years. For example, the Inman report of 1984, which was commissioned by Secretary Shultz after three terrorist attacks against the U.S. Embassy and marines in Lebanon in 1983 and 1984, found that coordination between agencies must be improved. After the 1998 bombings of U.S. embassies in Kenya and Tanzania, the Accountability Review Board, a board which is required by law to make findings and recommendations upon the loss of life or property, made a recommendation that the FBI and State Department should improve their information sharing on terrorism. The 2000 National Commission on Terrorism also recommended that the FBI should establish a cadre of reports officers to distill and disseminate terrorism-related information once it is collected.

While intelligence is frequently exchanged, no law requires law enforcement and intelligence agencies to share information on dangerous aliens with the State Department. The information sharing that does occur among agencies is done on a voluntary basis. Accordingly, the first bill I am introducing, the Information Sharing to Strengthen America's Security Act, requires all U.S. law enforcement agencies and the intelligence community to share information on foreign nationals with the State Department so that visas can be granted with the assurance that the sum total of the U.S. government has no knowledge why an alien should not be granted a visa to travel to the U.S.

This bill increases the information sharing among our law enforcement agencies, our intelligence community, and the State Department, so that foreign nationals who are known by any entity of the U.S. Government to be associated with, or members of, terrorist organizations are denied a visa. This includes the FBI, DEA, INS, Customs, CIA and the Defense Intelligence Agency, DIA, all vital agencies in the war on terrorism.

The second bill I am introducing—the Terrorist Lookout Committee Act, builds on the Information Sharing to Strengthen America's Security Act by requiring a Terrorist Lookout Committee to be established in every one of our embassies. This committee, which would be chaired by the Deputy Chief of Mission, will be comprised of the senior representatives of all law enforcement agencies and the intelligence community. The purpose of the mandated monthly meeting is to provide a forum for these officials to add names to the State Department's Consular Lookout and Support System, CLASS, of those who are considered dangerous aliens and, if they applied for a visa, should undergo a thorough review and possible denial of the visa.

If no names are submitted to the list then the chair is required to certify, subject to an Accountability Review Board, that no member had knowledge of any name that should be included. This requirement will elevate awareness of, and focus constant attention on, the necessity of maintaining the most accurate and current information possible. Finally, quarterly reports by the Secretary of State are to be submitted to the House International Relations Committee and the Senate Foreign Relations Committee.

To ensure that the foreign national who received the visa from our Embassy is the same person using it to enter the United States, I have introduced the Visa Fingerprinting Act. This bill requires the Secretary of State and the INS Commissioner to jointly establish and implement a fingerprint-backed check system. Foreign nationals would be fingerprinted before a visa could be issued, with information catalogued in a database accessible to Immigration officials. INS authorities at port-of-entry would then be required to match fingerprint data with that of the foreign nationals seeking entry into the U.S., with the INS certifying to the match before permitting entry. My bill authorizes a one-time congressional expenditure to establish and implement the system, but the cost of operating the system would be funded through an increase in the visa service charge required for each visa.

The use of biometric technology such as fingerprint imaging, retinal and iris scans, and voice recognition, is no longer just a part of our science-fiction movies, but has become a widely used means of identity verification. The U.S. Government uses it at military and secret installations for access to both information and the installations themselves. Airports, such as Charlotte-Douglas International which utilizes iris scanning technology, have incorporated biometric technology to limit access to particular areas of the airport to authorized personnel only.

Interestingly, the INS already started down this road when, in 1998, it began to issue biometric crossing cards to Mexicans who cross the border frequently. These cards have a digital fingerprint image which, upon crossing, is matched to the fingerprint of the person possessing the card.

The bottom line is, we must stop terrorists not only at their points of entry, but more critically, at their point of origin. In America's war on terrorism, we can do no less.

By Mr. BOND:

S. 1493. A bill to forgive interest payments for a 2-year period on certain disaster loans to small business concerns in the aftermath of the terrorist attacks perpetrated against the United States on September 11, 2001, to amend the Internal Revenue Code of 1986 to provide tax relief for small business concerns, and for other purposes; to the Committee on Finance.

Mr. BOND. Madam President, I rise today to introduce the ''Small Business Leads to Economic Recovery Act of 2001.'' The senseless terrorist attacks of September 11th have dealt a severe blow to the Nation and to our already struggling economy. The Small Business Administration estimates that 14,000 small businesses are within the disaster area in New York alone. These businesses clearly have been directly affected by this national disaster. But the economic impact does not stop there. For months small enterprises and self-employed individuals across the country have been struggling with the slowing economy. The recent terrorist attacks makes their situation even more dire.

In light of these events, the increasing calls from the small business community for economic stimulus legislation have understandably increased. As the Ranking Member of the Committee

on Small Business and Entrepreneurship, I receive on a daily basis pleas for help from small business in Missouri and across the Nation: small restaurants who have lost much of their business due to the fall off in business travel; local flight schools that have been grounded as a result of the recent terrorist attacks; and Main Street retailers who are struggling to survive in the slowing economy. Clearly, we must act and act soon.

In response to these urgent calls for help, I have prepared the Small Business Leads to Economic Recovery Act of 2001, which is designed to provide effective economic stimulus in three distinct but complementary ways: increasing access to capital for the Nation's small enterprises; providing tax relief and investment incentives for our small firms and the self-employed; and directing one of the Nation's largest consumers—the Federal Government—to shop with small business in America.

When the Disaster Relief Program at the Small Business Administration, SBA, was first established, the terrorist attack on New York City and the Pentagon was hardly contemplated. Now that we as a Nation are confronted with this nightmare, it is easy to see that are traditional approach to disaster relief will not be helpful to the thousands of small businesses located at or around the World Trade Center and the Pentagon.

In New York City, it may be a year or more before many of the small businesses destroyed or shut down by the terrorist attacks can reopen their doors for business. Small firms near the Pentagon, such as those at the Reagan National Airport or Crystal City, Virginia, are also shut down or barely operating. And there are small businesses throughout the United States that have been shut down for national security concerns. For example, General Aviation aircraft remain grounded, closing all flight schools and other small businesses dependent on single engine aircraft.

Regular small business disaster loans fall short of providing effective disaster relief to help these small businesses. Therefore, my bill will allow small businesses to defer for up to two years repayment of principal and interest on their SBA disaster relief loans. Interest that would otherwise accrue during the deferment period would be forgiven. It is my intention that this essential new ingredient will allow the small businesses to get back on their feet without jeopardizing their credit or diving them into bankruptcy.

Small enterprises located in the presidentially declared disaster areas surrounding the World Trade Center and the Pentagon are not the only business experiencing extreme hardship as the direct result of the terrorist attacks of September 11th. Nationwide, thousands of small businesses are unable to conduct business or are operating at a bare-minimum level. Tens of thousands of jobs are at risk of being lost as our nation's small businesses weather the fall out from the September 11th attacks.

My bill provides a special financial tool to assist small businesses as they deal with these significant business disruptions. Small businesses in need of working capital would be able to obtain SBA-guaranteed ''Emergency Relief Loans'' from their banks to help them during this period. Fees normally paid by the borrower to the SBA would be eliminated, and the SBA would guarantee 95 percent of the loan. A key feature of my bill is the authorization for the bank to defer repayment of principal for up to one year.

My colleagues and I have been hearing time and time again during the last three weeks since the terrorist attacks that small businesses are experiencing significant hardship. Many small businesses were already experiencing a downturn in business activity prior to September 11th. As the White House Chief of Staff recently commented, our economy was in a downturn before September 11, and this downturn was further exacerbated by the terrorist attacks.

Historically, when our economy slows or turns into a recession, the strength of the small business sector helps to right our economic ship, leading the nation to economic recovery. Today, small businesses employ 58 percent of the U.S. workforce and create 75 percent of the net new jobs. Clearly, we cannot afford to ignore America's small businesses as we consider measures to stimulate our economy.

The Small Business Leads to Economic Recovery Act of 2001 also provides for changes in the SBA 7(a) Guaranteed Business Loan Program and the 504 Certified Development Company Loan Program to stimulate lending to small businesses that are most likely to grow and add new employees. These enhancements to the SBA's 7(a) and 504 loan programs are to extend for one year. They are designed to make the program more affordable during the period when the economy is weak and banks have tightened their underwriting requirements for small business loans.

Specifically, when the economy is slowing, it is normal for banks to raise the bar for obtaining commercial loans. However, making it harder for small businesses to survive is the wrong reaction to a slowing economy. By tweaking the 7(a) and 504 loans to make them more affordable to borrowers and lenders, we will be working against history's rules governing a slowing economy, thereby adding a stimulus for small businesses. Essentially, we will be providing a countercyclical action in the face a slow economy with the express purpose of accelerating the recovery.

I have agreed to cosponsor a bill that Senator JOHN KERRY, Chairman of the Committee on Small Business and Entrepreneurship, intends to introduce in the near future to improve and strengthen the credit and management assistance programs at the SBA in response to the September 11th terrorist attack. I am pleased to report that his bill will incorporate key ingredients of Title I of the Small Business Leads to Economic Recovery Act of 2001 by adopting the three tier approach to enhance the SBA's credit programs so they can respond more effectively and efficiently to the September 11th disaster.

With the contraction of the private-equity market over the past year, the Small Business Investment Company, SBIC, program has taken on a significant role in providing venture capital to small businesses seeking investments in the range of $500,000 to $3 million. In the current economic environment, the SBIC program represents an increasingly important source of capital for small enterprises.

While Debenture SBICs qualify for SBA-guaranteed borrowed capital, the government guarantee forces a number of potential investors, namely pension funds, to avoid investing in SBICs because they would be subject to tax liability for unrelated business taxable income, UBTI. When free to choose, tax-exempt investors generally opt to invest in venture capital funds that do not create UBTI.

As a result, 60 percent of the private-capital potentially available to these SBICs is effectively ''off limits.'' The Small Business Leads to Economic Recovery Act of 2001 corrects this problem by excluding government-guaranteed capital borrowed by Debenture SBICs from debt for purposes of the UBTI rules. This change would permit tax-exempt organizations to invest in SBICs without the burdens of UBTI recordkeeping or tax liability. More importantly, this change in the law could double the amount of private capital being invested in small businesses through the Debenture SBIC program.

The access-to-capital provisions of the bill will go a long way toward easing the cash-flow burdens that small firms are now facing, but we can also tackle this problem from another perspective, reducing the tax burden of small businesses. Accordingly, the second component of my Small Business Leads to Economic Recovery Act provides substantial tax relief for small businesses. These provisions hold the greatest potential, in my opinion, for fast and effective tax stimulus for small enterprises.

First and foremost, this bill would permit small businesses to expense substantially more of their new equipment

purchases by raising the expensing limit to $100,000 per year and by increasing the expensing phase-out threshold to $500,000. In addition, for small businesses that cannot qualify for expensing, the bill reduces the depreciation-recovery period for computers, peripheral equipment and software to two years.

Together, these provisions have several important advantages for America's small businesses, especially in light of the current economic conditions. By allowing more equipment purchases to be deducted currently and reducing the recovery period for technology purchases that must be depreciated, we can provide much needed capital for small businesses. With that freed-up capital, a business can invest in new computer equipment, which will benefit the small enterprise and, in turn, stimulate the sagging technology industry. Finally, new computer equipment will contribute to continued productivity growth in the business community, which Federal Reserve Chairman Alan Greenspan has stressed is essential to the long-term vitality of our economy.

Finally, these modifications will simplify the tax law for countless small businesses. Greater expensing means less equipment subject to the onerous depreciation rules. And for businesses that do not qualify for expensing, shortening the recovery period for computer equipment from the current five-year period will add some common sense to the tax law. Since most computers have outlived their usefulness after two to three years, let alone five years, too many businesses are left to depreciate this property long after it has become obsolete.

In short, the equipment-expensing and depreciation changes I propose are a win-win for small businesses, the technology industry, and our national economy as a whole. But we do not stop there. The bill also addresses the limitation on depreciation that many small firms face with regard to the automobiles, light trucks and vans that are so essential to their operations.

Specifically, the Small Business Leads to Economic Recovery Act amends the limitations under section 280F of the tax code, which currently prohibit a small business from claiming a full depreciation deduction if the vehicle costs more than $14,460, for vehicles placed in service in 2000. Although these limitations have been subject to inflation adjustments since they were adjusted in 1986, they have not kept pace with the actual cost of new vehicles in most cases. For many small businesses, the use of a car, light truck or van is an essential asset for transporting personnel to sales and service appointments and for delivering their products. Accordingly, the bill adjusts the thresholds so that a business will not lose any of its depreciation deduction for vehicles costing less than $25,000, which will continue to be indexed for inflation.

This provision of the bill will help ease the cash flow strains for many small businesses, freeing critical capital that can be used for investments in new business vehicles. In turn, purchases of new cars, light trucks or vans will offer much-needed stimulus for the nation's automotive industry. Again, multiple benefits for a small change in our tax code.

My bill also responds to the difficult times facing the nation's restaurant industry, which the National Restaurant Association estimates lost 60,000 jobs in September due to slower sales caused by the current economic conditions and the recent terrorist attacks. While by no means a complete solution, we can lend a hand to the restaurant industry, which is dominated by small businesses, by increasing the business-meals deduction to 100 percent. This will provide an incentive for businesses to return to their local restaurants, and at the same time assist non-restaurant businesses and the self-employed for whom business meals are an unavoidable fact of life.

At the National Women's Small Business Summit, which I hosted last June, a number of participants noted that unlike their large competitors, small enterprises often sell their products and services by word of mouth and close many business transactions on the road or in a local diner. In many ways the business breakfast with a potential customer is akin to formal advertising that larger businesses purchase in newspapers or on radio or television. While the newspaper ad is fully deductible, however, the business meal is only 50 percent deductible for the small business owner.

In addition, many self-employed individuals like sales representatives spend enormous amounts of time on the road with no choice but to eat in restaurants while away from home. For these individuals the current 50 percent limitation on the deductibility of business meals is a severe strain on cash flow, especially with the soft market conditions they face for selling their products and services. A 100 percent deduction will ease those strains and help small firms in these situations to weather the current economic storm.

The final tax provisions of my bill relate to a growing problem for small businesses—the alternative minimum tax, AMT. For the sole proprietors, partners, and S corporation shareholders, the individual AMT increases their tax liability by, among other things, reducing depreciation and depletion deductions, limiting net operating loss treatment, eliminating the deductibility of state and local taxes, and curtailing the expensing of research and experimentation costs. In addition, because of its complexity, this tax forces small business owners to waste precious funds on tax professionals to determine whether the AMT even applies. For these reasons, the bill includes the recommendation of the Taxpayer Advocate to repeal the individual AMT. In light of the current economic situation facing our nation's small enterprises, my bill will repeal the individual AMT beginning this year.

For small corporations, the AMT story is much the same, high compliance costs and additional taxes draining away scarce capital from the business. Accordingly, for small corporate taxpayers, the bill increases the current exemption from the corporate AMT. As a result, a small corporation will initially qualify for the exemption if its average gross receipts are $7.5 million or less, up from the current $5 million, during its first three taxable years. Thereafter, a small corporation will continue to qualify for the AMT exemption for as long as its average gross receipts for the prior three-year period do not exceed $10 million, up from the current $7.5 million.

The tax component of the Small Business Leads to Economic Recovery Act will provide significant cash-flow relief for small enterprises and many incentives for them to continue investing in our economy for their long-term well being. Together with the access-to-capital component, the tax relief will give a significant boost to small businesses and our economy. But we can do more, we can call on the Nation's largest consumer, the Federal Government, to shop with small business in America.

Toward that end, my bill would make some subtle changes in the laws governing Federal procurement that will have a dramatic impact on expanding contracting opportunities for small businesses. For example, when the Brooks Act was enacted in 1982, it prohibited small business set asides for contracts to provide architectural and engineering services valued at $85,000 or more. It has been almost twenty years, and the ceiling has not been adjusted, not even once, to reflect inflation or other changes in the economy. My bill would increase this ceiling to $300,000 and would create immediate opportunities for contracting officers in Federal agencies to increase the number of contracts set aside for small businesses.

It is also the Federal Government's policy that contracts valued at less than $100,000 be reserved for small businesses. This policy, however, is not followed by the General Services Administration, GSA, with respect to the Federal Supply Schedule, FSS. Too often contracts for less than $100,000 are filed by large businesses. Therefore, my bill would require that all Federal agency contracts, requirements or procurements valued at less than $100,000

be reserved for small businesses. Again, this change in our law would have an immediate positive effect by making more contracting opportunities available to small businesses.

For contracts for property or services not on the GSA's FSS, my bill would require that contracts valued at less than $100,000 be reserved for competition among small businesses registered on the SBA's PRO-Net and the Central Contractor Register, CCR, at the Department of Defense, DoD. By using the two registries, small businesses would know where to go to begin the process of competing for government contracts, and contracting officers would have at their fingertips a list of hundreds of thousands of small businesses listed by industry category.

My bill would provide for a six-month announcement period, which would be followed by a one year phase-in period during which 25 percent of the dollar value of all contracts valued less than $100,000 would be set aside for small businesses. After the first year, the set aside would increase to 50 percent in the second and subsequent years.

Minority-owned small businesses and small businesses located in economically distressed urban and rural areas are at a particular disadvantage when competing for Federal government contracts. My bill would offer improved opportunities for these small businesses as part of the disaster-recovery effort. It would provide that when a contracting officer directs a contract to a HUBZone or 8(a) small businesses, the current ceiling on sole-source contracting would be removed. This change would apply only to the money that is appropriated by the Congress specifically targeted to the September 11 disaster-recovery effort.

The Small Business Leads to Economic Recovery Act is a comprehensive bill to help the Nation as well as the owners and employees of small businesses. Its relief is targeted and is designed to work tomorrow and in the immediate future. Now is not the time to focus on ten year plans and lengthy phase-in periods. Small businesses need help, today, and my bill will put cash in the business' bank account and in employees' pockets. Small businesses have been the champions of past economic recoveries. My bill gives small businesses the tools to accelerate a recovery, so that our Nation's economic fortunes are reversed sooner rather than later.

Madam President, I ask unanimous consent that the text of the bill and a summary of its provisions be printed in the RECORD.

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

S. 1493

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Small Business Leads to Economic Recovery Act of 2001''.

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

TITLE I—SMALL BUSINESS EMERGENCY LOAN ASSISTANCE

SEC. 101. SHORT TITLE.

This title may be cited as the ''Small Business Emergency Loan Assistance Act of 2001''.

SEC. 102. DEFINITIONS.

In this title—

(1) the term ''Administration'' means the Small Business Administration;

(2) the term ''covered loan'' means a loan made by the Administration to a small business concern—

(A) under section 7(b) of the Small Business Act (15 U.S.C. 636(b)); and

(B) located in an area which the President has designated as a disaster area as a result of the terrorist attacks perpetrated against the United States on September 11, 2001; and

(3) the term ''small business concern'' has the same meaning as in section 3 of the Small Business Act (15 U.S.C. 632).

SEC. 103. DEFERMENT OF DISASTER LOAN PAYMENTS.

(a) IN GENERAL.—Notwithstanding any other provision of law, payments of principal or interest on a covered loan shall be deferred, and no interest shall accrue with respect to a covered loan, during the 2-year period following the date of issuance of the covered loan.

(b) RESUMPTION OF PAYMENTS.—At the end of the 2-year period described in subsection (a), the payment of periodic installments of principal and interest shall be required with respect to a covered loan, in the same manner and subject to the same terms and conditions as would otherwise be applicable to a loan made under section 7(b) of the Small Business Act (15 U.S.C. 636(b)).

SEC. 104. REFINANCING EXISTING DISASTER LOANS.

(a) IN GENERAL.—Any loan made under section 7(b) of the Small Business Act (15 U.S.C. 636(b)) that was outstanding as to principal or interest on September 11, 2001, may be refinanced by a small business concern that is also eligible to receive a covered loan under this Act, and the refinanced amount shall be considered to be part of the covered loan for purposes of this title.

(b) NO AFFECT ON ELIGIBILITY.—A refinancing under subsection (a) by a small business concern shall be in addition to any covered loan eligibility for that small business concern under this title.

SEC. 105. EMERGENCY RELIEF LOAN PROGRAM.

(a) BUSINESS LOAN AUTHORITY.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

''(31) TEMPORARY LOAN AUTHORITY FOLLOWING TERRORIST ATTACKS.—

''(A) IN GENERAL.—During the 1-year period beginning on the date of enactment of this paragraph, the Administration may make loans under this subsection to a small business concern that has suffered, or that is likely to suffer, significant economic injury as a result of the terrorist attacks perpetrated against the United States on September 11, 2001.

''(B) LOAN TERMS.—With respect to a loan under this paragraph—

''(i) for purposes of paragraph (2)(A), participation by the Administration shall be equal to 95 percent of the balance of the financing outstanding at the time of disbursement of the loan;

''(ii) no fee may be required or charged under paragraph (18);

''(iii) the applicable rate of interest shall not exceed a rate that is one percentage point above the prime rate as published in a national financial newspaper published each business day;

''(iv) no such loan shall be made if the total amount outstanding and committed (by participation or otherwise) to the borrower under this paragraph would exceed $1,000,000;

''(v) upon request of the borrower, repayment of principal due on a loan made under this paragraph shall be deferred during the 1-year period beginning on the date of issuance of the loan; and

''(vi) the repayment period shall not exceed 7 years, including any period of deferment under clause (v).

''(C) APPLICABILITY.—The loan terms described in subparagraph (B) shall apply to a loan under this paragraph notwithstanding any other provision of this subsection, and except as specifically provided in this paragraph, a loan under this paragraph shall otherwise be subject to the same terms and conditions as any other loan under this subsection.

''(D) SIGNIFICANT ECONOMIC INJURY.—In this paragraph, the term'substantial economic

injury' means an economic harm to a small business concern that results in the inability of the small business concern—

''(i) to meet its obligations as they mature;

''(ii) to pay its ordinary and necessary operating expenses; or

''(iii) to market, produce, or provide a product or service ordinarily marketed, produced, or provided by the business concern.''.

SEC. 106. ECONOMIC RECOVERY LOAN AND FINANCING PROGRAMS.

(a) ONE-YEAR SUSPENSION OF SECTION 7(a) FEES.—Section 7(a)(18) of the Small Business Act (15 U.S.C. 636(a)(18)) is amended by adding at the end the following:

''(C) ONE-YEAR WAIVER OF FEES FOLLOWING TERRORIST ATTACKS.—No fee may be collected or charged, and no fee shall accrue under this paragraph during the 1-year period beginning on the date of enactment of the Small Business Terrorism Relief and Economic Stimulus Act of 2001.''.

(b) ONE-YEAR INCREASE IN PARTICIPATION LEVELS.—Section 7(a)(2) of the Small Business Act (15 U.S.C. 636(a)(2)) is amended—

(1) in subparagraph (A), by striking ''subparagraph (B)'' and inserting ''subparagraphs (B) and (E)''; and

(2) by adding at the end the following:

''(E) TEMPORARY PARTICIPATION LEVELS FOLLOWING TERRORIST ATTACKS.—During the 1-year period beginning on the date of enactment of the Small Business Terrorism Relief and Economic Stimulus Act of 2001, clauses (i) and (ii) of subparagraph (A) shall be construed to read as follows:

'' '(i) 85 percent of the balance of the financing outstanding at the time of disbursement of the loan, if such balance exceeds $150,000; or

'' '(ii) 90 percent of the balance of the financing outstanding at the time of disbursement of the loan, if such balance is less than or equal to $150,000.'.''.

(c) ONE-YEAR SUSPENSION OF OTHER FEES.—Section 503 of the Small Business Investment Act of 1958 (15 U.S.C. 697) is amended—

(1) in subsection (b)(7)(A), by striking ''which amount shall'' and inserting ''which amount shall not be assessed or collected, and no amount shall accrue, during the 1-year period beginning on the date of enactment of the Small Business Terrorism Relief and Economic Stimulus Act of 2001, and which amount shall otherwise''; and

(2) in subsection (d)(2), by adding at the end the following: ''No fee may be assessed or collected under this paragraph, and no fee shall accrue, during the 1-year period beginning on the date of enactment of the Small Business Terrorism Relief and Economic Stimulus Act of 2001.''.

TITLE II—SMALL BUSINESS TAX PROVISIONS FOR ECONOMIC STIMULUS

SEC. 201. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 202. INCREASE IN EXPENSE TREATMENT OF CERTAIN DEPRECIABLE BUSINESS ASSETS FOR SMALL BUSINESSES.

(a) IN GENERAL.—Section 179(b)(1) (relating to dollar limitation) is amended to read as follows:

''(1) DOLLAR LIMITATION.—

''(A) IN GENERAL.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $100,000.

''(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2001, the dollar amount contained in subparagraph (A) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ''calendar year 2000'' for ''calendar year 1992'' in subparagraph (B) thereof.

If any amount as adjusted under this subparagraph is not a multiple of $1,000, such amount shall be rounded to the nearest multiple of $1,000.''.

(b) EXPANSION OF PHASE-OUT OF LIMITATION.—Section 179(b)(2) is amended to read as follows:

''(2) REDUCTION IN LIMITATION.—

''(A) IN GENERAL.—The limitation under paragraph (1) for any taxable year shall be reduced (but not below zero) by the amount by which the cost of section 179 property for which a deduction is allowable (without regard to this subsection) under subsection (a) for such taxable year exceeds $500,000.''

''(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2001, the dollar amount contained in subparagraph (A) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ''calendar year 2000'' for ''calendar year 1992'' in subparagraph (B) thereof.

If any amount as adjusted under this subparagraph is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.''.

(c) TIME OF DEDUCTION.—The second sentence of section 179(a) (relating to election to expense certain depreciable business assets) is amended by inserting ''(or, if the taxpayer elects, the preceding taxable year if the property was purchased in such preceding year)'' after ''service''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 203. EXPENSING OF COMPUTER SOFTWARE.

(a) COMPUTER SOFTWARE ELIGIBLE FOR EXPENSING.—The heading and first sentence of section 179(d)(1) (relating to section 179 property) are amended to read as follows:

''(1) SECTION 179 PROPERTY.—For purposes of this section, the term 'section 179 property' means property—

''(A) which is—

''(i) tangible property to which section 168 applies, or

''(ii) computer software (as defined in section 197(e)(3)(B)) to which section 167 applies,

''(B) which is section 1245 property (as defined in section 1245(a)(3)), and

''(C) which is acquired by purchase for use in the active conduct of a trade or business.''.

(b) NO COMPUTER SOFTWARE INCLUDED AS SECTION 197 INTANGIBLE.—

(1) IN GENERAL.—Section 197(e)(3)(A) is amended to read as follows:

''(A) IN GENERAL.—Any computer software.''.

(2) CONFORMING AMENDMENT.—Section 167(f)(1)(B) is amended by striking ''; except that such term shall not include any such software which is an amortizable section 197 intangible''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2000.

SEC. 204. MODIFICATION OF DEPRECIATION RULES FOR COMPUTERS AND SOFTWARE.

(a) 2-YEAR APPLICABLE RECOVERY PERIOD FOR DEPRECIATION OF COMPUTERS AND PERIPHERAL EQUIPMENT.—

(1) IN GENERAL.—Section 168(c) (relating to applicable recovery period) is amended by adding at the end the following flush sentence:

''In the case of 5-year property which is a computer or peripheral equipment, the applicable recovery period shall be 2 years.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 168(g)(3)(C) (relating to alternative depreciation system for certain property) is amended to read as follows:

''(C) QUALIFIED TECHNOLOGICAL EQUIPMENT.—

''(i) IN GENERAL.—Except as provided in clause (ii), in the case of any qualified technological equipment, the recovery period used for purposes of paragraph (2) shall be 5 years.

''(ii) COMPUTERS OR PERIPHERAL EQUIPMENT.—In the case of any computer or peripheral equipment, the recovery period used for purposes of paragraph (2) shall be 2 years.''.

(B) Section 168(j)(2) (relating to depreciation of property on Indian reservations) is amended by adding at the end the following flush sentence:

''In the case of 5-year property which is a computer or peripheral equipment, the applicable recovery period shall be 1 year.''.

(C) Section 467(e)(3)(A) (relating to certain payments for the use of property or services) is amended by adding at the end the following flush sentence:

''In the case of 5-year property which is a computer or peripheral equipment, the applicable recovery period shall be 2 years.''.

(b) 2-YEAR DEPRECIATION PERIOD FOR COMPUTER SOFTWARE.—Section 167(f)(1)(A) of the Internal Revenue Code of 1986 is amended by striking ''36 months'' and inserting ''24 months''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2000.

SEC. 205. ADJUSTMENTS TO DEPRECIATION LIMITS FOR BUSINESS VEHICLES.

(a) IN GENERAL.—

(1) INCREASE IN LIMITATION.—Section 280F(a)(1)(A) (relating to limitation on amount of depreciation for luxury automobiles) is amended—

(A) by striking ''$2,560'' in clause (i) and inserting ''$5,400'';

(B) by striking ''$4,100'' in clause (ii) and inserting ''$8,500'';

(C) by striking ''$2,450'' in clause (iii) and inserting ''$5,100''; and

(D) by striking ''$1,475'' in clause (iv) and inserting ''$3,000''.

(2) CONFORMING AMENDMENT.—Section 280F(a)(1)(B)(ii) (relating to disallowed deductions allowed for years after recovery period) is amended by striking ''$1,475'' each place that it appears and inserting ''$3,000''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2000.

SEC. 206. INCREASED DEDUCTION FOR BUSINESS MEAL EXPENSES.

(a) IN GENERAL.—Section 274(n)(1) (relating to only 50 percent of meal and entertainment expenses allowed as deduction) is amended by striking ''50 percent'' in the text and inserting ''the allowable percentage''.

(b) ALLOWABLE PERCENTAGE.—Section 274(n) is amended by redesignating paragraphs (2) and (3) as paragraphs (3) and (4),

respectively, and by inserting after paragraph (1) the following new paragraph:

''(2) ALLOWABLE PERCENTAGE.—For purposes of paragraph (1), the allowable percentage is—

''(A) in the case of amounts for items described in paragraph (1)(B), 50 percent, and

''(B) in the case of expenses for food or beverages, 100 percent.''.

(c) CLARIFICATION OF SPECIAL RULE FOR INDIVIDUALS SUBJECT TO FEDERAL HOURS OF SERVICE.—Section 274(n)(4) (relating to limited percentages of meal and entertainment expenses allowed as deduction), as redesignated by subsection (b), is amended to read as follows:

''(4) SPECIAL RULE FOR INDIVIDUALS SUBJECT TO FEDERAL HOURS OF SERVICE.—In the case of any expenses for food or beverages consumed while away from home (within the meaning of section 162(a)(2)) by an individual during, or incident to, the period of duty subject to the hours of service limitations of the Department of Transportation, paragraph (2)(B) shall apply to such expenses.''.

(d) CONFORMING AMENDMENT.—The heading for subsection (n) of section 274 is amended by striking ''50 PERCENT'' and inserting ''LIMITED PERCENTAGES''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 207. MODIFICATION OF UNRELATED BUSINESS INCOME LIMITATION ON INVESTMENT IN CERTAIN DEBT-FINANCED PROPERTIES.

(a) IN GENERAL.—Section 514(c)(6) (relating to acquisition indebtedness) is amended—

(1) by striking ''include an obligation'' and inserting ''include—

''(A) an obligation'',

(2) by striking the period at the end and inserting '', or'', and

(3) by adding at the end the following:

''(B) indebtedness incurred by a small business investment company licensed under the Small Business Investment Act of 1958 which is evidenced by a debenture—

''(i) issued by such company under section 303(a) such Act, or

''(ii) held or guaranteed by the Small Business Administration.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to acquisitions made on or after the date of the enactment of this Act.

SEC. 208. REPEAL OF ALTERNATIVE MINIMUM TAX ON INDIVIDUALS.

(a) IN GENERAL.—

(1) REPEAL.—Section 55(a) (relating to alternative minimum tax) is amended by adding at the end the following new flush sentence:

''For purposes of this title, the tentative minimum tax on any taxpayer other than a corporation for any taxable year beginning after December 31, 2000, shall be zero.''.

(2) NONREFUNDABLE PERSONAL CREDITS FULLY ALLOWED AGAINST REGULAR TAX LIABILITY.—

(A) IN GENERAL.—Section 26(a) (relating to limitation based on amount of tax) is amended to read as follows:

''(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the taxpayer's regular tax liability for the taxable year.''.

(B) CHILD CREDIT.—Section 24(d) is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 209. EXEMPTION FROM ALTERNATIVE MINIMUM TAX FOR SMALL CORPORATIONS.

(a) IN GENERAL.—Section 55(e)(1)(A) (relating to exemption for small corporations) is amended to read as follows:

''(A) $10,000,000 GROSS RECEIPTS TEST.—The tentative minimum tax of a corporation shall be zero for any taxable year if the corporation's average annual gross receipts for all 3-taxable-year periods ending before such taxable year does not exceed $10,000,000. For purposes of the preceding sentence, only taxable years beginning after December 31, 1997, shall be taken into account.''.

(b) GROSS RECEIPTS TEST FOR FIRST 3-YEAR PERIOD.—Section 55(e)(1)(B) is amended to read as follows:

''(B) $7,500,000 GROSS RECEIPTS TEST FOR FIRST 3-YEAR PERIOD.—Subparagraph (A) shall be applied by substituting '$7,500,000' for '$10,000,000' for the first 3-taxable-year period (or portion thereof) of the corporation which is taken into account under subparagraph (A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

TITLE III—SMALL BUSINESS PROCUREMENTS

SEC. 301. EXPANSION OF OPPORTUNITY FOR SMALL BUSINESSES TO BE AWARDED DEPARTMENT OF DEFENSE CONTRACTS FOR ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION DESIGN.

Section 2855(b)(2) of title 10, United States Code, is amended by striking ''$85,000'' and inserting ''$300,000''.

SEC. 302. PROCUREMENTS OF PROPERTY AND SERVICES IN AMOUNTS NOT IN EXCESS OF $100,000 FROM SMALL BUSINESSES.

(a) SMALL BUSINESS SET-ASIDES.—Section 15 of the Small Business Act (15 U.S.C. 644) is amended by adding at the end the following:

''(q) PROCUREMENTS OF PROPERTY AND SERVICES NOT IN EXCESS OF $100,000.—

''(1) FEDERAL SUPPLY SCHEDULE ITEMS.—The head of an agency procuring items listed on a Federal Supply Schedule in a total amount not in excess of $100,000 shall procure the items from a small business.

''(2) OTHER PROPERTY AND SERVICES.—The head of an agency procuring property or services not listed on a Federal Supply Schedule in a total amount not in excess of $100,000 shall procure the property or services from a small business registered on PRO-Net or the Centralized Contractor Registration System. Competitive procedures shall be used in the selection of sources for procurements from small businesses under this subsection.''.

(b) PHASED IMPLEMENTATION.—

(1) FIRST 2 YEARS.—During the 2-year period beginning on the effective date determined under subsection (c), the requirement of subsection (q)(1) of section 15 of the Small Business Act (as added by subsection (a) of this section) shall apply with respect to 25 percent of the procurements described in that subsection (determined on the basis of amount), and the requirement in subsection (q)(2) of that section shall apply with respect to 25 percent of the procurements described in subsection (q)(2) (determined on the basis of amount).

(2) ENSUING 2 YEARS.—During the 2-year period beginning on the day after the expiration of the period described in paragraph (1), the requirement of subsection (q)(1) of section 15 of the Small Business Act (as added by subsection (a) of this section) shall apply with respect to 50 percent of the procurements described in that subsection (determined on the basis of amount), and the requirement in subsection (q)(2) of that section shall apply with respect to 50 percent of the procurements described in subsection (q)(2) (determined on the basis of amount).

(c) EFFECTIVE DATE.—Section 15(q) of the Small Business Act (as added by subsection (a) of this section) shall take effect on the first day of the first month that begins not less than 180 days after the date of enactment of this Act.

SEC. 303. SOLE SOURCE PROCUREMENTS OF PROPERTY AND SERVICES UNDER THE 2001 EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT FOR RECOVERY FROM AND RESPONSE TO TERRORIST ATTACKS ON THE UNITED STATES.

Notwithstanding the provisions of sections 8(a)(1)(D)(i)(II) and subclauses (I) and (II) of section 31(b)(2)(A)(ii) of the Small Business Act (15 U.S.C. 637(a)(1)(D)(i)(II), 658(b)(2)(A)(ii)(I), and 658(b)(2)(A)(ii)(II), respectively), a contracting officer may award non-competitive contracts with the budget authority provided by the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States (Public Law 107–38) or by subsequent emergency appropriations bill adopted pursuant thereto, if—

(a) such contracts are to be awarded to an eligible Program Participant under section 8(a) or to a qualified HUBZone small business concern under section 3(p)(5) of the Small Business Act (15 U.S.C. 637(a) and 632(p)(5)), and

(b) the head of the procuring agency certifies that the property or services needed by the agency are of such an unusual and compelling urgency that the United States would be seriously harmed by use of competitive procedures, pursuant to—

(1) section 2304(c)(2) of Title 10, United States Code, or

(2) section 303(c)(2) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)(2)).

S. 1493: SMALL BUSINESS LEADS TO ECONOMIC RECOVERY ACT OF 2001

DESCRIPTION OF PROVISIONS

TITLE I—SMALL BUSINESS EMERGENCY LOAN ASSISTANCE

Section 101. Short Title

This section sets forth the title, ''Small Business Leads to Economic Recovery Act of 2001.''

Section 102. Definitions

This section provides the definitions of key words used in Title I.

Section 103. Deferment of Disaster Loan Payments

In recognition that the small businesses eligible for Disaster Assistance Loans will not be able to begin repayment of the loans for up to two years, the bill provides that both principal and interest payment will be deferred for two years from the date of loan origination. Interest that accrues during the deferment period would be forgiven.

Section 104. Refinancing Existing Disaster Loans

As the result of the World Trade Center bombing in 1993, there are small businesses in the Presidentially-declared disaster area that have outstanding SBA disaster loans. This section will permit small businesses to refinance outstanding disaster loans in the new disaster loans with the two-year deferment provision.

Section 105. Emergency Relief Loan Program

This section creates a special one-year program at the SBA using key components of the 7(a) guaranteed business loan program to create a working capital loan program for small businesses suffering significant economic injury as the result of the September 11, 2001, terrorist attacks on the World Trade Center and the Pentagon. The loans would have a 95 percent guarantee, and there would be no up-front borrower fee. The interest rate would be the Prime Rate plus 1 percent. Banks would have the option to defer principal payments for up to one year.

This special working capital loan program recognizes there are small businesses nationwide that are experiencing serious cash flow difficulties as the result of the terrorist attacks, e.g., travel agencies, flight training and other commercial users of single-engine VFR aircraft.

Section 106. Economic Recovery Loan and Financing Programs

As the result of the deteriorating economy, which was experiencing a downturn prior to September 11, 2001, banks had initiated steps to tighten the availability of credit to small businesses. For Fiscal Year 2001, it is projected that new loan originations may drop as much as 25 percent from the projections on October 1, 2000.

This section will make significant changes for one year to the 7(a) guaranteed business loan program. Loans would be available for all qualified borrowers. The up-front loan origination fee paid by the borrower, which ranges from 2.0 percent to 3.5 percent depending on loan size, would be eliminated. The guarantee percentage for the general loan program would be increased from 75 percent to 85 percent. For the LowDoc program, the guarantee percentage would increase from 80 percent to 90 percent.

This section would also make similar changes to the 504 Certified Development Company Loan Program. For one year, the up-front fee paid by the bank making the loan in the first loss position would be eliminated. Further, the annual fee paid by the borrower would also be dropped.

Section 107. Small Business Investment Company Enhancement Program

The Administration and the SBIC industry has recommended that the SBIC/Participating Securities Program become a fee-based program, which would eliminate the need for an annual appropriation. This change would entail enacting legislation to increase the SBIC fee from 1 percent to at least 1.38 percent. This section would allow the SBA to increase the annual fee to no more than 1.50 percent, which would support a program level fo $3.5 billion in Fiscal Year 2002.

TITLE II—SMALL BUSINESS TAX PROVISIONS FOR ECONOMIC STIMULUS

Section 201. Amendment of 1986 Code

This section clarifies that all changes in the bill are to the Internal Revenue Code of 1986, as previously amended.

Section 202. Increase in Expense Treatment of Certain Depreciable Business Assets for Small Businesses.

The bill amends section 179 of the Internal Revenue Code to increase the amount of equipment purchases that small businesses may expense each year from the current $24,000 to $100,000. This change will eliminate the burdensome recordkeeping involved in depreciating such equipment and free up capital for small businesses to grow and create jobs.

The bill also increases the phase-out limitation for equipment expensing from the current $200,000 to $500,000, thereby expanding the type of equipment that can qualify for expensing treatment. This limitation along with the annual expensing amount will be indexed for inflation under the bill.

Following the recommendation of the National Taxpayer Advocate, the bill also amends section 179 to permit expensing in the year that the property is purchased or the year that the property is placed in service, whichever is earlier. This will eliminate the difficulty that many small enterprises have encountered when investing in new equipment in one tax year, e.g., 2001 that cannot be placed in service until the following year, e.g., 2002. The equipment-expensing provisions will be effective for taxable years beginning after December 31, 2000.

Section 203. Expensing of Computer Software

In connection with the expanded equipment-expensing limits, the bill also permits taxpayers to expense computer software up to the new $100,000 limit on annual equipment expensing. This provision will eliminate the compliance costs and burdens of depreciation software over a three-year period, which is often inconsistent with the product's actual useful life. This provision will be effective for taxable years beginning after December 31, 2000.

Section 204. Modification of Depreciation Rules for Computers and Software

For small business taxpayers who do not qualify for expensing treatment, the bill modifies the outdated depreciation rules to permit taxpayers to depreciate computer equipment and software over a two-year period. Under present law, computer equipment is generally depreciated over a five-year period and software is usually depreciated over three years. With the rapid advancements in technology, these depreciation periods are sorely out of date and can result in small businesses having to exhaust their depreciation deductions well after the equipment or software is obsolete. The bill makes the tax code in this area more consistent with the technological reality of the business world. This provision will be effective for computers and software placed in service in taxable years beginning after December 31, 2000.

Section 205. Adjustments to Depreciation Limits for Business Vehicles

The bill amends section 280F of the Internal Revenue Code, which limits the amount of depreciation that a business may claim with respect to a vehicle used for business purposes. Under the current thresholds, a business loses a portion of its depreciation deduction if the vehicle costs more than $14,460, for vehicles placed in service in 2000. Although these limitations have been subject to inflation adjustments, they have not kept pace with the actual cost of new cars, light trucks and vans in most cases. For many small businesses, the use of a car, light truck or van is an essential asset for transporting personnel to sales and service appointments and for delivering their products. Accordingly, the bill adjusts the thresholds so that a business will not lose any of its depreciation deduction for vehicles costing less than $25,000, which will continue to be indexed for inflation. This provision will be effective for vehicles placed in service in taxable years beginning after December 31, 2000.

Section 206. Increased Deduction for Business Meal Expenses

The bill increases the limitation on the deductibility of business meals from the current 50 percent to 100 percent beginning in 2001 to provide an incentive for businesses to return to their local restaurants. At the same time, this provision will assist non-restaurant businesses and self-employed individuals level the playing field. Unlike their large competitors, small enterprises often sell their products and services by word of mouth and close many business transactions on the road or in a local diner. In many ways the business breakfast with a potential customer is akin to formal advertising that larger businesses purchase in newspapers or on radio or television. While the newspaper ad is fully deductible, however, the business meal is only 50 percent deductible for the small business owner.

In addition, many self-employed individuals like sales representatives spend enormous amounts of time on the road with no choice but to eat in restaurants while away from home, further straining their cash flow. By increasing the deduction to 100 percent, the bill addresses these problems, as well as the lack of parity that small business owners face with respect to individuals subject to the Federal hours-of-service limitations of the Department of Transportation, such as truck drivers, who are currently able to deduct a larger portion of their business meals.

Section 207. Modification of Unrelated Business Income Limitation on Investments in Certain Debt-Financed Properties

With the recent contraction of the private-equity market, the Small Business Investment Company, SBIC program, which is overseen by the SBA, has taken on a significant role in providing venture capital to small businesses seeking investments in the range of $500,000 to $3 million. Debenture SBICs qualify for SBA-guaranteed borrowed capital, which subjects tax-exempt investors that would otherwise be inclined to invest in Debenture SBICs to tax liability for unrelated business taxable income, UBTI. When free to choose, tax-exempt investors generally opt to invest in venture capital funds that do not create UBTI. As a result, 60 percent of the private-capital potentially available to Debenture SBICs is effectively ''off limits.''

The bill would exclude government-guaranteed capital borrowed by Debenture SBICs from debt for purposes of the UBTI rules. This change would permit tax-exempt organizations to invest in Debenture SBICs without the burdens of UBTI recordkeeping or tax liability, thereby providing additional capital for investment in small businesses across the nation. This provision would be effective for acquisitions made on or after the date of enactment of this bill.

Section 208. Repeal of Alternative Minimum Tax on Individuals

The bill repeals the individual Alternative Minimum Tax, AMT effective for taxable years beginning after December 31, 2000. For individual taxpayers, the individual AMT has become an increasingly burdensome tax. For the sole proprietors, partners, and S corporation shareholders, the individual AMT increases their tax liability by, among other things, limiting depreciation and depletion deductions, net operating loss treatment, the deductibility of state and local taxes, and expensing of research and experimentation costs. In addition, because of its complexity, this tax forces small business owners to waste precious funds on tax professionals to determine whether the AMT even applies.

Section 209. Expansion of the Exemption From the Alternative Minimum Tax for Small Corporations

For small corporate taxpayers, the bill increases the current exemption from the corporate AMT, under section 55(e) of the Internal Revenue Code. Under the bill, a small corporation will initially qualify for the exemption if its average gross receipts are $7.5 million or less, up from the current $5 million, during its first three taxable years. Thereafter, a small corporation will continue to qualify for the AMT exemption for so long as its average gross receipts for the prior three-year period do not exceed $10 million, up from the current $7.5 million. The increased limits for the small-corporation exemption from the corporate AMT will be effective for taxable years beginning after December 31, 2000.

TITLE III—SMALL BUSINESS PROCUREMENTS

Section 301. Expansion of Opportunity for Small Businesses To Be Awarded Department of Defense Contracts for Architectural and Engineering Services and Construction Design

The Brooks Act was enacted in 1982 and prohibits any small businesses set asides for architectural and engineering contracts valued at $85,000 or more. No change in this ceiling has been made since enactment of the Brooks Act. This section would increase the ceiling to $300,000, which would create, almost immediately, new Federal contracting opportunities for small businesses.

Section 302. Procurements of Property and Services in Amounts Not in Excess of $100,000 From Small Businesses

This section would make more contracts valued at less than $100,000 available to small businesses. Under the Federal Supply Schedule, FSS, at GSA, all agency contracts, requirements, or procurements valued at less than $100,000 would be made from small businesses.

For contracts for property or services not on the GSA's FSS, the procuring agency would set aside such contracts, valued at less than $100,000, for competition among small businesses registered on the SBA's PRO-Net and the DoD's Centralized Contractor Registration, CCR, System. There would be a two-year phase-in period. After an initial six-month period, during the first year, 25 percent of the dollar value of all contracts less than $100,000 would be awarded to small businesses. This would increase to 50 percent in the second and subsequent years.

Section 303. HUBZone and 8(a) Sole-Source Contracts

Contracts for property and services made with funds from the ''2001 Emergency Supplemental Appropriations Act for Recovery From and Response to Terrorist Attacks on the United States'' will be exempt from the ceiling on sole-source contracts under the HUBZone and 8(a) programs. Currently, the ceilings are $3 million for service contracts and $5 million for manufacturing contracts.

By Mr. GRAHAM:

S. 1496. A bill to clarify the accounting treatment for Federal income tax purposes of deposits and similar amounts received by a tour operator for a tour arranged by such operator; to the Committee on Finance.

Mr. GRAHAM. Madam President, today I am introducing the Tour Operators Up-front Deposit Relief, TOUR, Act. This legislation codifies a long-standing practice used by the tour operator industry to account for prepaid deposits received in advance of a customers travel.

A tour operator puts together travel ''packages'' often involving a number of different elements: airlines, ground transportation, hotels, restaurants, local guides and other services for one or more destinations. Services often include the direct provision of tour components such as motor coaches. The packages are sold to the public, usually through travel agents. Approximately 70 percent of retail travel agent sales involve tour operator packages. A vacation package combines multiple travel elements into an all-inclusive price. A tour is a trip taken by a group of people who travel together and follow a pre-planned itinerary. In both instances, the travel has been planned by professionals whose group purchasing power insures substantial savings. In addition, prepayment covers all major expenses which minimizes budgeting concerns.

Tour operators employ a long standing, universally accepted method of accounting which recognizes deposits as income upon the date of departure of the passenger. This treatment defers income recognition while the customer still has the right to cancel the travel without substantial conditions and prior to the tour operator's performing many of the tasks and making many of the commitments required to insure a timely, safe and reliable trip.

Recently, the Internal Revenue Service, IRS, has adopted a position in selected tour operator audits which would, if generally applied, require virtually all tour operators to change their method of accounting for deposits. The IRS position is that tour operators must recognize deposits as income upon receipt even though they may not incur expenses for months, or in some cases, more than a year. This position is in direct contrast to guidance previously provided by the IRS. Revenue Procedure 71–21 acknowledges that accrual basis taxpayers should be allowed to defer advanced payment for services under certain circumstances but has improperly refused to interpret this ruling to apply to tour operators.

If the IRS continues to pursue its position, it will raise the cost of operations for tour operators. This added cost will be passed on to Americans seeking to travel. Given the difficulties facing this industry in light of the events of September 11, the IRS position is particularly misguided.

The legislation being introduced today clarifies that Revenue Procedure 71–21 applies to the tour operator industry. Under this Procedure, deposits become taxable income on the date the tour departs.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1496

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Tour Operators Up-Front-Deposit Relief (TOUR) Act''.

SEC. 2. METHOD OF ACCOUNTING FOR DEPOSITS RECEIVED BY ACCRUAL BASIS TOUR OPERATORS.

In the case of a tour operator using an accrual method of accounting, amounts received from or on behalf of passengers in advance of the departure of a tour arranged by such operator—

(1) shall be treated as properly accounted for under the Internal Revenue Code of 1986 if they are accounted for under a method permitted by Section 3 of Revenue Procedure 71–21, and

(2) for purposes of Revenue Procedure 71–21, shall be deemed earned as of the date the tour departs.

By Mr. HATCH:

S. 1497. A bill to convey certain property to the city of St. George, Utah, in order to provide for the protection and preservation of certain rare paleontological resources on that property, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. HATCH. Mr. President, I rise today to introduce the Virgin River Dinosaur Footprint Preservation Act. Originally introduced in the House by Representative JAMES HANSEN of Utah, this legislation is vital in guaranteeing the preservation of one of our Nation's most intact and rate pre-Jurassic paleontological discoveries. I applaud Chairman HANSEN for his leadership on this issue.

In February 2000, Sheldon Johnson of St. George, UT began development preparations on his land when he uncovered one of the world's most significant collections of dinosaur tracks, traildraggings, and skin imprints in the surrounding rock. The site has attracted thousands of visitors and the interest of some of the world's top paleontologists.

This valuable resource is now in jeopardy. The fragile sandstone in which the impressions have been made is in jeopardy due to the heat and wind typical of the southern Utah climate. We must act quickly if these footprints from our past are to be preserved. This bill would authorize the Secretary of the Interior to purchase the land where the footprints and traildraggings are found and convey the property to the city of St. George, UT, which will work with the property owners and the county to preserve and protect the area and resources in question. I urge my colleagues to support this effort to protect our national treasure.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 166—DESIGNATING THE WEEK OF OCTOBER 21, 2001, THROUGH OCTOBER 27, 2001, AND THE WEEK OF OCTOBER 20, 2002, THROUGH OCTOBER 26, 2002, AS ''NATIONAL CHILDHOOD LEAD POISONING PREVENTION WEEK''

Mr. REED (for himself, Ms. COLLINS, Mr. TORRICELLI, Mr. BOND, Mr. AKAKA, Mr. BAYH, Mrs. BOXER, Mr. BREAUX, Mrs. CARNAHAN, Mr. CARPER, Mr. CHAFEE, Mr. CLELAND, Mrs. CLINTON, Mr. CONRAD, Mr. CORZINE, Mr. DEWINE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. EDWARDS, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. FRIST, Mr. GRAHAM, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KERRY, Mr. KOHL, Ms. LANDRIEU, Mr. LEVIN, Mr. LIEBERMAN, Mrs. LINCOLN, Ms. MIKULSKI, Mr. REID, Mr. SARBANES, Mr. SCHUMER, Mr. SMITH of Oregon, Ms. STABENOW, and Mr. WELLSTONE) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 166

Whereas lead poisoning is a leading environmental health hazard to children in the United States;

Whereas according to the Centers for Disease Control and Prevention, 890,000 preschool children in the United States have harmful levels of lead in their blood;

Whereas lead poisoning may cause serious, long-term harm to children, including reduced intelligence and attention span, behavior problems, learning disabilities, and impaired growth;

Whereas children from low-income families are 8 times more likely to be poisoned by lead than those from high-income families;

Whereas children may become poisoned by lead in water, soil, or consumable products;

Whereas most children are poisoned in their homes through exposure to lead particles when lead-based paint deteriorates or is disturbed during home renovation and repainting; and

Whereas lead poisoning crosses all barriers of race, income, and geography: Now, therefore, be it

Resolved, That the Senate—

(1) designates the week of October 21, 2001, through October 27, 2001, and the week of October 20, 2002, through October 26, 2002, as ''National Childhood Lead Poisoning Prevention Week''; and

(2) requests that the President issue a proclamation calling upon the people of the United States to observe such weeks with appropriate programs and activities.

SENATE RESOLUTION 167—RECOGNIZING AMBASSADOR DOUGLAS ''PETE'' PETERSON FOR HIS SERVICE TO THE UNITED STATES AS THE FIRST AMERICAN AMBASSADOR TO VIETNAM SINCE THE VIETNAM WAR

Mr. MCCAIN (for himself, Mr. KERRY, Mr. GRAHAM, Mr. HAGEL, Mr. NELSON of Florida, Mr. CLELAND, and Mr. CARPER) submitted the following resolution; which was considered and agreed to:

S. RES. 167

Whereas while serving as a fighter pilot in the United States Air Force, Pete Peterson was shot down over North Vietnam in 1966 and captured by the Vietnamese military;

Whereas Pete Peterson was held for 6½ years as a prisoner of war in Vietnam;

Whereas after his return to the United States in 1973, Pete Peterson distinguished himself as a businessman and educator in his home State of Florida;

Whereas Pete Peterson was elected to Congress to represent the 2nd Congressional District of Florida in 1990 and went on to serve three terms;

Whereas Pete Peterson first returned to Vietnam in 1991 as a Member of Congress investigating Vietnamese progress on the POW/MIA issue;

Whereas President Reagan began the process of normalizing United States relations with Vietnam;

Whereas President Clinton lifted the trade embargo against Vietnam in 1994;

Whereas President Clinton normalized diplomatic relations with Vietnam in 1995;

Whereas in 1997 Pete Peterson was appointed the first United States ambassador to Vietnam in 22 years;

Whereas throughout Pete Peterson's tenure as United States Ambassador to Vietnam, the President certified annually that the Government of Vietnam was ''fully cooperating in good faith'' with the United States to obtain the fullest possible accounting of Americans missing from the Vietnam War;

Whereas Ambassador Peterson played a critical role in the process of building a new and normal relationship between the United States and Vietnam;

Whereas Ambassador Peterson worked tirelessly to encourage the Government of Vietnam to continue its efforts to reform and open Vietnam's economy;

Whereas thanks to Ambassador Peterson's leadership, Congress in 1998 approved a waiver of the Jackson-Vanik restrictions for Vietnam, thus enabling the Overseas Private Investment Corporation and the Export-Import Bank to operate in Vietnam;

Whereas completion of a United States-Vietnam trade agreement was Ambassador Peterson's top trade priority;

Whereas the United States and Vietnam began negotiations for a bilateral trade agreement in 1996;

Whereas Ambassador Peterson's diplomatic efforts throughout the process of negotiation were invaluable to the completion of the bilateral trade agreement;

Whereas in the agreement the Government of Vietnam agreed to a wide range of steps to open its markets to American trade and investment;

Whereas the agreement will pave the way for further reform of Vietnam's economy and Vietnam's integration into the world economy;

Whereas Ambassador Peterson witnessed the signing of the United States-Vietnam Bilateral Trade Agreement on July 13, 2000;

Whereas President Bush transmitted that trade agreement to Congress on June 8, 2001;

Whereas the United States House of Representatives approved the agreement on September 6, 2001; and

Whereas the United States Senate approved the agreement on October 3, 2001: Now, therefore, be it

Resolved, That Douglas ''Pete'' Peterson is recognized by the United States Senate for his outstanding and dedicated service to the United States as United States Ambassador to Vietnam from 1997–2001, and for his historic role in normalizing United States-Vietnam relations.

AMENDMENTS SUBMITTED AND PROPOSED

SA 1843. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill H.R. 2506, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table.

SA 1844. Mr. REID (for Mr. KOHL) proposed an amendment to the bill H.R. 768, an act to amend the Improving America's Schools Act of 1994 to extend the favorable treatment of need-based educational aid under the antitrust laws, and for other purposes.

SA 1845. Mr. THOMPSON submitted an amendment intended to be proposed by him to the bill S. 1447, to improve aviation security, and for other purposes; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 1843. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill H.R. 2506, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table; as follows;

On page 143, beginning on line 9, strike ''and (3)'' and all that follows through the colon and insert the following: ''(3) effective mechanisms are in place to evaluate claims of local citizens that their health was harmed or their licit agricultural crops were damaged by such aerial coca fumigation, and provide fair compensation for meritorious claims; and (4) alternative development programs and emergency aid plans have been developed, in consultation with communities and local authorities in the areas in which such aerial coca fumigation is planned, and in the areas in which such aerial coca fumigation has been conducted, such programs and plans are being implemented:''.

SA 1844. Mr. REID (for Mr. KOHL) proposed an amendment to the bill H.R. 768, an act to amend the Improving America's Schools Act of 1994 to extend the favorable treatment of need-based educational aid under the antitrust laws, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Need-Based Educational Aid Act of 2001''.

SEC. 2. AMENDMENT.

Section 568(d) of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note) is amended by striking ''2001'' and inserting ''2008''.

SEC. 3. GAO STUDY AND REPORT.

(a) STUDY.—

(1) IN GENERAL.—The Comptroller General shall conduct a study of the effect of the antitrust exemption on institutional student aid under section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note).

(2) CONSULTATION.—The Comptroller General shall have final authority to determine the content of the study under paragraph (1), but in determining the content of the study, the Comptroller General shall consult with—

(A) the institutions of higher education participating under the antitrust exemption under section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note) (referred to in this Act as the ''participating institutions'');

(B) the Antitrust Division of the Department of Justice; and

(C) other persons that the Comptroller General determines are appropriate.

(3) MATTERS STUDIED.—

(A) IN GENERAL.—The study under paragraph (1) shall—

(i) examine the needs analysis methodologies used by participating institutions;

(ii) identify trends in undergraduate costs of attendance and institutional undergraduate grant aid among participating institutions, including—

(I) the percentage of first-year students receiving institutional grant aid;

(II) the mean and median grant eligibility and institutional grant aid to first-year students; and

(III) the mean and median parental and student contributions to undergraduate costs of attendance for first year students receiving institutional grant aid;

(iii) to the extent useful in determining the effect of the antitrust exemption under section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note), examine—

(I) comparison data, identified in clauses (i) and (ii), from institutions of higher education that do not participate under the antitrust exemption under section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note); and

(II) other baseline trend data from national benchmarks; and

(iv) examine any other issues that the Comptroller General determines are appropriate, including other types of aid affected by section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note).

(B) ASSESSMENT.—

(i) IN GENERAL.—The study under paragraph (1) shall assess what effect the antitrust exemption on institutional student aid has had on institutional undergraduate grant aid and parental contribution to undergraduate costs of attendance.

(ii) CHANGES OVER TIME.—The assessment under clause (i) shall consider any changes in institutional undergraduate grant aid and parental contribution to undergraduate costs of attendance over time for institutions of higher education, including consideration of—

(I) the time period prior to adoption of the consensus methodologies at participating institutions; and

(II) the data examined pursuant to subparagraph (A)(iii).

(b) REPORT.—

(1) IN GENERAL.—Not later than September 30, 2006, the Comptroller General shall submit a report to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives that contains the findings and conclusions of the Comptroller General regarding the matters studied under subsection (a).

(2) IDENTIFYING INDIVIDUAL INSTITUTIONS.—The Comptroller General shall not identify an individual institution of higher education in information submitted in the report under paragraph (1) unless the information on the institution is available to the public.

(c) RECORDKEEPING REQUIREMENT.—

(1) IN GENERAL.—For the purpose of completing the study under subsection (a)(1), a participating institution shall—

(A) collect and maintain for each academic year until the study under subsection (a)(1) is completed—

(i) student-level data that is sufficient, in the judgment of the Comptroller General, to permit the analysis of expected family contributions, identified need, and undergraduate grant aid awards; and

(ii) information on formulas used by the institution to determine need; and

(B) submit the data and information under paragraph (1) to the Comptroller General at such time as the Comptroller General may reasonably require.

(2) NON-PARTICIPATING INSTITUTIONS.—Nothing in this subsection shall be construed to require an institution of higher education that does not participate under the antitrust exemption under section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note) to collect and maintain data under this subsection.

SEC. 4. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on September 30, 2001.

Amend the title so as to read: ''An Act to amend the Improving America's Schools Act of 1994 to extend the favorable treatment of need-based educational aid under the antitrust laws, and for other purposes.''.

SA 1845. Mr. THOMPSON submitted an amendment intended to be proposed by him to the bill S. 1447, to improve aviation security, and for other purposes; which was ordered to lie on the table; as follows:

On page 2, lines 20 and 21, strike ''The Government Accounting Office, as well as other independent'' and insert ''Independent''.

On page 4, lines 10 and 11, strike ''hiring and training'' and insert ''hiring, training, and evaluating''.

On page 4, line 19, before the semicolon, insert ''and for ensuring accountability of the officials (public or private) responsible for administering the operational aspects of aviation security, based on performance standards''.

On page 7, line 23, after the period, insert the following: ''The Administrator shall provide funding and permanent staff to the Council.''.

On page 18, lines 20 and 21, strike ''in accordance with the provisions of part III of title 5'' and insert ''notwithstanding the provisions of title 5''.

At the end of the bill, insert the following:

SEC. 15. HUMAN CAPITAL CHANGES TO REINFORCE RESULTS-BASED MANAGEMENT.

(a) IN GENERAL.—Subchapter II of chapter 449 of title 49, United States Code, is amended by adding at the end the following:

''§ 44939. Human capital changes to reinforce results-based management

''(a) AUTHORITY OF THE ADMINISTRATOR.—

''(1) The Administrator shall maintain responsibility for the development and promulgation of policy and regulations relating to aviation security.

''(2) The Deputy Administrator for Aviation Security shall be subject to the direction of the Administrator.

''(b) APPOINTMENT OF THE DEPUTY ADMINISTRATOR FOR AVIATION SECURITY.—

''(1) The Deputy Administrator for Aviation Security shall be appointed by the Administrator for a term of not less than 3 and not more than 5 years. The appointment shall be made on the basis of experience with law enforcement, national security, or intelligence.

''(2) The Deputy Administrator for Aviation Security may be removed by the Administrator or the President for misconduct or failure to meet performance goals as set forth in the performance agreement described in section 44940.

''(c) REAPPOINTMENT OF THE DEPUTY ADMINISTRATOR FOR AVIATION SECURITY.—The Administrator may reappoint the Deputy Administrator for Aviation Security to subsequent terms of not less than 3 and not more than 5 years, so long as the performance of the Deputy Administrator is satisfactory.

''(d) COMPENSATION.—

''(1) IN GENERAL.—The Deputy Administrator for Aviation Security is authorized to be paid at an annual rate of basic pay not to exceed the maximum rate of basic pay for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(B) of such title.

''(2) BONUS.—In addition, the Deputy Administrator for Aviation Security may receive a bonus of up to 50 percent of base pay, based upon the Administrator's evaluation of the Deputy Administrator's performance in relation to the goals set forth in the agreement described in section 44940. The annual compensation of the Deputy Administrator may not exceed $200,000.

''(e) SENIOR MANAGEMENT.—

''(1) APPOINTMENT.—The Deputy Administrator for Aviation Security may appoint such senior managers as that Administrator determines necessary without regard to the provisions of title 5, United States Code.

''(2) COMPENSATION.—

''(A) IN GENERAL.—A senior manager, appointed pursuant to paragraph (1), may be paid at an annual rate of basic pay of not more than the maximum rate of basic pay for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of such title.

''(B) BONUS.—In addition, senior managers appointed pursuant to paragraph (1) may receive bonuses based on the Deputy Administrator's evaluation of their performance in relation to goals set forth in agreements described in section 44940. The annual compensation for a senior manager may not exceed 125 percent of the maximum rate of base pay for the Senior Executive Service.

''(3) REMOVAL.—Senior managers may be removed by the Deputy Administrator for Aviation Security for misconduct or failure to meet performance goals set forth in the performance agreements.

''(4) PERSONNEL CEILINGS.—The Deputy Administrator for Aviation Security shall not be subject to ceilings relating to the number or grade of employees.

''(5) AVIATION SECURITY OMBUDSMAN.—The Deputy Administrator for Aviation Security, in consultation with the Administrator, shall appoint an ombudsman to address the concerns of aviation security stakeholders, such as airport authorities air carriers, consumer groups, and the travel industry.

''§ 44940. Short-term transition; long-term results

''(a) SHORT-TERM TRANSITION.—

''(1) IN GENERAL.—Within 60 days after the date of enactment of the Aviation Security Act, the Deputy Administrator for Aviation

Security shall, in consultation with Congress—

''(A) establish acceptable levels of performance for aviation security, including screening operations and access control; and

''(B) provide Congress with an action plan, containing measurable goals and milestones, that outlines how those levels of performance will be achieved.

''(2) BASICS OF ACTION PLAN.—The action plan shall clarify the responsibilities of the Department of Transportation, the Administrator, the Deputy Administrator for Aviation Security, and any other agency or organization that may have a role in ensuring the safety and security of the civil air transportation system.

''(b) LONG-TERM RESULTS-BASED MANAGEMENT.—

''(1) PERFORMANCE PLAN AND REPORT.—

''(A) PERFORMANCE PLAN.—

''(i) Each year, consistent with the requirements of the Government Performance and Results Act of 1993 (GPRA), the Administrator and the Deputy Administrator for Aviation Security shall agree on a performance plan for the succeeding 5 years that establishes measurable goals and objectives for aviation security. The plan shall identify action steps necessary to achieve such goals.

''(ii) In addition to meeting the requirements of GPRA, the performance plan shall clarify the responsibilities of the Department of Transportation, the Administrator, the Deputy Administrator for Aviation Security, and any other agency or organization that may have a role in ensuring safety and security of the civil air transportation system.

''(iii) The performance plan shall be available to the public. The Deputy Administrator for Aviation Security may prepare a nonpublic appendix covering performance goals and indicators that, if revealed to the public, would likely impede achievement of those goals and indicators.

''(B) PERFORMANCE REPORT.—

''(i) Each year, consistent with the requirements of GPRA, the Deputy Administrator for Aviation Security shall prepare and submit to Congress an annual report including an evaluation of the extent goals and objectives were met. The report shall include the results achieved during the year relative to the goals established in the performance plan.

''(ii) The performance report shall be available to the public. The Deputy Administrator for Aviation Security may prepare a nonpublic appendix covering performance goals and indicators that, if revealed to the public, would likely impede achievement of those goals and indicators.

''(2) PERFORMANCE MANAGEMENT.—

''(A) ESTABLISHING MANAGEMENT ACCOUNTABILITY FOR MEETING PERFORMANCE GOALS.—

''(i) Each year, the Administrator and the Deputy Administrator for Aviation Security shall enter into an annual performance agreement that shall set forth organizational and individual performance goals for the Deputy Administrator.

''(ii) Each year, the Deputy Administrator for Aviation Security and each senior manager shall enter into an annual performance agreement that sets forth organization and individual goals for those managers.

''(B) ESTABLISHING A FAIR AND EQUITABLE SYSTEM FOR MEASURING STAFF PERFORMANCE.—The Deputy Administrator for Aviation Security shall establish an annual performance management system, notwithstanding the provisions of title 5, which strengthens the organization's effectiveness by providing for the establishment of goals and objectives for individual, group, and organizational performance consistent with the performance plan.

''(3) PERFORMANCE-BASED SERVICE CONTRACTING.—In carrying out the aviation security program, the Deputy Administrator for Aviation Security shall, to the extent practicable, maximize the use of performance-based service contracts for any screening activities that may be out-sourced. These contracts should be consistent with guidelines published by the Office of Federal Procurement Policy.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for subchapter II of chapter 449, of title 49, United States Code, is amended by inserting after the item relating to section 44938 the following new items:

''44939. Human capital changes to reinforce results-based management

''44940. Short-term transition; long-term results''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. KERRY. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, October 3, at 9:30 a.m., to conduct a hearing. The Committee will receive testimony on the nominations of Jeffrey D. Jarrett to be Director of the Office of Surface Mining Reclamation and Enforcement, Department of the Interior, and Harold Craig Manson to be Assistant Secretary for Fish and Wildlife, Department of the Interior.

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

COMMITTEE ON FINANCE

Mr. KERRY. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Wednesday, October 3, 2001, at 11 a.m., to hear testimony on the need for an economic stimulus package and if one is needed, potential components.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. KERRY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, October 3, 2001, at a time to be determined, to hold a business meeting.

The committee will consider and vote on the following matters:

Nominees: Mr. Robert W. Jordan of Texas, to be Ambassador to the Kingdom of Saudi Arabia.

Committee Organization: Approval of the creation of the Subcommittee on Central Asia and South Caucasus, as follows:

Membership

Robert G. Torricelli, Chairman
Joseph R. Biden, Jr.
John F. Kerry
Paul D. Wellstone
Barbara Boxer

Richard G. Lugar, Ranking Member
Chuck Hagel
Gordon H. Smith
Sam Brownback

(The Chairman and Ranking Member of the full committee are ex officio members of each subcommittee on which they do not serve as members.)

Jurisdiction of Subcommittee on Central Asia and South Caucasus

The subcommittee deals with matters concerning Central Asia and the South Caucasus, including the countries of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, as well as Armenia, Azerbaijan and Georgia.

This subcommittee's responsibilities include all matters, problems and policies involving promotion of U.S. trade and export; terrorism, crime and the flow of illegal drugs; and oversight over U.S. foreign assistance programs that fall within this subcommittee's regional jurisdiction.

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

SUBCOMMITTEE ON CONSTITUTION, FEDERALISM, AND PROPERTY RIGHTS

Mr. KERRY. Mr. President, I ask unanimous consent that the Committee on the Judiciary Subcommittee on Constitution, Federalism, and Property Rights be authorized to meet to conduct a hearing on Wednesday, October 3, 2001, at 9:30 a.m., in Dirksen 226.

Tentative Witness List [Invited]: United States Department of Justice, Washington, DC; Mr. Jerry Berman, Executive Director, Center for Democracy & Technology, Washington, DC; Professor David D. Cole, Professor of Law, Georgetown University Law Center, Washington, DC; Dr. Morton H. Halperin, Chair, Advisory Board, Center for National Security Studies, Washington, DC; Dean Douglas W. Kmiec, Dean and St. Thomas More Professor, Columbus School of Law, The Catholic University of America, Washington, DC; Professor John O. McGinnis, Professor of Law, Benjamin N. Cardozo School of Law at Yeshiva University, New York, NY; Mr. Grover Norquist, President, Americans for Tax Reform, Washington, DC.

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

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2002

On October 2, 2001, the Senate passed S. 1438, as follows:

S. 1438

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Defense Authorization Act for Fiscal Year 2002''.

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

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

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term ''congressional defense committees'' means—

(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

(2) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

SEC. 4. APPLICABILITY OF REPORT OF COMMITTEE ON ARMED SERVICES OF THE SENATE.

Senate Report 107–62, the report of the Committee on Armed Services of the Senate to accompany the bill S. 1416, 107th Congress, 1st session, shall apply to this Act with the exception of the portions of the report that relate to sections 221 through 224.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement for the Army as follows:

(1) For aircraft, $2,123,391,000.

(2) For missiles, $1,807,384,000.

(3) For weapons and tracked combat vehicles, $2,276,746,000.

(4) For ammunition, $1,187,565,000.

(5) For other procurement, $4,024,486,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement for the Navy as follows:

(1) For aircraft, $8,169,043,000.

(2) For weapons, including missiles and torpedoes, $1,503,475,000.

(3) For shipbuilding and conversion, $9,522,121,000.

(4) For other procurement, $4,293,476,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement for the Marine Corps in the amount of $981,724,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement of ammunition for the Navy and the Marine Corps in the amount of $476,099,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement for the Air Force as follows:

(1) For aircraft, $10,892,957,000.

(2) For ammunition, $885,344,000.

(3) For missiles, $3,286,136,000.

(4) For other procurement, $8,081,721,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2002 for Defense-wide procurement in the amount of $1,594,325,000.

SEC. 105. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 2002 for procurement for the Inspector General of the Department of Defense in the amount of $2,800,000.

SEC. 106. CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE.

There is hereby authorized to be appropriated for the Office of the Secretary of Defense for fiscal year 2002 the amount of $1,153,557,000 for—

(1) the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(2) the destruction of chemical warfare materiel of the United States that is not covered by section 1412 of such Act.

SEC. 107. DEFENSE HEALTH PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 2002 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $267,915,000.

Subtitle B—Army Programs

(RESERVED)

Subtitle C—Navy Programs

SEC. 121. VIRGINIA CLASS SUBMARINE PROGRAM.

Section 123(b)(1) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–25) is amended—

(1) by striking ''five Virginia class submarines'' and inserting ''seven Virginia class submarines''; and

(2) by striking ''through 2006'' and inserting ''2007''.

SEC. 122. MULTIYEAR PROCUREMENT AUTHORITY FOR F/A–18E/F AIRCRAFT ENGINES.

Beginning with the 2002 program year, the Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract for the procurement of engines for F/A–18E/F aircraft.

SEC. 123. V–22 OSPREY AIRCRAFT PROGRAM.

The production rate for V–22 Osprey aircraft may not be increased above the minimum sustaining production rate for which funds are authorized to be appropriated by this Act until the Secretary of Defense certifies to Congress that successful operational testing of the aircraft demonstrates that—

(1) the solutions to the problems regarding the reliability of hydraulic system components and flight control software that were identified by the panel appointed by the Secretary of Defense on January 5, 2001, to review the V–22 aircraft program are adequate to achieve low risk for crews and passengers aboard V–22 aircraft that are operating under operational conditions;

(2) the V–22 aircraft can achieve reliability and maintainability levels that are sufficient for the aircraft to achieve operational availability at the level required for fleet aircraft;

(3) the V–22 aircraft will be operationally effective—

(A) when employed in operations with other V–22 aircraft; and

(B) when employed in operations with other types of aircraft; and

(4) the V–22 aircraft can be operated effectively, taking into consideration the downwash effects inherent in the operation of the aircraft, when the aircraft—

(A) is operated in remote areas with unimproved terrain and facilities;

(B) is deploying and recovering personnel—

(i) while hovering within the zone of ground effect; and

(ii) while hovering outside the zone of ground effect; and

(C) is operated with external loads.

SEC. 124. ADDITIONAL MATTER RELATING TO V–22 OSPREY AIRCRAFT.

Not later than 30 days before the recommencement of flights of the V–22 Osprey aircraft, the Secretary of Defense shall submit to Congress notice of the waiver, if any, of any item capability or any other requirement specified in the Joint Operational Requirements Document for the V–22 Osprey aircraft, including a justification of each such waiver.

Subtitle D—Air Force Programs

SEC. 131. MULTIYEAR PROCUREMENT AUTHORITY FOR C–17 AIRCRAFT.

Beginning with the 2002 program year, the Secretary of the Air Force may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract for the procurement of up to 60 C–17 aircraft.

Subtitle E—Other Matters

SEC. 141. EXTENSION OF PILOT PROGRAM ON SALES OF MANUFACTURED ARTICLES AND SERVICES OF CERTAIN ARMY INDUSTRIAL FACILITIES WITHOUT REGARD TO AVAILABILITY FROM DOMESTIC SOURCES.

Section 141(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 4543 note) is amended by striking ''through 2001'' and inserting ''through 2002''.

SEC. 142. PROCUREMENT OF ADDITIONAL M291 SKIN DECONTAMINATION KITS.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS FOR DEFENSE-WIDE PROCUREMENT.—(1) The amount authorized to be appropriated by section 104 for Defense-wide procurement is hereby increased by $2,400,000, with the amount of the increase available for the Navy for procurement of M291 skin decontamination kits.

(2) The amount available under paragraph (1) for procurement of M291 skin decontamination kits is in addition to any other amounts available under this Act for procurement of M291 skin decontamination kits.

(b) OFFSET.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation, Defense-wide, is hereby decreased by $2,400,000, with the amount to be derived from the amount available for the Technical Studies, Support and Analysis program.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2002 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $6,899,170,000.

(2) For the Navy, $11,134,806,000.

(3) For the Air Force, $14,459,457,000.

(4) For Defense-wide activities, $14,099,702,000, of which $221,355,000 is authorized for the Director of Operational Test and Evaluation.

(5) For the Defense Health Program, $65,304,000.

SEC. 202. AMOUNT FOR BASIC AND APPLIED RESEARCH.

(a) FISCAL YEAR 2002.—Of the amounts authorized to be appropriated by section 201, $5,093,605,000 shall be available for basic research and applied research projects.

(b) BASIC RESEARCH AND APPLIED RESEARCH DEFINED.—For purposes of this section, the term ''basic research and applied research'' means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

SEC. 203. AUTHORIZATION OF ADDITIONAL FUNDS.

(a) AUTHORIZATION.—The amount authorized to be appropriated in section 201(1) is increased by $2,500,000 in PE62303A214 for Enhanced Scramjet Mixing.

(b) OFFSET.—The amount authorized to be appropriated by section 301(5) is reduced by $2,500,000.

SEC. 204. FUNDING FOR SPECIAL OPERATIONS FORCES COMMAND, CONTROL, COMMUNICATIONS, COMPUTERS, AND INTELLIGENCE SYSTEMS THREAT WARNING AND SITUATIONAL AWARENESS PROGRAM.

(a) INCREASED AUTHORIZATION OF APPROPRIATIONS FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation, Defense-wide, is hereby increased by $2,800,000.

(b) AVAILABILITY.—Of the amount authorized to be appropriated by section 201(4), as increased by subsection (a), $2,800,000 may be available for the Special Operations Forces Command, Control, Communications, Computers, and Intelligence Systems Threat Warning and Situational Awareness (PRIVATEER) program (PE1160405BB).

(c) OFFSET.—The amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities is hereby reduced by $2,800,000.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. F–22 AIRCRAFT PROGRAM.

(a) REPEAL OF LIMITATIONS ON TOTAL COST OF ENGINEERING AND MANUFACTURING DEVELOPMENT.—The following provisions of law are repealed:

(1) Section 217(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1660).

(2) Section 8125 of the Department of Defense Appropriations Act, 2001 (Public Law 106–259; 114 Stat. 702).

(3) Section 219(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–38).

(b) CONFORMING AMENDMENTS.—(1) Section 217 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1660) is amended—

(A) in subsection (c)—

(i) by striking ''limitations set forth in subsections (a) and (b)'' and inserting ''limitation set forth in subsection (b)''; and

(ii) by striking paragraph (3); and

(B) in subsection (d)(2), by striking subparagraphs (D) and (E).

(2) Section 131 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 536) is amended—

(A) in subsection (a), by striking paragraph (2) and inserting the following:

''(2) That the production phase for that program can be executed within the limitation on total cost applicable to that program under section 217(b) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1660).''; and

(B) in subsection (b)(3), by striking ''for the remainder of the engineering and manufacturing development phase and''.

SEC. 212. C–5 AIRCRAFT RELIABILITY ENHANCEMENT AND REENGINING.

The Secretary of the Air Force shall ensure that engineering manufacturing and development under the C–5 aircraft reliability enhancement and reengining program includes kit development for an equal number of C–5A and C–5B aircraft.

SEC. 213. REVIEW OF ALTERNATIVES TO THE V–22 OSPREY AIRCRAFT.

(a) REQUIREMENT FOR REVIEW.—The Under Secretary of Defense for Acquisition, Technology, and Logistics shall conduct a review of the requirements of the Marine Corps and the Special Operations Command that the V–22 Osprey aircraft is intended to meet in order to identify the potential alternative means for meeting those requirements if the V–22 Osprey aircraft program were to be terminated.

(b) MATTERS TO BE INCLUDED.—The requirements reviewed shall include the following:

(1) The requirements to be met by an aircraft replacing the CH–46 medium lift helicopter.

(2) The requirements to be met by an aircraft replacing the MH–53 helicopter.

(c) FUNDING.—Of the amount authorized to be appropriated by section 201(2), $5,000,000 shall be available for carrying out the review required by this section.

SEC. 214. JOINT BIOLOGICAL DEFENSE PROGRAM.

Section 217(a) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–36) is amended by striking ''funds authorized to be appropriated by this Act may not'' and inserting ''no funds authorized to be appropriated to the Department of Defense for fiscal year 2002 may''.

SEC. 215. REPORT ON V–22 OSPREY AIRCRAFT BEFORE DECISION TO RESUME FLIGHT TESTING.

Not later than 30 days before the planned date to resume flight testing of the V–22 Osprey aircraft, the Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to Congress a report containing the following:

(1) A comprehensive description of the status of the hydraulics system and flight control software of the V–22 Osprey Aircraft, including—

(A) a description and analysis of any deficiencies in the hydraulics system and flight control software of the V–22 Osprey aircraft; and

(B) a description and assessment of the actions taken to redress such deficiencies.

(2) A description of the current actions, and any proposed actions, of the Department of Defense to implement the recommendations of the Panel to Review the V–22 Program.

(3) An assessment of the recommendations of the National Aeronautics and Space Administration in its report on tiltrotor aeromechanics.

SEC. 216. BIG CROW PROGRAM AND DEFENSE SYSTEMS EVALUATION PROGRAM.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation, Defense-wide, is hereby increased by $6,500,000, with the amount of the increase to be available for operational test and evaluation (PE605118D).

(b) AVAILABILITY OF FUNDS.—Of the amount authorized to be appropriated by section 201(4), as increased by subsection (a)—

(1) $5,000,000 may be available for the Big Crow program; and

(2) $1,500,000 may be available for the Defense Systems Evaluation (DSE) program.

(c) OFFSET.—The amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities is hereby reduced by $6,500,000.

Subtitle C—Other Matters

SEC. 231. TECHNOLOGY TRANSITION INITIATIVE.

(a) ESTABLISHMENT AND CONDUCT.—Chapter 139 of title 10, United States Code, is amended by inserting after section 2354 the following new section 2355:

''§ 2355. Technology Transition Initiative

''(a) REQUIREMENT FOR PROGRAM.—The Secretary of Defense shall carry out a Technology Transition Initiative to facilitate the rapid transition of new technologies from science and technology programs of the Department of Defense into acquisition programs for the production of the technologies.

''(b) OBJECTIVES.—The objectives of the Initiative are as follows:

''(1) To successfully demonstrate new technologies in relevant environments.

''(2) To ensure that new technologies are sufficiently mature for production.

''(c) MANAGEMENT.—(1) The Secretary of Defense shall designate a senior official in the Office of the Secretary of Defense to manage the Initiative.

''(2) In administering the Initiative, the Initiative Manager shall report directly to the Under Secretary of Defense for Acquisition, Technology, and Logistics.

''(3) The Initiative Manager shall—

''(A) in consultation with the Commander of the Joint Forces Command, identify promising technologies that have been demonstrated in science and technology programs of the Department of Defense;

''(B) identify potential sponsors in the Department of Defense to undertake the transition of such technologies into production;

''(C) work with the science and technology community and the acquisition community to develop memoranda of agreement, joint funding agreements, and other cooperative arrangements to provide for the transition of the technologies into production; and

''(D) provide funding support for selected projects as provided under subsection (d).

''(d) JOINTLY FUNDED PROJECTS.—(1) The senior procurement executive of each military department shall select technology projects of the military department to recommend for funding support under the Initiative and shall submit a list of the recommended projects, ranked in order of priority, to the Initiative Manager. The projects shall be selected, in a competitive process, on the basis of the highest potential benefits in areas of interest identified by the Secretary of that military department.

''(2) The Initiative Manager, in consultation with the Commander of the Joint Forces Command, shall select projects for funding support from among the projects on the lists submitted under paragraph (1). The Initiative Manager shall provide funds, out of the Technology Transition Fund, for each

selected project. The total amount provided for a project shall be an amount that equals or exceeds 50 percent of the total cost of the project.

''(3) The senior procurement executive of the military department shall manage each project selected under paragraph (2) that is undertaken by the military department. Memoranda of agreement, joint funding agreements, and other cooperative arrangements between the science and technology community and the acquisition community shall be used in carrying out the project if the senior procurement executive determines that it is appropriate to do so to achieve the objectives of the project.

''(e) TECHNOLOGY TRANSITION FUND.—(1) There is established in the Treasury of the United States a fund to be known as the 'Technology Transition Fund'.

''(2) Subject to the authority, direction, and control of the Secretary of Defense, the Initiative Manager shall administer the Fund consistent with the provisions of this section.

''(3) Amounts appropriated for the Initiative shall be deposited in the Fund.

''(4) Amounts in the Fund shall be available, to the extent provided in appropriations Acts, for carrying out the Initiative.

''(5) The President shall specify in the budget submitted for a fiscal year pursuant to section 1105(a) of title 31 the amount provided in that budget for the Initiative.

''(f) DEFINITIONS.—In this section:

''(1) The term 'Initiative' means the Technology Transition Initiative carried out under this section.

''(2) The term 'Initiative Manager' means the official designated to manage the Initiative under subsection (c).

''(3) The term 'Fund' means the Technology Transition Fund established under subsection (e).

''(4) The term 'senior procurement executive', with respect to a military department, means the official designated as the senior procurement executive for that military department under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2354 the following new item:

''2355. Technology Transition Initiative.''.

SEC. 232. COMMUNICATION OF SAFETY CONCERNS BETWEEN OPERATIONAL TESTING AND EVALUATION OFFICIALS AND PROGRAM MANAGERS.

Section 139 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(c) The Director shall ensure that safety concerns developed during the operational test and evaluation of a weapon system under a major defense acquisition program are timely communicated to the program manager for consideration in the acquisition decisionmaking process.''.

SEC. 233. SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2001 FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION DEFENSE-WIDE.

Section 201(4) of Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–32) is amended by striking ''$10,873,712,000'' and inserting ''$10,874,712,000''.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 2002 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $21,134,982,000.

(2) For the Navy, $26,927,931,000.

(3) For the Marine Corps, $2,911,339,000.

(4) For the Air Force, $25,993,582,000.

(5) For Defense-wide activities, $12,482,532,000.

(6) For the Army Reserve, $1,803,146,000.

(7) For the Naval Reserve, $1,000,369,000.

(8) For the Marine Corps Reserve, $142,956,000.

(9) For the Air Force Reserve, $2,029,866,000.

(10) For the Army National Guard, $3,697,659,000.

(11) For the Air National Guard, $4,037,161,000.

(12) For the Defense Inspector General, $149,221,000.

(13) For the United States Court of Appeals for the Armed Forces, $9,096,000.

(14) For Environmental Restoration, Army, $389,800,000.

(15) For Environmental Restoration, Navy, $257,517,000.

(16) For Environmental Restoration, Air Force, $385,437,000.

(17) For Environmental Restoration, Defense-wide, $23,492,000.

(18) For Environmental Restoration, Formerly Used Defense Sites, $190,255,000.

(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $49,700,000.

(20) For Drug Interdiction and Counterdrug Activities, Defense-wide, $860,381,000.

(21) For the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund, $60,000,000.

(22) For the Defense Health Program, $17,546,750,000.

(23) For Cooperative Threat Reduction programs, $403,000,000.

(24) For Overseas Contingency Operations Transfer Fund, $2,844,226,000.

(25) For Support for International Sporting Competitions, Defense, $15,800,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2002 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, $1,917,186,000.

(2) For the National Defense Sealift Fund, $506,408,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

(a) AMOUNT FOR FISCAL YEAR 2002.—There is hereby authorized to be appropriated for fiscal year 2002 from the Armed Forces Retirement Home Trust Fund the sum of $71,440,000 for the operation of the Armed Forces Retirement Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

(b) AMOUNTS PREVIOUSLY AUTHORIZED.—Of amounts appropriated from the Armed Forces Retirement Home Trust Fund for fiscal years before fiscal year 2002 by Acts enacted before the date of the enactment of this Act, an amount of $22,400,000 shall be available for those fiscal years, to the same extent as is provided in appropriation Acts, for the development and construction of a blended use, multicare facility at the Naval Home and for the acquisition of a parcel of real property adjacent to the Naval Home, consisting of approximately 15 acres, more or less.

SEC. 304. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) CONTINUATION OF DEPARTMENT OF DEFENSE PROGRAM FOR FISCAL YEAR 2002.—Of the amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, $35,000,000 shall be available only for the purpose of providing educational agencies assistance (as defined in subsection (d)(1)) to local educational agencies.

(b) NOTIFICATION.—Not later than June 30, 2002, the Secretary of Defense shall notify each local educational agency that is eligible for educational agencies assistance for fiscal year 2002 of—

(1) that agency's eligibility for educational agencies assistance; and

(2) the amount of the educational agencies assistance for which that agency is eligible.

(c) DISBURSEMENT OF FUNDS.—The Secretary of Defense shall disburse funds made available under subsection (a) not later than 30 days after the date on which notification to the eligible local educational agencies is provided pursuant to subsection (b).

(d) DEFINITIONS.—In this section:

(1) The term ''educational agencies assistance'' means assistance authorized under section 386(b) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 7703 note).

(2) The term ''local educational agency'' has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

SEC. 305. AMOUNT FOR IMPACT AID FOR CHILDREN WITH SEVERE DISABILITIES.

Of the amount authorized to be appropriated under section 301(5), $5,000,000 shall be available for payments under section 363 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–77).

SEC. 306. IMPROVEMENTS IN INSTRUMENTATION AND TARGETS AT ARMY LIVE FIRE TRAINING RANGES.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS FOR OPERATION AND MAINTENANCE, ARMY.—The amount authorized to be appropriated by section 301(1) for the Army for operation and maintenance is hereby increased by $11,900,000 for improvements in instrumentation and targets at Army live fire training ranges.

(b) OFFSET.—The amount authorized to be appropriated by section 302(1) for the Department of Defense for the Defense Working Capital Funds is hereby decreased by $11,900,000, with the amount of the decrease to be allocated to amounts available under that section for fuel purchases.

SEC. 307. ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES.

Of the funds authorized to be appropriated for section 301, $230,255,000 shall be available for Environmental Restoration, Formerly Used Defense Sites.

SEC. 308. AUTHORIZATION OF ADDITIONAL FUNDS.

Of the amount authorized to be appropriated by section 301(5), $2,000,000 may be available for the replacement and refurbishment of air handlers and related control systems at Air Force medical centers.

SEC. 309. FUNDS FOR RENOVATION OF DEPARTMENT OF VETERANS AFFAIRS FACILITIES ADJACENT TO NAVAL TRAINING CENTER, GREAT LAKES, ILLINOIS.

(a) AVAILABILITY OF FUNDS FOR RENOVATION.—Subject to subsection (b), of the amount authorized to be appropriated by section 301(2) for operations and maintenance for the Navy, the Secretary of the Navy may make available to the Secretary of Veterans Affairs up to $2,000,000 for relocation of Department of Veterans Affairs activities and associated renovation of existing facilities at the North Chicago Department of Veterans Affairs Medical Center.

(b) LIMITATION.—The Secretary of the Navy may make funds available under subsection (a) only after the Secretary of the Navy and the Secretary of Veterans Affairs enter into an appropriate agreement for the use by the Secretary of the Navy of approximately 48 acres of real property at the North Chicago Department of Veterans Affairs property referred to in subsection (a) for expansion of the Naval Training Center, Great Lakes, Illinois.

Subtitle B—Environmental Provisions

SEC. 311. ESTABLISHMENT IN ENVIRONMENTAL RESTORATION ACCOUNTS OF SUB-ACCOUNTS FOR UNEXPLODED ORDNANCE AND RELATED CONSTITUENTS.

Section 2703 of title 10, United States Code, is amended—

(1) by redesignating subsections (b) through (f) as subsections (c) through (g), respectively; and

(2) by inserting after subsection (a) the following new subsection (b):

''(b) SUB-ACCOUNTS FOR UNEXPLODED ORDNANCE AND RELATED CONSTITUENTS.—There is hereby established within each environmental restoration account established under subsection (a) a sub-account to be known as the 'Environmental Restoration Sub-Account, Unexploded Ordnance and Related Constituents', for the account concerned.''.

SEC. 312. ASSESSMENT OF ENVIRONMENTAL REMEDIATION OF UNEXPLODED ORDNANCE AND RELATED CONSTITUENTS.

(a) REPORT REQUIRED.—The report submitted to Congress under section 2706(a) of title 10, United States Code, in 2002 shall include, in addition to the matters required by such section, a comprehensive assessment of the extent of unexploded ordnance and related constituents at current and former facilities of the Department of Defense.

(b) ELEMENTS.—The assessment included under subsection (a) in the report referred to in that subsection shall include, at a minimum—

(1) an estimate of the aggregate projected costs of the remediation of unexploded ordnance and related constituents at all active facilities of the Department;

(2) an estimate of the aggregate projected costs of the remediation of unexploded ordnance and related constituents at all installations that are being, or have been, closed or realigned under the base closure laws as of the date of the report under subsection (a);

(3) an estimate of the aggregate projected costs of the remediation of unexploded ordnance and related constituents at all formerly used defense sites;

(4) a comprehensive plan for addressing the unexploded ordinance and related constituents referred to in paragraphs (1) through (3), including an assessment of the funding required and the period of time over which such funding will be provided; and

(5) an assessment of the technology available for the remediation of unexploded ordnance and related constituents, an assessment of the impact of improved technology on the cost of remediation of such ordnance and constituents, and a plan for the development and utilization of such improved technology.

(c) REQUIREMENTS FOR ESTIMATES.—(1) The estimates of aggregate projected costs under each of paragraphs (1), (2), and (3) of subsection (b) shall—

(A) be stated as a range of aggregate projected costs, including a low estimate and a high estimate;

(B) set forth the differing assumptions underlying each such low estimate and high estimate, including—

(i) any public uses for the facilities, installations, or sites concerned that will be available after the remediation has been completed;

(ii) the extent of the cleanup required to make the facilities, installations, or sites concerned available for such uses; and

(iii) the technologies to be applied to utilized this purpose; and

(C) include, and identify separately, an estimate of the aggregate projected costs of the remediation of any ground water contamination that may be caused by unexploded ordnance and related constituents at the facilities, installations, or sites concerned.

(2) The high estimate of the aggregate projected costs for facilities and installations under paragraph (1)(A) shall be based on the assumption that all unexploded ordnance and related constituents at such facilities and installations will be addressed, regardless of whether there are any current plans to close such facilities or installations or discontinue training at such facilities or installations.

(3) The estimate of the aggregate projected costs of remediation of ground water contamination under paragraph (1)(C) shall be based on a comprehensive assessment of the risk of such contamination and of the actions required to protect the ground water supplies concerned.

SEC. 313. DEPARTMENT OF DEFENSE ENERGY EFFICIENCY PROGRAM.

(a) IN GENERAL.—The Secretary of Defense shall carry out a program to significantly improve the energy efficiency of Department of Defense facilities through 2010.

(b) RESPONSIBLE OFFICIALS.—The Secretary shall designate a senior official of the Department of Defense to be responsible for managing the program for the Department and a senior official of each military department to be responsible for managing the program for such department.

(c) ENERGY EFFICIENCY GOALS.—The goal of the program shall be to achieve reductions in energy consumption by Department facilities as follows:

(1) In the case of industrial and laboratory facilities, reductions in the average energy consumption per square foot of such facilities, per unit of production or other applicable unit, relative to energy consumption in 1990—

(A) by 20 percent by 2005; and

(B) by 25 percent by 2010.

(2) In the case of other facilities, reductions in average energy consumption per gross square foot of such facilities, relative to energy consumption per gross square foot in 1985—

(A) by 30 percent by 2005; and

(B) by 35 percent by 2010.

(d) STRATEGIES FOR IMPROVING ENERGY EFFICIENCY.—In order to achieve the goals set forth in subsection (c), the Secretary shall, to the maximum extent practicable—

(1) purchase energy-efficient products, as so designated by the Environmental Protection Agency and the Department of Energy, and other energy-efficient products;

(2) utilize energy savings performance contracts, utility energy-efficiency service contracts, and other contracts designed to achieve energy conservation;

(3) use life-cycle cost analysis, including assessment of life-cycle energy costs, in making decisions about investments in products, services, construction, and other projects;

(4) conduct energy efficiency audits for approximately 10 percent of all Department of Defense facilities each year;

(5) explore opportunities for energy efficiency in industrial facilities for steam systems, boiler operation, air compressor systems, industrial processes, and fuel switching; and

(6) retire inefficient equipment on an accelerated basis where replacement results in lower life-cycle costs.

(e) REPORTS.— Not later than January 1, 2002, and annually thereafter through 2010, the Secretary shall submit to the congressional defense committees a report on progress made toward achieving the goals set forth in subsection (c). Each report shall include, at a minimum—

(1) the percentage reduction in energy consumption accomplished as of the date of such report by the Department, and by each of the military departments, in facilities covered by the goals set forth in subsection (c)(1);

(2) the percentage reduction in energy consumption accomplished as of the date of such report by the Department, and by each of the military departments, in facilities covered by the goals set forth in subsection (c)(2); and

(3) the steps taken by the Department, and by each of the military departments, to implement the energy efficiency strategies required by subsection (d) in the preceding calendar year.

SEC. 314. EXTENSION OF PILOT PROGRAM FOR SALE OF AIR POLLUTION EMISSION REDUCTION INCENTIVES.

Section 351(a)(2) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 2701 note) is amended by striking ''September 30, 2001'' and inserting ''September 30, 2003''.

SEC. 315. REIMBURSEMENT OF ENVIRONMENTAL PROTECTION AGENCY FOR CERTAIN RESPONSE COSTS IN CONNECTION WITH HOOPER SANDS SITE, SOUTH BERWICK, MAINE.

(a) AUTHORITY TO REIMBURSE.—Using amounts specified in subsection (c), the Secretary of the Navy may pay $1,005,478 to the Hooper Sands Special Account within the Hazardous Substance Superfund established by section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507) to reimburse the Environmental Protection Agency for the response costs incurred by the Environmental Protection Agency for actions taken between May 12, 1992, and July 31, 2000, pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) at the Hooper Sands site in South Berwick, Maine, in accordance with the Interagency Agreement entered into by the Department of the Navy and the Environmental Protection Agency in January 2001.

(b) TREATMENT OF REIMBURSEMENT.—Payment of the amount authorized by subsection (a) shall be in full satisfaction of amounts due from the Department of the

Navy to the Environmental Protection Agency for the response costs described in that subsection.

(c) SOURCE OF FUNDS.—Payment under subsection (a) shall be made using amounts authorized to be appropriated by section 301(15) to the Environmental Restoration Account, Navy, established by section 2703(a)(3) of title 10, United States Code.

SEC. 316. CONFORMITY OF SURETY AUTHORITY UNDER ENVIRONMENTAL RESTORATION PROGRAM WITH SURETY AUTHORITY UNDER SUPERFUND.

Section 2701(j)(1) of title 10, United States Code, is amended by striking ''or after December 31, 1999''.

SEC. 317. PROCUREMENT OF ALTERNATIVE FUELED AND HYBRID ELECTRIC LIGHT DUTY TRUCKS.

(a) DEFENSE FLEETS NOT COVERED BY REQUIREMENT IN ENERGY POLICY ACT OF 1992.—(1) The Secretary of Defense shall coordinate with the Administrator of General Services to ensure that only hybrid electric vehicles are procured by the Administrator for the Department of Defense fleet of light duty trucks that is not in a fleet of vehicles to which section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) applies.

(2) The Secretary, in consultation with the Administrator, may waive the policy regarding the procurement of hybrid electric vehicles in paragraph (1) to the extent that the Secretary determines necessary—

(A) in the case of trucks that are exempt from the requirements of section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) for national security reasons under subsection (b)(3)(E) of such section, to meet specific requirements of the Department of Defense for capabilities of light duty trucks;

(B) to procure vehicles consistent with the standards applicable to the procurement of fleet vehicles for the Federal Government; or

(C) to adjust to limitations on the commercial availability of light duty trucks that are hybrid electric vehicles.

(3) This subsection applies with respect to procurements of light duty trucks in fiscal year 2005 and subsequent fiscal years.

(b) REQUIREMENT TO EXCEED REQUIREMENT IN ENERGY POLICY ACT OF 1992.—(1) The Secretary of Defense shall coordinate with the Administrator of General Services to ensure that, of the light duty trucks procured in fiscal years after fiscal year 2004 for the fleets of light duty vehicles of the Department of Defense to which section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) applies—

(A) five percent of the total number of such trucks that are procured in each of fiscal years 2005 and 2006 are alternative fueled vehicles or hybrid electric vehicles; and

(B) ten percent of the total number of such trucks that are procured in each fiscal year after fiscal year 2006 are alternative fueled vehicles or hybrid electric vehicles.

(2) Light duty trucks acquired for the Department of Defense that are counted to comply with section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) for a fiscal year shall be counted to determine the total number of light duty trucks procured for the Department of Defense for that fiscal year for the purposes of paragraph (1), but shall not be counted to satisfy the requirement in that paragraph.

(c) REPORT ON PLANS FOR IMPLEMENTATION.—At the same time that the President submits the budget for fiscal year 2003 to Congress under section 1105(a) of title 31, United States Code, the Secretary shall submit to Congress a report summarizing the plans for carrying out subsections (a) and (b).

(d) DEFINITIONS.—In this section:

(1) The term ''hybrid electric vehicle'' means a motor vehicle that draws propulsion energy from onboard sources of stored energy that are both—

(A) an internal combustion or heat engine using combustible fuel; and

(B) a rechargeable energy storage system.

(2) The term ''alternative fueled vehicle'' has the meaning given that term in section 301 of the Energy Policy Act of 1992 (43 U.S.C. 13211).

Subtitle C—Commissaries and Nonappropriated Fund Instrumentalities

SEC. 321. REBATE AGREEMENTS WITH PRODUCERS OF FOODS PROVIDED UNDER THE SPECIAL SUPPLEMENTAL FOOD PROGRAM.

Section 1060a(b) of title 10, United States Code, is amended—

(1) by striking ''(b) FUNDING MECHANISM.—'' and inserting ''(b) FUNDING.—(1); and

(2) by adding at the end the following new paragraph:

''(2)(A) In the administration of the program under this section, the Secretary of Defense may enter into a contract with a producer of a particular brand of food that provides for—

''(i) the Secretary of Defense to procure that particular brand of food, exclusive of other brands of the same or similar food, for the purpose of providing the food in commissary stores of the Department of Defense as a supplemental food under the program; and

''(ii) the producer to rebate to the Department of Defense amounts equal to agreed portions of the amounts paid by the department for the procurement of that particular brand of food for the program.

''(B) The Secretary shall use competitive procedures under chapter 137 of this title for entering into contracts under this paragraph.

''(C) The period covered by a contract entered into under this paragraph may not exceed one year. No such contract may be extended by a modification of the contract, by exercise of an option, or by any other means. Nothing in this subparagraph prohibits a contractor under a contract entered into under this paragraph for any year from submitting an offer for, and being awarded, a contract that is to be entered into under this paragraph for a successive year.

''(D) Amounts rebated under a contract entered into under subparagraph (A) shall be credited to the appropriation available for carrying out the program under this section in the fiscal year in which rebated, shall be merged with the other sums in that appropriation, and shall be available for the program for the same period as the other sums in the appropriation.''.

SEC. 322. REIMBURSEMENT FOR USE OF COMMISSARY FACILITIES BY MILITARY DEPARTMENTS FOR PURPOSES OTHER THAN COMMISSARY SALES.

(a) REQUIREMENT.—Chapter 147 of title 10, United States Code, is amended by inserting after section 2482a the following new section:

''§ 2483. Commissary stores: reimbursement for use of commissary facilities by military departments

''(a) PAYMENT REQUIRED.—The Secretary of a military department shall pay the Defense Commissary Agency the amount determined under subsection (b) for any use of a commissary facility by the military department for a purpose other than commissary sales or operations in support of commissary sales.

''(b) AMOUNT.—The amount payable under subsection (a) for use of a commissary facility by a military department shall be equal to the share of depreciation of the facility that is attributable to that use, as determined under regulations prescribed by the Secretary of Defense.

''(c) COVERED FACILITIES.—This section applies with respect to a commissary facility that is acquired, constructed, converted, expanded, installed, or otherwise improved (in whole or in part) with the proceeds of an adjustment or surcharge applied under section 2486(c) of this title.

''(d) CREDITING OF PAYMENTS.—The Director of the Defense Commissary Agency shall credit amounts paid under this section for use of a facility to an appropriate account to which proceeds of an adjustment or surcharge referred to in subsection (c) are credited.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2482a the following new item:

''2483. Commissary stores: reimbursement for use of commissary facilities by military departments.''.

SEC. 323. PUBLIC RELEASES OF COMMERCIALLY VALUABLE INFORMATION OF COMMISSARY STORES.

(a) LIMITATIONS AND AUTHORITY.—Section 2487 of title 10, United States Code, is amended to read as follows:

''§ 2487. Commissary stores: release of certain commercially valuable information to the public

''(a) AUTHORITY TO LIMIT RELEASE.—(1) The Secretary of Defense may limit the release to the public of any information described in paragraph (2) if the Secretary determines that it is in the best interest of the Department of Defense to limit the release of such information. If the Secretary determines to limit the release of any such information, the Secretary may provide for limited release of such information in accordance with subsection (b).

''(2) Paragraph (1) applies to the following:

''(A) Information contained in the computerized business systems of commissary stores or the Defense Commissary Agency that is collected through or in connection with the use of electronic scanners in commissary stores, including the following information:

''(i) Data relating to sales of goods or services.

''(ii) Demographic information on customers.

''(iii) Any other information pertaining to commissary transactions and operations.

''(B) Business programs, systems, and applications (including software) relating to commissary operations that were developed with funding derived from commissary surcharges.

''(b) RELEASE AUTHORITY.—(1) The Secretary of Defense may, using competitive procedures, enter into a contract to sell information described in subsection (a)(2).

''(2) The Secretary of Defense may release, without charge, information on an item sold in commissary stores to—

''(A) the manufacturer or producer of that item; or

''(B) the manufacturer or producer's agent when necessary to accommodate electronic ordering of the item by commissary stores.

''(3) The Secretary of Defense may, by contract entered into with a business, grant to the business a license to use business programs referred to in subsection (a)(2)(B), including software used in or comprising any such program. The fee charged for the license shall be based on the costs of similar

programs developed and marketed by businesses in the private sector, determined by means of surveys.

''(4) Each contract entered into under this subsection shall specify the amount to be paid for information released or a license granted under the contract, as the case may be.

''(c) FORM OF RELEASE.—Information described in subsection (a)(2) may not be released, under subsection (b) or otherwise, in a form that identifies any customer or that provides information making it possible to identify any customer.

''(d) RECEIPTS.—Amounts received by the Secretary under this section shall be credited to funds derived from commissary surcharges, shall be merged with those funds, and shall be available for the same purposes as the funds with which merged.

''(e) DEFINITIONS.—In this section, the term 'commissary surcharge' means any adjustment or surcharge applied under section 2486(c) of this title.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 147 of such title is amended to read as follows:

''2487. Commissary stores: release of certain commercially valuable information to the public.''.

Subtitle D—Other Matters

SEC. 331. CODIFICATION OF AUTHORITY FOR DEPARTMENT OF DEFENSE SUPPORT FOR COUNTERDRUG ACTIVITIES OF OTHER GOVERNMENTAL AGENCIES.

(a) AUTHORITY.—(1) Chapter 18 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 383. Additional support for counterdrug activities of other agencies

''(a) SUPPORT TO OTHER AGENCIES.—The Secretary of Defense may provide support for the counterdrug activities of any other department or agency of the Federal Government or of any State, local, or foreign law enforcement agency for any of the purposes set forth in subsection (b) if such support is requested—

''(1) by the official who has responsibility for the counterdrug activities of the department or agency of the Federal Government, in the case of support for the department or agency;

''(2) by the appropriate official of a State or local government, in the case of support for the State or local law enforcement agency; or

''(3) by an appropriate official of a department or agency of the Federal Government that has counterdrug responsibilities, in the case of support for a foreign law enforcement agency.

''(b) TYPES OF SUPPORT.—The purposes for which the Secretary may provide support under subsection (a) are the following:

''(1) The maintenance and repair of equipment that has been made available to any department or agency of the Federal Government or to any State or local government by the Department of Defense for the purposes of—

''(A) preserving the potential future utility of such equipment for the Department of Defense; and

''(B) upgrading such equipment to ensure compatibility of that equipment with other equipment used by the Department of Defense.

''(2) The maintenance, repair, or upgrading of equipment (including computer software), other than equipment referred to in subparagraph (A) for the purpose of—

''(A) ensuring that the equipment being maintained or repaired is compatible with equipment used by the Department of Defense; and

''(B) upgrading such equipment to ensure the compatibility of that equipment with equipment used by the Department of Defense.

''(3) The transportation of personnel of the United States and foreign countries (including per diem expenses associated with such transportation), and the transportation of supplies and equipment, for the purpose of facilitating counterdrug activities within or outside the United States.

''(4) The establishment (including an unspecified minor military construction project) and operation of bases of operations or training facilities for the purpose of facilitating counterdrug activities of the Department of Defense or any Federal, State, or local law enforcement agency within or outside the United States or counterdrug activities of a foreign law enforcement agency outside the United States.

''(5) Counterdrug related training of law enforcement personnel of the Federal Government, of State and local governments, and of foreign countries, including associated support expenses for trainees and the provision of materials necessary to carry out such training.

''(6) The detection, monitoring, and communication of the movement of—

''(A) air and sea traffic within 25 miles of and outside the geographic boundaries of the United States; and

''(B) surface traffic outside the geographic boundary of the United States and within the United States not to exceed 25 miles of the boundary if the initial detection occurred outside of the boundary.

''(7) Construction of roads and fences and installation of lighting to block drug smuggling corridors across international boundaries of the United States.

''(8) Establishment of command, control, communications, and computer networks for improved integration of law enforcement, active military, and National Guard activities.

''(9) The provision of linguist and intelligence analysis services.

''(10) Aerial and ground reconnaissance.

''(c) LIMITATION ON COUNTERDRUG REQUIREMENTS.—The Secretary of Defense may not limit the requirements for which support may be provided under subsection (a) only to critical, emergent, or unanticipated requirements.

''(d) CONTRACT AUTHORITY.—In carrying out subsection (a), the Secretary of Defense may acquire services or equipment by contract for support provided under that subsection if the Department of Defense would normally acquire such services or equipment by contract for the purpose of conducting a similar activity for the Department of Defense.

''(e) LIMITED WAIVER OF PROHIBITION—Notwithstanding section 376 of this title, the Secretary of Defense may provide support pursuant to subsection (a) in any case in which the Secretary determines that the provision of such support would adversely affect the military preparedness of the United States in the short term if the Secretary determines that the importance of providing such support outweighs such short-term adverse effect.

''(f) CONDUCT OF TRAINING OR OPERATION TO AID CIVILIAN AGENCIES.—In providing support pursuant to subsection (a), the Secretary of Defense may plan and execute otherwise valid military training or operations (including training exercises undertaken pursuant to section 1206(a) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1564; 10 U.S.C. 124 note)) for the purpose of aiding civilian law enforcement agencies.

''(g) RELATIONSHIP TO OTHER LAWS.—(1) The authority provided in this section for the support of counterdrug activities by the Department of Defense is in addition to, and except as provided in paragraph (2), not subject to the requirements of any other provision of this chapter.

''(2) Support under this section shall be subject to the provisions of section 375 and, except as provided in subsection (e), section 376 of this title.

''(h) CONGRESSIONAL NOTIFICATION OF FACILITIES PROJECTS.—(1) When a decision is made to carry out a military construction project described in paragraph (2), the Secretary of Defense shall submit to the committees of Congress named in paragraph (3) a written notice of the decision, including the justification for the project and the estimated cost of the project. The project may be commenced only after the end of the 21-day period beginning on the date on which the written notice is received by the committees.

''(2) Paragraph (1) applies to an unspecified minor military construction project that—

''(A) is intended for the modification or repair of a Department of Defense facility for the purpose set forth in subsection (b)(4); and

''(B) has an estimated cost of more than $500,000.

''(3) The committees referred to in paragraph (1) are as follows:

''(A) The Committee on Armed Services and the Committee on Appropriations of the Senate.

''(B) The Committee on Armed Services and the Committee on Appropriations of the House of Representatives.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''383. Additional support for counterdrug activities of other agencies.''.

(b) REPEAL OF SUPERSEDED PROVISION.—Section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 374 note) is repealed.

(c) SAVINGS PROVISION.—The repeal of section 1004 of the National Defense Authorization Act for Fiscal Year 1991 by subsection (b) shall not affect any support provided under that section that is ongoing as of the date of the enactment of this Act. The support may be continued in accordance with section 383 of title 10, United States Code, as added by subsection (a).

SEC. 332. EXCLUSION OF CERTAIN EXPENDITURES FROM LIMITATION ON PRIVATE SECTOR PERFORMANCE OF DEPOT-LEVEL MAINTENANCE.

(a) AMOUNTS EXCLUDED.—Amounts expended out of funds described in subsection (b) for the performance of a depot-level maintenance and repair workload by non-Federal Government personnel at a Center of Industrial and Technical Excellence designated pursuant to section 2474(a) of title 10, United States Code, shall not be counted for purposes of section 2466(a) of such title if the personnel are provided by private industry pursuant to a public-private partnership undertaken by the Center under section 2474(b) of such title.

(b) FUNDS FOR FISCAL YEARS 2002 THROUGH 2004.—The funds referred to in subsection (a) are funds available to the military departments for depot-level maintenance and repair workloads for fiscal years 2002, 2003, and 2004.

SEC. 333. REPAIR, RESTORATION, AND PRESERVATION OF LAFAYETTE ESCADRILLE MEMORIAL, MARNES LA-COQUETTE, FRANCE.

(a) AUTHORITY TO MAKE GRANT.—The Secretary of the Air Force may, using amounts specified in subsection (d), make a grant to the Lafayette Escadrille Memorial Foundation, Inc., for purposes of the repair, restoration, and preservation of the structure, plaza, and surrounding grounds of the Lafayette Escadrille Memorial in Marnes la-Coquette, France.

(b) GRANT AMOUNT.—The amount of the grant under subsection (a) may not exceed $2,000,000.

(c) USE OF GRANT.—Amounts from the grant under this section shall be used solely for the purposes described in subsection (a). None of such amounts may be used for remuneration of any entity or individual associated with fundraising for any project for such purposes.

(d) FUNDS FOR GRANT.—Funds for the grant under this section shall be derived from amounts authorized to be appropriated by section 301(4) for operation and maintenance for the Air Force for fiscal year 2002.

SEC. 334. IMPLEMENTATION OF THE NAVY-MARINE CORPS INTRANET CONTRACT.

(a) ADDITIONAL PHASE-IN AUTHORITY.—Subsection (b) of section 814 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–215) is amended by adding at the end the following new paragraphs:

''(5)(A) The Secretary of the Navy may, before the submittal of the joint certification referred to in paragraph (3)(D), contract for one or more additional increments of work stations under the Navy-Marine Corps Intranet contract, with the number of work stations to be ordered in each additional increment to be determined by the Under Secretary of Defense for Acquisition, Technology, and Logistics.

''(B) Upon determining the number of work stations in an additional increment for purposes of subparagraph (A), the Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to the congressional defense committees a report, current as of the date of such determination, on the following:

''(i) The number of work stations operating on the Navy-Marine Corps Intranet.

''(ii) The status of testing and implementation of the Navy-Marine Corps Intranet program.

''(iii) The number of work stations to be contracted for in the additional increment.

''(C) The Under Secretary of Defense for Acquisition, Technology, and Logistics may not make a determination to order any number of work stations to be contracted for under subparagraph (A) in excess of the number permitted under paragraph (2) until—

''(i) the completion of a three-phase contractor test and user evaluation, observed by the Department of Defense, of the work stations operating on the Navy-Marine Corps Intranet at the first three sites under the Navy-Marine Corps Intranet program; and

''(ii) the Chief Information Officer of the Navy has certified to the Secretary of the Navy and the Chief Information Officer of the Department of Defense that the results of the test and evaluation referred to in clause (i) are acceptable.

''(D) The Under Secretary of Defense for Acquisition, Technology, and Logistics may not make a determination to order any number of work stations to be contracted for under subparagraph (A) in excess of the number provided for under subparagraph (C) until—

''(i) there has been a full transition of not less than 20,000 work stations to the Navy-Marine Corps Intranet;

''(ii) the work stations referred to in clause (i) have met service-level agreements specified in the Navy-Marine Corps Intranet contract for not less than 30 days, as determined by contractor performance measurement under oversight by the Department of the Navy; and

''(iii) the Chief Information Officer of the Department of Defense and the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence jointly certify to the congressional defense committees that the results of testing of the work stations referred to in clause (i) are acceptable.''.

(b) DEFINITIONS.—Subsection (f) of that section is amended to read as follows:

''(f) DEFINITIONS.—In this section:

''(1) The term 'Navy-Marine Corps Intranet contract' means a contract providing for a long-term arrangement of the Department of the Navy with the commercial sector that imposes on the contractor a responsibility for, and transfers to the contractor the risk of, providing and managing the significant majority of desktop, server, infrastructure, and communication assets and services of the Department of the Navy.

''(2) The term 'provide', in the case of a work station under the Navy-Marine Corps Intranet contract, means transfer of the legacy information infrastructure and systems of the user of the work station to Navy-Marine Corps Intranet infrastructure and systems of the work station under the Navy-Marine Corps Intranet contract and performance thereof consistent with the service-level agreements specified in the Navy-Marine Corps Intranet contract.''.

SEC. 335. REVISION OF AUTHORITY TO WAIVE LIMITATION ON PERFORMANCE OF DEPOT-LEVEL MAINTENANCE.

(a) IN GENERAL.—Section 2466(c) of title 10, United States Code, is amended to read as follows:

''(c) WAIVER OF LIMITATION.—(1) The Secretary of Defense may waive the limitation in subsection (a) for a fiscal year if—

''(A) the Secretary of Defense determines that the waiver is necessary for reasons of national security; and

''(B) the Secretary of Defense submits to Congress a notification of the waiver together with the reasons for the waiver; and

''(2) The Secretary of Defense may not delegate the authority to exercise the waiver authority under paragraph (1).''.

(b) REPORT.—The Secretary of Defense shall provide a report to Congress not later than January 31, 2002 that outlines the Secretary's strategy regarding the operations of the public depots.

SEC. 336. REAUTHORIZATION OF WARRANTY CLAIMS RECOVERY PILOT PROGRAM.

(a) EXTENSION OF AUTHORITY.—Subsection (f) of section 391 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1716; 10 U.S.C. 2304 note) is amended by striking ''September 30, 1999'' and inserting ''September 30, 2003''.

(b) REPORTING REQUIREMENTS.—Subsection (g) of such section is amended—

(1) in paragraph (1), by striking ''January 1, 2000'' and inserting ''January 1, 2003''; and

(2) in paragraph (2), by striking ''March 1, 2000'' and inserting ''March 1, 2003''.

SEC. 337. FUNDING FOR LAND FORCES READINESS-INFORMATION OPERATIONS SUSTAINMENT.

Of the amount authorized to be appropriated by section 301(6), $5,000,000 may be available for land forces readiness-information operations sustainment.

SEC. 338. DEFENSE LANGUAGE INSTITUTE FOREIGN LANGUAGE CENTER EXPANDED ARABIC LANGUAGE PROGRAM.

Of the amount authorized to be appropriated by section 301(1) for operation and maintenance for the Army, $650,000 may be available for the Defense Language Institute Foreign Language Center (DLIFLC) for an expanded Arabic language program.

SEC. 339. CONSEQUENCE MANAGEMENT TRAINING.

Of the amount authorized to be appropriated by section 301(5), $5,000,000 may be available for the training of members of the Armed Forces (including reserve component personnel) in the management of the consequences of an incident involving the use or threat of use of a weapon of mass destruction.

SEC. 340. CRITICAL INFRASTRUCTURE PROTECTION INITIATIVE OF THE NAVY.

Of the amount authorized to be appropriated by section 301(2), $6,000,000 shall be available for the critical infrastructure protection initiative of the Navy.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 2002, as follows:

(1) The Army, 480,000.

(2) The Navy, 376,000.

(3) The Marine Corps, 172,600.

(4) The Air Force, 358,800.

SEC. 402. AUTHORIZED DAILY AVERAGE ACTIVE DUTY STRENGTH FOR NAVY ENLISTED MEMBERS IN PAY GRADE E–8.

(a) IN GENERAL.—Section 517(a) of title 10, United States Code, is amended by inserting ''or the Navy'' after ''in the case of the Army''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall take effect on October 1, 2001, and shall apply with respect to fiscal years beginning on or after that date.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2002, as follows:

(1) The Army National Guard of the United States, 350,000.

(2) The Army Reserve, 205,000.

(3) The Naval Reserve, 87,000.

(4) The Marine Corps Reserve, 39,558.

(5) The Air National Guard of the United States, 108,400.

(6) The Air Force Reserve, 74,700.

(7) The Coast Guard Reserve, 8,000.

(b) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year; and

(2) the total number of individual members not in units organized to serve as units of

the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2002, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 23,698.

(2) The Army Reserve, 13,406.

(3) The Naval Reserve, 14,811.

(4) The Marine Corps Reserve, 2,261.

(5) The Air National Guard of the United States, 11,591.

(6) The Air Force Reserve, 1,437.

SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS).

The minimum number of military technicians (dual status) as of the last day of fiscal year 2002 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 6,249.

(2) For the Army National Guard of the United States, 23,615.

(3) For the Air Force Reserve, 9,818.

(4) For the Air National Guard of the United States, 22,422.

SEC. 414. FISCAL YEAR 2002 LIMITATION ON NON-DUAL STATUS TECHNICIANS.

(a) LIMITATION.—The number of non-dual status technicians employed by the reserve components of the Army and the Air Force as of September 30, 2002, may not exceed the following:

(1) For the Army Reserve, 1,095.

(2) For the Army National Guard of the United States, 1,600.

(3) For the Air Force Reserve, 0.

(4) For the Air National Guard of the United States, 350.

(b) NON-DUAL STATUS TECHNICIANS DEFINED.—In this section, the term ''non-dual status technician'' has the meaning given the term in section 10217(a) of title 10, United States Code.

SEC. 415. LIMITATIONS ON NUMBERS OF RESERVE PERSONNEL SERVING ON ACTIVE DUTY OR FULL-TIME NATIONAL GUARD DUTY IN CERTAIN GRADES FOR ADMINISTRATION OF RESERVE COMPONENTS.

(a) OFFICERS.—The text of section 12011 of title 10, United States Code, is amended to read as follows:

''(a) LIMITATIONS.—(1) Of the total number of members of a reserve component who are serving on full-time reserve component duty at the end of any fiscal year, the number of those members who may be serving in each of the grades of major, lieutenant colonel, and colonel may not, as of the end of that fiscal year, exceed the number determined in accordance with the following table:

''Total number of members of a reserve component serving on full-time reserve component duty:	Number of officers of that reserve component who may be serving in the grade of:		
	Major	Lieutenant Colonel	Colonel
Army Reserve:			
10,000	1,390	740	230
11,000	1,529	803	242
12,000	1,668	864	252
13,000	1,804	924	262
14,000	1,940	984	272
15,000	2,075	1,044	282
16,000	2,210	1,104	291
17,000	2,345	1,164	300
18,000	2,479	1,223	309
19,000	2,613	1,282	318
20,000	2,747	1,341	327
21,000	2,877	1,400	336
Army National Guard:			
20,000	1,500	850	325
22,000	1,650	930	350
24,000	1,790	1,010	370
26,000	1,930	1,085	385
28,000	2,070	1,160	400
30,000	2,200	1,235	405
32,000	2,330	1,305	408
34,000	2,450	1,375	411
36,000	2,570	1,445	411
38,000	2,670	1,515	411
40,000	2,770	1,580	411
42,000	2,837	1,644	411
Marine Corps Reserve:			
1,100	106	56	20
1,200	110	60	21
1,300	114	63	22
1,400	118	66	23
1,500	121	69	24
1,600	124	72	25
1,700	127	75	26
1,800	130	78	27
1,900	133	81	28
2,000	136	84	29
2,100	139	87	30
2,200	141	90	31
2,300	143	92	32
2,400	145	94	33
2,500	147	96	34
2,600	149	98	35
Air Force Reserve:			
500	83	85	50
1,000	155	165	95
1,500	220	240	135
2,000	285	310	170
2,500	350	369	203
3,000	413	420	220
3,500	473	464	230
4,000	530	500	240
4,500	585	529	247
5,000	638	550	254
5,500	688	565	261

''Total number of members of a reserve component serving on full-time reserve component duty:	Number of officers of that reserve component who may be serving in the grade of:		
	Major	Lieutenant Colonel	Colonel
6,000	735	575	268
7,000	770	595	280
8,000	805	615	290
10,000	835	635	300
Air National Guard:			
5,000	333	335	251
6,000	403	394	260
7,000	472	453	269
8,000	539	512	278
9,000	606	571	287
10,000	673	630	296
11,000	740	688	305
12,000	807	742	314
13,000	873	795	323
14,000	939	848	332
15,000	1,005	898	341
16,000	1,067	948	350
17,000	1,126	998	359
18,000	1,185	1,048	368
19,000	1,235	1,098	377
20,000	1,283	1,148	380.

''(2) Of the total number of members of the Naval Reserve who are serving on full-time reserve component duty at the end of any fiscal year, the number of those members who may be serving in each of the grades of lieutenant commander, commander, and captain may not, as of the end of that fiscal year, exceed the number determined in accordance with the following table:

''Total number of members of Naval Reserve serving on full-time reserve component duty:	Number of officers who may be serving in the grade of:		
	Lieutenant commander	Commander	Captain
10,000	807	447	141
11,000	867	467	153
12,000	924	485	163
13,000	980	503	173
14,000	1,035	521	183
15,000	1,088	538	193
16,000	1,142	555	203
17,000	1,195	565	213
18,000	1,246	575	223
19,000	1,291	585	233
20,000	1,334	595	242
21,000	1,364	603	250
22,000	1,384	610	258
23,000	1,400	615	265
24,000	1,410	620	270.

''(b) DETERMINATIONS BY INTERPOLATION.—If the total number of members of a reserve component serving on full-time reserve component duty is between any two consecutive numbers in the first column of the appropriate table in paragraph (1) or (2) of subsection (a), the corresponding authorized strengths for each of the grades shown in that table for that component are determined by mathematical interpolation between the respective numbers of the two strengths. If the total number of members of a reserve component serving on full-time reserve component duty is more or less than the highest or lowest number, respectively, set forth in the first column of the appropriate table in paragraph (1) or (2) of subsection (a), the Secretary concerned shall fix the corresponding strengths for the grades shown in that table at the same proportion as is reflected in the nearest limit shown in the table.

''(c) REALLOCATIONS TO LOWER GRADES.—Whenever the number of officers serving in any grade for duty described in subsection (a) is less than the number authorized for that grade under this section, the difference between the two numbers may be applied to increase the number authorized under this section for any lower grade.

''(d) SECRETARIAL WAIVER.—Upon determining that it is in the national interest to do so, the Secretary of Defense may increase for a particular fiscal year the number of reserve officers that may be on full-time reserve component duty for a reserve component in a grade referred to in a table in subsection (a) by a number that does not exceed the number equal to 5 percent of the maximum number specified for the grade in that table.

''(e) FULL-TIME RESERVE COMPONENT DUTY DEFINED.—In this section, the term 'full-time reserve component duty' means the following duty:

''(1) Active duty described in sections 10211, 10302, 10303, 10304, 10305, 12310, or 12402 of this title.

''(2) Full-time National Guard duty (other than for training) under section 502(f) of title 32.

''(3) Active duty described in section 708 of title 32.''.

(b) SENIOR ENLISTED MEMBERS.—The text of section 12012 of title 10, United States Code, is amended to read as follows:

''(a) LIMITATIONS.—(1) Of the total number of members of a reserve component who are serving on full-time reserve component duty at the end of any fiscal year, the number of those members in each of pay grades of E–8 and E–9 who may be serving on active duty under section 10211 or 12310, or on full-time National Guard duty under the authority of section 502(f) of title 32 (other than for training) in connection with organizing, administering, recruiting, instructing, or training the reserve components or the National Guard may not, as of the end of that fiscal year, exceed the number determined in accordance with the following table:

''Total number of members of a reserve component serving on full-time reserve component duty:	Number of members of that reserve component who may be serving in the grade of:	
	E–8	E–9
Army Reserve:		
10,000	1,052	154
11,000	1,126	168
12,000	1,195	180
13,000	1,261	191
14,000	1,327	202
15,000	1,391	213
16,000	1,455	224
17,000	1,519	235
18,000	1,583	246
19,000	1,647	257
20,000	1,711	268
21,000	1,775	278
Army National Guard:		
20,000	1,650	550
22,000	1,775	615
24,000	1,900	645
26,000	1,945	675

''Total number of members of a reserve component serving on full-time reserve component duty:	Number of members of that reserve component who may be serving in the grade of:	
	E–8	E–9
28,000	1,945	705
30,000	1,945	725
32,000	1,945	730
34,000	1,945	735
36,000	1,945	738
38,000	1,945	741
40,000	1,945	743
42,000	1,945	743
Naval Reserve:		
10,000	340	143
11,000	364	156
12,000	386	169
13,000	407	182
14,000	423	195
15,000	435	208
16,000	447	221
17,000	459	234
18,000	471	247
19,000	483	260
20,000	495	273
21,000	507	286
22,000	519	299
23,000	531	312
24,000	540	325
Marine Corps Reserve:		
1,100	50	11
1,200	55	12
1,300	60	13
1,400	65	14
1,500	70	15
1,600	75	16
1,700	80	17
1,800	85	18
1,900	89	19
2,000	93	20
2,100	96	21
2,200	99	22
2,300	101	23
2,400	103	24
2,500	105	25
2,600	107	26
Air Force Reserve:		
500	75	40
1,000	145	75
1,500	208	105
2,000	270	130
2,500	325	150
3,000	375	170
3,500	420	190
4,000	460	210
4,500	495	230
5,000	530	250
5,500	565	270
6,000	600	290
7,000	670	330
8,000	740	370
10,000	800	400
Air National Guard		
5,000	1,020	405
6,000	1,070	435
7,000	1,120	465
8,000	1,170	490
9,000	1,220	510
10,000	1,270	530
11,000	1,320	550
12,000	1,370	570
13,000	1,420	589
14,000	1,470	608
15,000	1,520	626
16,000	1,570	644
17,000	1,620	661
18,000	1,670	678
19,000	1,720	695
20,000	1,770	712.

''(b) DETERMINATIONS BY INTERPOLATION.—If the total number of members of a reserve component serving on full-time reserve component duty is between any two consecutive numbers in the first column of the appropriate table in paragraph (1) or (2) of subsection (a), the corresponding authorized strengths for each of the grades shown in that table for that component are determined by mathematical interpolation between the respective numbers of the two strengths. If the total number of members of a reserve component serving on full-time reserve component duty is more or less than the highest or lowest number, respectively, set forth in the first column of the table in subsection (a), the Secretary concerned shall fix the corresponding strengths for the grades shown in the table at the same proportion as is reflected in the nearest limit shown in the table.

''(c) REALLOCATIONS TO LOWER GRADE.—Whenever the number of officers serving in pay grade E–9 for duty described in subsection (a) is less than the number authorized for that grade under this section, the difference between the two numbers may be applied to increase the number authorized under this section for pay grade E–8.

''(d) SECRETARIAL WAIVER.—Upon determining that it is in the national interest to do so, the Secretary of Defense may increase for a particular fiscal year the number of reserve enlisted members that may be on active duty or full-time National Guard duty as described in subsection (a) for a reserve component in a pay grade referred to in a table in subsection (a) by a number that does not exceed the number equal to 5 percent of the maximum number specified for that grade and reserve component in the table.

''(e) FULL-TIME RESERVE COMPONENT DUTY DEFINED.—In this section, the term 'full-time reserve component duty' has the meaning given the term in section 12011(e) of this title.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2001.

SEC. 416. STRENGTH AND GRADE LIMITATION ACCOUNTING FOR RESERVE COMPONENT MEMBERS ON ACTIVE DUTY IN SUPPORT OF A CONTINGENCY OPERATION.

(a) ACTIVE DUTY STRENGTH ACCOUNTING.—Section 115(c)(1) of title 10, United States Code, is amended to read as follows:

''(1) increase the end strength authorized pursuant to subsection (a)(1)(A) for a fiscal year for any of the armed forces by—

''(A) a number equal to not more than 1 percent of that end strength; and

''(B) the number (if any) of the members of the reserve components that, as determined by the Secretary, are on active duty under section 12301(d) of this title in support of a contingency operation.''.

(b) LIMITATION ON AUTHORIZED DAILY AVERAGE FOR MEMBERS IN PAY GRADES E–8 AND E–9 ON ACTIVE DUTY.—Section 517 of such title is amended by adding at the end the following new paragraph:

''(d) The Secretary of Defense may increase the authorized daily average number of enlisted members on active duty in an armed force in pay grade E–8 or E–9 in a fiscal year, as determined under subsection (a), by the number (if any) of enlisted members of a reserve component of that armed force in that pay grade who, as determined by the Secretary, are on active duty under section 12301(d) of this title in support of a contingency operation.''.

(c) LIMITATION ON AUTHORIZED STRENGTHS FOR COMMISSIONED OFFICERS IN PAY GRADES O–4, O–5, AND O–6 ON ACTIVE DUTY.—Section 523(b) of such title is amended—

(1) in paragraphs (1) and (2) of subsection (a), by striking ''Except as provided in subsection (c)'' and inserting ''Except as provided in subsections (c) and (e)''; and

(2) by adding at the end the following new subsection:

''(e) The Secretary of Defense may increase the limitation on the total number of commissioned officers of an armed force authorized to be serving on active duty at the end of any fiscal year in the grade of O–4, O–5, or O–6, determined under subsection (a), by the number (if any) of commissioned officers of a reserve component of that armed force in that grade who, as determined by the Secretary, are serving on active duty under section 12301(d) of this title in support of a contingency operation.''.

(d) LIMITATION ON AUTHORIZED STRENGTHS FOR GENERAL AND FLAG OFFICERS ON ACTIVE DUTY.—Section 526(a) of such title is amended—

(1) by striking ''LIMITATIONS.—The'' and inserting ''LIMITATIONS.—(1) Except as provided in paragraph (2), the'';

(2) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively; and

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

''(2) The Secretary of Defense may increase the limitation on the number of general and flag officers on active duty, determined under paragraph (1), by the number (if any) of reserve component general and flag officers who, as determined by the Secretary, are serving on active duty under section 12301(d) of this title in support of a contingency operation.''.

Subtitle C—Authorization of Appropriations

SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2002 a total of $82,396,900,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2002.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. GENERAL OFFICER POSITIONS.

(a) INCREASED GRADE FOR VICE CHIEF OF NATIONAL GUARD BUREAU.—Section 10505(c) of title 10, United States Code, is amended by striking ''major general'' and inserting ''lieutenant general''.

(b) INCREASED GRADE FOR HEADS OF NURSE CORPS OF THE ARMED FORCES.—(1) Section 3069(b) of title 10, United States Code, is amended by striking ''brigadier general'' in the second sentence and inserting ''major general''.

(2) The first sentence of section 5150(c) of such title is amended—

(A) by inserting ''rear admiral (upper half) in the case of an officer in the Nurse Corps or'' after ''for promotion to the grade of''; and

(B) by inserting ''in the case of an officer in the Medical Service Corps'' after ''rear admiral (lower half)''.

(3) Section 8069(b) of such title is amended by striking ''brigadier general'' in the second sentence and inserting ''major general''.

(c) APPOINTMENT AND GRADE OF CHIEF OF ARMY VETERINARY CORPS.—(1) Chapter 307 of title 10, United States Code, is amended by inserting after section 3070 the following new section 3071:

''§ 3071. Veterinary Corps: composition; Chief and assistant chief; appointment; grade

''(a) COMPOSITION.—The Veterinary Corps consists of the Chief and assistant chief of that corps and other officers in grades prescribed by the Secretary of the Army.

''(b) CHIEF.—The Secretary of the Army shall appoint the Chief from the officers of the Regular Army in that corps whose regular grade is above lieutenant colonel and who are recommended by the Surgeon General. An appointee who holds a lower regular grade shall be appointed in the regular grade of brigadier general. The Chief serves during the pleasure of the Secretary, but not for more than four years, and may not be reappointed to the same position.

''(c) ASSISTANT CHIEF.—The Surgeon General shall appoint the assistant chief from the officers of the Regular Army in that corps whose regular grade is above lieutenant colonel. The assistant chief serves during the pleasure of the Surgeon General, but not for more than four years and may not be reappointed to the same position.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3070 the following new item:

''3071. Veterinary Corps: composition; Chief and assistant chief; appointment; grade.''.

(d) EXCLUSIONS FROM LIMITATION OF ACTIVE DUTY OFFICERS IN GRADES ABOVE MAJOR GENERAL.—Section 525(b) of title 10, United States Code, is amended—

(1) in paragraph (2)(B), by striking ''16.2 percent'' and inserting ''17.5 percent'';

(2) in paragraph (3)—

(A) by inserting ''(A)'' after ''(3)''; and

(B) by adding at the end the following new subparagraph:

''(B) An officer while serving as the Senior Military Assistant to the Secretary of Defense, if serving in the grade of general or lieutenant general, or admiral or vice admiral, is in addition to the number that would otherwise be permitted for his armed force for that grade under paragraph (1) or (2).''; and

(3) by striking paragraph (6) and inserting the following:

''(6)(A) An officer while serving in a position named in subparagraph (B) is in addition to the number that would otherwise be permitted for that officer's armed force for officers serving on active duty in grades above major general under paragraph (1).

''(B) Subparagraph (A) applies with respect to the following positions:

''(i) Chief of the National Guard Bureau.

''(ii) Vice Chief of the National Guard Bureau.''.

(e) REPEAL OF LIMITATION ON NUMBER OF OFFICERS ON ACTIVE DUTY IN THE GRADES OF GENERAL OR ADMIRAL.—(1) Section 528 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 32 of such title is amended by striking the item relating to section 528.

SEC. 502. REDUCTION OF TIME-IN-GRADE REQUIREMENT FOR ELIGIBILITY FOR PROMOTION OF FIRST LIEUTENANTS AND LIEUTENANTS (JUNIOR GRADE).

Paragraph (1) of section 619(a) of title 10, United States Code, is amended by striking ''the following period of service'' and all that follows through the end of the paragraph and inserting ''eighteen months of service in the grade in which he holds a permanent appointment.''.

SEC. 503. PROMOTION OF OFFICERS TO THE GRADE OF CAPTAIN IN THE ARMY, AIR FORCE, OR MARINE CORPS OR TO THE GRADE OF LIEUTENANT IN THE NAVY WITHOUT SELECTION BOARD ACTION.

(a) ACTIVE-DUTY LIST PROMOTIONS.—(1) Section 611(a) of title 10, United States Code, is amended by striking ''Under'' and inserting ''Except in the case of promotions recommended under section 624(a)(3) of this title, under''.

(2) Section 624(a) of such title is amended by adding at the end the following new paragraph (3):

''(3) The President may, upon a recommendation of the Secretary of the military department concerned approved by the President, promote to the grade of captain (for officers of the Regular Army, Regular Air Force, or Regular Marine Corps) or lieutenant (for officers of the Regular Navy) all fully qualified officers on the active-duty list in the permanent or temporary grade of first lieutenant or lieutenant (junior grade), respectively, who would be eligible for consideration for promotion to the next higher grade by a selection board convened under section 611(a) of this title. The Secretary of a military department may make such a recommendation whenever the Secretary determines that all such officers are needed in the next higher grade to accomplish mission objectives. Promotions under this paragraph shall be effectuated under regulations prescribed by the Secretary of the military department concerned.''.

(3) Section 631 of such title is amended by adding at the end the following new subsection (d):

''(d) For the purposes of this chapter—

''(1) a recommendation made by the Secretary of the military department concerned under section 624(a)(3) of this title that is approved by the President shall be treated in the same manner as a report of a promotion selection board convened under section 611(a) of this title that is approved by the President; and

''(2) an officer of the Regular Army, Regular Air Force, or Regular Marine Corps who holds the regular grade of first lieutenant, and an officer of the Regular Navy who holds the regular grade of lieutenant (junior grade), shall be treated as having failed of selection for promotion if the Secretary of the military department concerned determines that the officer would be eligible for consideration for promotion to the next higher grade by a selection board convened under section 611(a) of this title but is not fully qualified for promotion when recommending for promotion under section 624(a)(3) of this title all fully qualified officers of the officer's armed force in such grade who would be eligible for such consideration.''.

(b) RESERVE ACTIVE-STATUS LIST PROMOTIONS.—(1) Section 14101(a) of such title is amended by striking ''Whenever'' and inserting ''Except in the case of promotions recommended under section 14308(b)(4) of this title, whenever''.

(2) Section 14308(b) of such title is amended by adding at the end the following new paragraph (4):

''(4) The President may, upon a recommendation of the Secretary of the military department concerned approved by the President, promote to the grade of captain (for officers of a reserve component of the Army, Air Force, or Marine Corps) or lieutenant (for officers of the Naval Reserve) all fully qualified officers on the reserve active-status list in the permanent grade of first lieutenant or lieutenant (junior grade), respectively, who would be eligible for consideration for promotion to the next higher grade by a selection board convened under section 14101(a) of this title. The Secretary of a military department may make such a recommendation whenever the Secretary determines that all such officers are needed in the next higher grade to accomplish mission objectives. Promotions under this paragraph shall be effectuated under regulations prescribed by the Secretary of the military department concerned.''.

(3) Section 14504 of such title is amended by adding at the end the following new subsection (c):

''(c) For the purposes of this chapter—

''(1) a recommendation made by the Secretary of the military department concerned under section 14308(b)(4) of this title that is approved by the President shall be treated the same as a report of a promotion selection board convened under section 14101(a) of this title that is approved by the President; and

''(2) an officer on a reserve active-status list who holds the grade of first lieutenant (in the case of an officer in a reserve component of the Army, Air Force, or Marine Corps) or the grade of lieutenant (junior grade) (in the case of an officer of the Naval Reserve) shall be treated as having failed of selection for promotion if the Secretary of the military department concerned determines that the officer would be eligible for consideration for promotion to the next higher grade by a selection board convened under section 14101(a) of this title but is not fully qualified for promotion when recommending for promotion under section 14308(b)(4) of this title all fully qualified officers of that officer's reserve component in such grade who would be eligible for such consideration.''.

SEC. 504. AUTHORITY TO ADJUST DATE OF RANK.

(a) ACTIVE DUTY OFFICERS.—Subsection 741(d) of title 10, United States Code, is amended, by adding at the end the following new paragraph (4):

''(4)(A) The Secretary concerned may adjust the date of rank of an officer appointed to a higher grade under section 624(a) of this title if the appointment is to a grade below O–7 and is delayed by reason of unusual circumstances that cause an unintended delay in the processing or approval of—

''(i) a report of a selection board recommending the appointment of the officer to that grade; or

''(ii) the promotion list established on the basis of that report.

''(B) The adjusted date of rank applicable to the grade of an officer under subparagraph (A) shall be consistent with the officer's position on the promotion list for that grade

and competitive category when additional officers in that grade and competitive category were needed and shall also be consistent with compliance with the applicable authorized strengths for officers in that grade and competitive category.

''(C) The adjusted date of rank applicable to the grade of an officer under subparagraph (A) shall be the effective date for the officer's pay and allowances for the grade and for the officer's position on the active-duty list.

''(D) In the case of an officer whose appointment to a higher grade under this section is made by and with the advice and consent of the Senate, the Secretary concerned shall transmit to the Committee on Armed Services of the Senate a notification of any adjustment of a date of rank for the appointment of an officer to a higher grade under subparagraph (A) to a date that is prior to the date of the advice and consent of the Senate on the appointment. The notification shall include the name of the officer and a discussion of the reasons for the adjustment.''.

(b) RESERVE OFFICERS.—Section 14308(c) of such title is amended—

(1) by redesignating paragraph (2) as paragraph (3);

(2) by inserting after paragraph (1) the following new paragraph (2):

''(2)(A) The Secretary concerned may adjust the date of rank of an officer appointed to a higher grade under this section if the appointment is to a grade below O–7 and is delayed by reason of unusual circumstances that cause an unintended delay in the processing or approval of—

''(i) a report of a selection board recommending the appointment of the officer to that grade; or

''(ii) the promotion list established on the basis of that report.

''(B) The adjusted date of rank applicable to the grade of an officer under subparagraph (A) shall be consistent with the officer's position on the promotion list for that grade and competitive category when additional officers in that grade and competitive category were needed and shall also be consistent with compliance with the applicable authorized strengths for officers in that grade and competitive category.

''(C) The adjusted date of rank applicable to the grade of an officer under subparagraph (A) shall be the effective date for the officer's pay and allowances for the grade and for the officer's position on the active-duty list.

''(D) In the case of an officer whose appointment to a higher grade under this section is made by and with the advice and consent of the Senate, the Secretary concerned shall transmit to the Committee on Armed Services of the Senate a notification of any adjustment of a date of rank for the appointment of an officer to a higher grade under subparagraph (A) to a date that is prior to the date of the advice and consent of the Senate on the appointment. The notification shall include the name of the officer and a discussion of the reasons for the adjustment.''; and

(3) in paragraph (3), as redesignated by paragraph (1), by inserting ''provided in paragraph (2) or as otherwise'' after ''Except as''.

SEC. 505. EXTENSION OF DEFERMENTS OF RETIREMENT OR SEPARATION FOR MEDICAL REASONS.

Section 640 of title 10, United States Code, is amended—

(1) by inserting ''(a) DEFERMENT.—'' before ''The Secretary''; and

(b) by adding at the end the following new subsection:

''(b) AUTHORITY TO EXTEND.—In the case of an officer whose retirement or separation under any of sections 632 through 638, or section 1251, of this title is deferred under subsection (a), the Secretary of the military department concerned may extend the deferment by an additional period of not more than 30 days following the completion of the evaluation of the officer's physical condition if the Secretary determines that continuation of the officer would facilitate the officer's transition to civilian life.''.

SEC. 506. EXEMPTION FROM ADMINISTRATIVE LIMITATIONS OF RETIRED MEMBERS ORDERED TO ACTIVE DUTY AS DEFENSE AND SERVICE ATTACHÉS.

(a) LIMITATION OF PERIOD OF RECALLED SERVICE.—Section 688(e)(2) of title 10, United States Code, is amended by adding at the end the following new subparagraph (D):

''(D) An officer who is assigned to duty as a defense attaché or service attaché for the period of active duty to which ordered.''.

(b) LIMITATION ON NUMBER OF RECALLED OFFICERS ON ACTIVE DUTY.—Section 690(b)(2) of such title is amended by adding at the end the following new subparagraph (E):

''(E) An officer who is assigned to duty as a defense attaché or service attaché for the period of active duty to which ordered.''.

(c) APPLICABILITY.—The amendments made by subsections (a) and (b) shall apply with respect to officers serving on active duty as a defense attaché or service attaché on or after the date of the enactment of this Act.

SEC. 507. CERTIFICATIONS OF SATISFACTORY PERFORMANCE FOR RETIREMENTS OF OFFICERS IN GRADES ABOVE MAJOR GENERAL AND REAR ADMIRAL.

Section 1370(c) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(3)(A) The Secretary of Defense may delegate authority to make a certification for an officer under paragraph (1) to the Under Secretary of Defense for Personnel and Readiness or the Deputy Under Secretary of Defense for Personnel and Readiness. The certification authority may not be delegated to any other official.

''(B) If an official to whom authority is delegated under subparagraph (A) determines in the case of an officer that there is potentially adverse information on the officer and that the information has not previously been reported to the Senate in connection with the action of the Senate on a previous appointment of that officer under section 601 of this title, the official may not exercise the authority in that case, but shall refer the case to the Secretary of Defense. The Secretary of Defense shall personally issue or withhold a certification for an officer under paragraph (1) in any case referred to the Secretary under the preceding sentence.''.

SEC. 508. EFFECTIVE DATE OF MANDATORY SEPARATION OR RETIREMENT OF REGULAR OFFICER DELAYED BY A SUSPENSION OF CERTAIN LAWS UNDER EMERGENCY AUTHORITY OF THE PRESIDENT.

Section 12305 of title 10, United States Code, is amended by adding at the end the following new subsection (c):

''(c) In the case of an officer of the Regular Army, Regular Navy, Regular Air Force, or Regular Marine Corps whose mandatory separation or retirement under section 632, 633, 634, 635, 636, 637, or 1251 of this title is delayed by reason of a suspension under this section, the separation or retirement of the officer upon termination of the suspension shall take effect on the date elected by the officer, but not later than 90 days after the date of the termination of the suspension.''.

SEC. 509. DETAIL AND GRADE OF OFFICER IN CHARGE OF THE UNITED STATES NAVY BAND.

Section 6221 of title 10, United States Code, is amended—

(1) by inserting ''(a) ESTABLISHMENT.—''; and

(2) by adding at the end the following new subsection:

''(b) OFFICER IN CHARGE.—(1) An officer serving in a grade above lieutenant may be detailed as Officer in Charge of the United States Navy Band.

''(2) While serving as Officer in Charge of the United States Navy Band, an officer holds the grade of captain if appointed to that grade by the President, by and with the advice and consent of the Senate, notwithstanding the limitation in section 5596(d) of this title.''.

Subtitle B—Reserve Component Personnel Policy

SEC. 511. REAUTHORIZATION AND EXPANSION OF TEMPORARY WAIVER OF THE REQUIREMENT FOR A BACCALAUREATE DEGREE FOR PROMOTION OF CERTAIN RESERVE OFFICERS OF THE ARMY.

(a) REAUTHORIZATION.—Subsection (b) of section 516 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2008; 10 U.S.C. 12205 note) is amended by striking ''September 30, 2000'' and inserting ''September 30, 2003''.

(b) EXPANSION OF ELIGIBILITY.—Subsection (a) of such section is amended by striking ''before the date of the enactment of this Act''.

SEC. 512. STATUS LIST OF RESERVE OFFICERS ON ACTIVE DUTY FOR A PERIOD OF THREE YEARS OR LESS.

(a) CLARIFICATION.—Section 641(1)(D) of title 10, United States Code, is amended to read as follows:

''(D) on active duty under section 12301(d) of this title, other than as provided under subparagraph (C), under a call or order to active duty specifying a period of three years or less and continuation (pursuant to regulations prescribed by the Secretary concerned) on the reserve active-status list;''.

(b) RETROACTIVE ADJUSTMENTS.—(1) The Secretary of the military department concerned—

(A) may place on the active-duty list of the armed force concerned any officer under the jurisdiction of the Secretary who was placed on the reserve active-status list under subparagraph (D) of section 641(1) of title 10, United States Code, as added by section 521(2) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–108); and

(B) for the purposes of chapter 36 of such title (other than section 640 of such title and, in the case of a warrant officer, section 628 of such title), shall treat an officer placed on the active-duty list under subparagraph (A) as having been on the active-duty list continuously from the date on which the officer was placed on the reserve active-status list as described in that subparagraph.

(2) The Secretary of the military department concerned may place on the reserve active-status list of the armed force concerned, effective as of the date of the enactment of this Act, any officer who was placed on the active-duty list before that date and after October 29, 1997, while on active duty under

section 12301(d) of title 10, United States Code, other than as described under section 641(1)(C) of such title, under a call or order to active duty specifying a period of three years or less.

SEC. 513. EQUAL TREATMENT OF RESERVES AND FULL-TIME ACTIVE DUTY MEMBERS FOR PURPOSES OF MANAGING DEPLOYMENTS OF PERSONNEL.

(a) RESIDENCE OF RESERVES AT HOME STATION.—Section 991(b)(2) of title 10, United States Code, is amended to read as follows:

''(2) In the case of a member of a reserve component who is performing active service pursuant to orders that do not establish a permanent change of station, the housing referred to in paragraph (1) is any housing (which may include the member's residence) that the member usually occupies for use during off-duty time when on garrison duty at the member's permanent duty station or homeport, as the case may be.''.

(b) EFFECTIVE DATE.—This section and the amendment made by this section shall take effect on October 1, 2001, and shall apply with respect to duty performed on or after that date.

SEC. 514. MODIFICATION OF PHYSICAL EXAMINATION REQUIREMENTS FOR MEMBERS OF THE INDIVIDUAL READY RESERVE.

Section 10206 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) in the first sentence—

(i) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(ii) by striking ''his'' and inserting ''the member's''; and

(B) in the second sentence, by striking ''Each Reserve'' and inserting the following: ''(c) Each Reserve'';

(2) by redesignating subsection (b) as subsection (d); and

(3) by inserting after subsection (a) the following new subsection (b):

''(b) A member of the Individual Ready Reserve or inactive National Guard shall be examined for physical fitness as necessary to determine the member's physical fitness for military duty or for promotion, attendance at a school of the armed forces, or other action related to career progression.''.

SEC. 515. MEMBERS OF RESERVE COMPONENTS AFFLICTED WHILE REMAINING OVERNIGHT AT DUTY STATION WITHIN COMMUTING DISTANCE OF HOME.

(a) MEDICAL AND DENTAL CARE FOR MEMBERS.—Section 1074a(a)(3) of title 10, United States Code, is amended by inserting before the period at the end the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(b) MEDICAL AND DENTAL CARE FOR DEPENDENTS.—Section 1076(a)(2)(C) of title 10, United States Code, is amended by inserting before the period at the end the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(c) ELIGIBILITY FOR DISABILITY RETIREMENT OR SEPARATION.—(1) Section 1204(2)(B)(iii) of title 10, United States Code, is amended by inserting before the semicolon at the end the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(2) Section 1206(2)(A)(iii) of title 10, United States Code, is amended by inserting before the semicolon the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(d) RECOVERY, CARE, AND DISPOSITION OF REMAINS.—Section 1481(a)(2)(D) of title 10, United States Code, is amended by inserting before the semicolon at the end the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(e) ENTITLEMENT TO BASIC PAY.—Section 204 of title 37, United States Code, is amended—

(1) in subsection (g)(1)(D), by inserting before the semicolon the following: ''or if the member remained overnight for another reason authorized under applicable regulations''; and

(2) in subsection (h)(1)(D), by inserting before the semicolon the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

(f) COMPENSATION FOR INACTIVE-DUTY TRAINING.—Section 206(a)(3)(C) of title 37, United States Code, is amended by inserting before the period at the end the following: ''or if the member remained overnight for another reason authorized under applicable regulations''.

SEC. 516. RETIREMENT OF RESERVE PERSONNEL WITHOUT REQUEST.

(a) RETIRED RESERVE.—Section 10154(2) of title 10, United States Code, is amended by striking ''upon their request''.

(b) RETIREMENT FOR FAILURE OF SELECTION OF PROMOTION.—(1) Paragraph (2) of section 14513 of such title is amended by striking '', if the officer is qualified and applies for such transfer'' and inserting ''if the officer is qualified for the transfer and does not request (in accordance with regulations prescribed by the Secretary concerned) not to be transferred to the Retired Reserve''.

(2)(A) The heading for such section is amended to read as follows:

''§ 14513. Transfer, retirement, or discharge for failure of selection of promotion''.

(B) The item relating to such section in the table of sections at the beginning of chapter 1407 of title 10, United States Code, is amended to read as follows:

''14513. Transfer, retirement, or discharge for failure of selection for promotion.''.

(c) RETIREMENT FOR YEARS OF SERVICE OR AFTER SELECTION FOR EARLY REMOVAL.—Section 14514 of such title is amended—

(1) in paragraph (1), by striking '', if the officer is qualified and applies for such transfer'' and inserting ''if the officer is qualified for the transfer and does not request (in accordance with regulations prescribed by the Secretary concerned) not to be transferred to the Retired Reserve''; and

(2) by striking paragraph (2) and inserting the following:

''(2) be discharged from the officer's reserve appointment if the officer is not qualified for transfer to the Retired Reserve or has requested (in accordance with regulations prescribed by the Secretary concerned) not to be so transferred.''.

(d) RETIREMENT FOR AGE.—Section 14515 of such title is amended—

(1) in paragraph (1), by striking '', if the officer is qualified and applies for such transfer'' and inserting ''if the officer is qualified for the transfer and does not request (in accordance with regulations prescribed by the Secretary concerned) not to be transferred to the Retired Reserve''; and

(2) by striking paragraph (2) and inserting the following:

''(2) be discharged from the officer's reserve appointment if the officer is not qualified for transfer to the Retired Reserve or has requested (in accordance with regulations prescribed by the Secretary concerned) not to be so transferred.''.

(e) DISCHARGE OR RETIREMENT OF WARRANT OFFICERS FOR YEARS OF SERVICE OR AGE.—(1) Chapter 1207 of such title is amended by adding at the end the following new section:

''§ 12244. Warrant officers: discharge or retirement for years of service or for age

''Each reserve warrant officer of the Army, Navy, Air Force, or Marine Corps who is in an active status and has reached the maximum years of service or age prescribed by the Secretary concerned shall—

''(1) be transferred to the Retired Reserve if the warrant officer is qualified for the transfer and does not request (in accordance with regulations prescribed by the Secretary concerned) not to be transferred to the Retired Reserve; or

''(2) be discharged if the warrant officer is not qualified for transfer to the Retired Reserve or has requested (in accordance with regulations prescribed by the Secretary concerned) not to be so transferred.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''12244. Warrant officers: discharge or retirement for years of service or for age.''.

(f) DISCHARGE OR RETIREMENT OF ENLISTED MEMBERS FOR YEARS OF SERVICE OR AGE.—(1) Chapter 1203 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 12108. Enlisted members: discharge or retirement for years of service or for age

''Each reserve enlisted member of the Army, Navy, Air Force, or Marine Corps who is in an active status and has reached the maximum years of service or age prescribed by the Secretary concerned shall—

''(1) be transferred to the Retired Reserve if the member is qualified for the transfer and does not request (in accordance with regulations prescribed by the Secretary concerned) not to be transferred to the Retired Reserve; or

''(2) be discharged if the member is not qualified for transfer to the Retired Reserve or has requested (in accordance with regulations prescribed by the Secretary concerned) not to be so transferred.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''12108. Enlisted members: discharge or retirement for years of service or for age.''.

(g) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the first day of the first month that is more than 180 days after the date of the enactment of this Act.

SEC. 517. SPACE-REQUIRED TRAVEL BY RESERVES ON MILITARY AIRCRAFT.

(a) CORRECTION OF IMPAIRMENT TO AUTHORIZED TRAVEL WITH ALLOWANCES.—Section 18505(a) of title 10, United States Code, is amended by striking ''annual training duty or'' each place it appears.

(b) CONFORMING AMENDMENTS.—(1) The heading for such section is amended to read as follows:

''§ 18505. Reserves traveling for inactive-duty training: space-required travel on military aircraft''.

(2) The item relating to such section in the table of contents at the beginning of chapter 1805 of title 10, United States Code, is amended to read as follows:

''18505. Reserves traveling for inactive-duty training: space-required travel on military aircraft.''.

Subtitle C—Education and Training

SEC. 531. IMPROVED BENEFITS UNDER THE ARMY COLLEGE FIRST PROGRAM.

(a) INCREASED MAXIMUM PERIOD OF DELAYED ENTRY.—Section 573 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 623; 10 U.S.C. 513 note) is amended—

(1) in subsection (b)—

(A) by striking the matter preceding paragraph (1) and inserting the following:

''(b) DELAYED ENTRY WITH ALLOWANCE FOR HIGHER EDUCATION.—Under the pilot program, the Secretary may—

''(1) exercise the authority under section 513 of title 10, United States Code—'';

(B) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and realigning those subparagraphs four ems from the left margin;

(C) in subparagraph (A), as so redesignated, by inserting ''and'' after the semicolon; and

(D) in subparagraph (B), as so redesignated, by striking ''two years after the date of such enlistment as a Reserve under paragraph (1)'' and inserting ''the maximum period of delay determined for the person under subsection (c)''; and

(2) in subsection (c)—

(A) by striking ''paragraph (2)'' and inserting ''paragraph (1)(B)'';

(B) by striking ''two-year period'' and inserting ''30-month period''; and

(C) by striking ''paragraph (1)'' and inserting ''paragraph (1)(A)''.

(b) ALLOWANCE ELIGIBILITY AND AMOUNT.—(1) Such section is further amended—

(A) in subsection (b), by striking paragraph (3) and inserting the following:

''(2) subject to paragraph (2) of subsection (d) and except as provided in paragraph (3) of such subsection, pay an allowance to the person for each month of that period during which the member is enrolled in and pursuing such a program''; and

(B) in subsection (d)—

(i) by redesignating paragraph (2) as paragraph (4);

(ii) by striking paragraph (1) and inserting the following new paragraphs:

''(1) The monthly allowance paid under subsection (b)(2) shall be equal to the amount of the subsistence allowance provided for certain members of the Senior Reserve Officers' Training Corps under section 209(a) of title 37, United States Code.

''(2) An allowance may not be paid to a person under this section for more than 24 months.

''(3) A member of the Selected Reserve of a reserve component may be paid an allowance under this section only for months during which the member performs satisfactorily as a member of a unit of the reserve component that trains as prescribed in section 10147(a)(1) of title 10, United States Code, or section 502(a) of title 32, United States Code. Satisfactory performance shall be determined under regulations prescribed by the Secretary.''

(2) The heading for such subsection is amended by striking ''AMOUNT OF''.

(c) INELIGIBILITY FOR LOAN REPAYMENTS.—Such section is further amended—

(1) by redesignating subsections (e), (f), and (g) as subsections (g), (h), and (i), respectively; and

(2) by inserting after subsection (d) the following new subsection:

''(e) INELIGIBILITY FOR LOAN REPAYMENTS.—A person who has received an allowance under this section is not eligible for any benefits under chapter 109 of title 10, United States Code.

(d) RECOUPMENT OF ALLOWANCE.—Such section, as amended by subsection (c), is further amended by inserting after subsection (e) the following new subsection:

''(f) RECOUPMENT OF ALLOWANCE.—(1) A person who, after receiving an allowance under this section, fails to complete the total period of service required of that person in connection with delayed entry authorized for the person under section 513 of title 10, United States Code, shall repay the United States the amount which bears the same ratio to the total amount of that allowance paid to the person as the unserved part of the total required period of service bears to the total period.

''(2) An obligation to repay the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

''(3) A discharge of a person in bankruptcy under title 11, United States Code, that is entered less than five years after the date on which the person was, or was to be, enlisted in the regular Army pursuant to the delayed entry authority under section 513 of title 10, United States Code, does not discharge that person from a debt arising under paragraph (1).

''(4) The Secretary of the Army may waive, in whole or in part, a debt arising under paragraph (1) in any case for which the Secretary determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2001, and shall apply with respect to persons who, on or after that date, are enlisted as described in subsection (a) of section 513 of title 10, United States Code, with delayed entry authorized under that section.

SEC. 532. REPEAL OF LIMITATION ON NUMBER OF JUNIOR RESERVE OFFICERS' TRAINING CORPS UNITS.

Section 2031(a)(1) of title 10, United States Code, is amended by striking the second sentence.

SEC. 533. ACCEPTANCE OF FELLOWSHIPS, SCHOLARSHIPS, OR GRANTS FOR LEGAL EDUCATION OF OFFICERS PARTICIPATING IN THE FUNDED LEGAL EDUCATION PROGRAM.

(a) FLEP DETAIL.—Section 2004 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(g) Acceptance of a fellowship, scholarship, or grant as financial assistance for training described in subsection (a) in accordance with section 2603(a) of this title does not disqualify the officer accepting it from also being detailed at a law school for that training under this section. Service obligations incurred under subsection (b)(2)(C) and section 2603(b) of this title with respect to the same training shall be served consecutively.''.

(b) FELLOWSHIPS, SCHOLARSHIPS, OR GRANTS.—Section 2603 of such title is amended by adding at the end the following new subsection:

''(c) A detail of an officer for training at a law school under section 2004 of this title does not disqualify the officer from also accepting a fellowship, scholarship, or grant under this section as financial assistance for that training. Service obligations incurred under subsection (b) and section 2004(b)(2)(C) of this title with respect to the same training shall be served consecutively.''.

SEC. 534. GRANT OF DEGREE BY DEFENSE LANGUAGE INSTITUTE FOREIGN LANGUAGE CENTER.

(a) AUTHORITY.—Chapter 108 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2167. Defense Language Institute: associate of arts

''Under regulations prescribed by the Secretary of Defense, the Commandant of the Foreign Language Center of the Defense Language Institute may confer an associate of arts degree in foreign language upon graduates of the Institute who fulfill the requirements for the degree, as certified by the Provost of the Institute.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2167. Defense Language Institute: associate of arts.''.

SEC. 535. AUTHORITY FOR THE MARINE CORPS UNIVERSITY TO AWARD THE DEGREE OF MASTER OF STRATEGIC STUDIES.

(a) AUTHORITY.—(1) Subsection (a) of section 7102 of title 10, United States Code, is amended to read as follows:

''(a) AUTHORITY.—Upon the recommendation of the Director and faculty of a college of the Marine Corps University, the President of the Marine Corps University may confer a degree upon graduates of the college who fulfill the requirements for the degree, as follows:

''(1) For the Marine Corps War College, the degree of master of strategic studies.

''(2) For the Command and Staff College, the degree of master of military studies.''.

(2)(A) The heading for such section is amended to read as follows:

''§ 7102. Marine Corps University: masters degrees''.

(B) The item relating to such section in the table of sections at the beginning of chapter 609 of title 10, United States Code, is amended to read as follows:

''7102. Marine Corps University: masters degrees.''.

(b) CONDITION FOR INITIAL EXERCISE OF AUTHORITY.—(1) The President of the Marine Corps University may exercise the authority provided under section 7102(a)(1) of title 10, United States Code, only after the Secretary of Education has notified the Secretary of the Navy of a determination made under paragraph (2) that the requirements established by the Marine Corps War College of the Marine Corps University for the degree of master of strategic studies are in accordance with the requirements typically imposed for awards of the degree of master of arts by institutions of higher education in the United States.

(2) The Secretary of Education shall review the requirements established by the Marine Corps War College of the Marine Corps University for the degree of master of strategic studies, determine whether the requirements are in accordance with the requirements typically imposed for awards of the degree of master of arts by institutions of higher education in the United States, and notify the Secretary of the Navy of the determination.

SEC. 536. FOREIGN PERSONS ATTENDING THE SERVICE ACADEMIES.

(a) UNITED STATES MILITARY ACADEMY.—(1) Subsection (a)(1) of section 4344 of title 10, United States Code, is amended by striking ''not more than 40 persons'' and inserting ''not more than 60 persons''.

(2) Subsection (b) of such section is amended—

(A) in paragraph (2), by striking ''unless a written waiver of reimbursement is granted by the Secretary of Defense'' in the first sentence; and

(B) by striking paragraph (3) and inserting the following:

''(3) The Secretary of Defense may waive, in whole or in part, the requirement for reimbursement of the cost of instruction for a cadet under paragraph (2). In the case of a partial waiver, the Secretary shall establish the amount waived.''.

(b) UNITED STATES NAVAL ACADEMY.—(1) Subsection (a)(1) of section 6957 of such title is amended by striking ''not more than 40 persons'' and inserting ''not more than 60 persons''.

(2) Subsection (b) of such section is amended—

(A) in paragraph (2), by striking ''unless a written waiver of reimbursement is granted by the Secretary of Defense'' in the first sentence; and

(B) by striking paragraph (3) and inserting the following:

''(3) The Secretary of Defense may waive, in whole or in part, the requirement for reimbursement of the cost of instruction for a midshipman under paragraph (2). In the case of a partial waiver, the Secretary shall establish the amount waived.''.

(c) UNITED STATES AIR FORCE ACADEMY.—(1) Subsection (a)(1) of section 9344 of such title is amended by striking ''not more than 40 persons'' and inserting ''not more than 60 persons''.

(2) Subsection (b) of such section is amended—

(A) in paragraph (2), by striking ''unless a written waiver of reimbursement is granted by the Secretary of Defense'' in the first sentence; and

(B) by striking paragraph (3) and inserting the following:

''(3) The Secretary of Defense may waive, in whole or in part, the requirement for reimbursement of the cost of instruction for a cadet under paragraph (2). In the case of a partial waiver, the Secretary shall establish the amount waived.''.

(d) APPLICABILITY.—The amendments made by this section shall apply with respect to academic years that begin after October 1, 2001.

SEC. 537. EXPANSION OF FINANCIAL ASSISTANCE PROGRAM FOR HEALTH-CARE PROFESSIONALS IN RESERVE COMPONENTS TO INCLUDE STUDENTS IN PROGRAMS OF EDUCATION LEADING TO INITIAL DEGREE IN MEDICINE OR DENTISTRY.

(a) MEDICAL AND DENTAL STUDENT STIPEND.—Section 16201 of title 10, United States Code, is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection (e):

''(e) PROGRAMS LEADING TO INITIAL MEDICAL OR DENTAL DEGREE.—(1) Under the stipend program under this chapter, the Secretary of the military department concerned may enter into an agreement with a person who—

''(A) is eligible to be appointed as an officer in a reserve component of the armed forces; and

''(B) is enrolled or has been accepted for enrollment in an accredited medical or dental school in a program of education and training that results in an initial degree in medicine or dentistry.

''(2) Under the agreement—

''(A) the Secretary of the military department concerned shall agree to pay the participant a stipend, in the amount determined under subsection (f), for the period or the remainder of the period that the student is satisfactorily progressing toward an initial degree in medicine or dentistry in a program of an accredited medical or dental school;

''(B) the participant shall not be eligible to receive such stipend before appointment, designation, or assignment as an officer for service in the Ready Reserve;

''(C) the participant shall be subject to such active duty requirements as may be specified in the agreement and to active duty in time of war or national emergency as provided by law for members of the Ready Reserve; and

''(D) the participant shall agree—

''(i) to complete the program of education and training in which enrolled or accepted for enrollment as described in paragraph (1)(B);

''(ii) to accept an appointment or designation in the participant's reserve component, if tendered, based upon the participant's health profession, following satisfactory completion of the educational and internship components of the program of education and training;

''(iii) if required by regulations prescribed by the Secretary of Defense, to apply for (if eligible) and accept (if offered) residency training in a health profession skill that has been designated by the Secretary of Defense as a skill critically needed by the armed forces in wartime; and

''(iv) to serve in the Selected Reserve, upon successful completion of the program, for the period of service applicable under paragraph (3).

''(3)(A) Except as provided in subparagraph (B), the minimum period for which a participant shall serve in the Selected Reserve under the agreement pursuant to paragraph (2)(D)(iv) shall be one year in the Selected Reserve for each six months, or part thereof, for which the participant is provided a stipend pursuant to the agreement.

''(B) If a participant referred to in subparagraph (A) enters into an agreement under subsection (b) and, after completing a program of education and training for which a stipend was provided under this subsection, successfully completes residency training in the specialty covered by the agreement, the minimum period for which the participant shall serve in the Selected Reserve under that agreement and the agreement under this subsection shall be one year for each year, or part thereof, for which a stipend was provided under this chapter.''.

(b) AMOUNT OF STIPEND.—Subsection (f) of such section, as redesignated by subsection (a), is amended by striking ''or (c)'' and inserting '', (c), or (e)''.

(c) ELIGIBILITY FOR ASSISTANCE FOR GRADUATE MEDICAL OR DENTAL TRAINING.—Subsection (b) of such section is amended—

(1) by striking ''SPECIALTIES.—'' and inserting ''WARTIME SPECIALTIES.—''; and

(2) in paragraph (1)(B), by inserting '', or has been appointed,'' after ''assignment''.

(d) SERVICE OBLIGATION FOR STIPEND FOR OTHER PROFESSIONAL PROGRAMS.—(1) Subsection (b)(2)(D) of such section by striking ''agree to serve, upon successful completion of the program, two years in the Ready Reserve for each year,'' and inserting ''agree (subject to subsection (e)(3)(B)) to serve, upon successful completion of the program, one year in the Ready Reserve for each six months,''.

(2) Subsection (c)(2)(D) of such section is amended by striking ''two years in the Ready Reserve for each year,'' and inserting ''one year in the Ready Reserve for each six months,''.

(e) CONFORMING AMENDMENTS.—(1) Subsection (a) of such section is amended—

(A) in the first sentence—

(i) by inserting ''in health professions and'' after ''qualified''; and

(ii) by striking ''training in such'' and inserting ''education and training in such professions and''; and

(B) in the second sentence, by striking ''training in certain'' and inserting ''education and training in certain health professions and''.

(2) Subsections (b)(2)(A) and (c)(2)(A) of such section are amended by striking ''subsection (e)'' and inserting ''subsection (f)''.

SEC. 538. PILOT PROGRAM FOR DEPARTMENT OF VETERANS AFFAIRS SUPPORT FOR GRADUATE MEDICAL EDUCATION AND TRAINING OF MEDICAL PERSONNEL OF THE ARMED FORCES.

(a) REQUIREMENT FOR PROGRAM.—The Secretary of Defense and the Secretary of Veterans Affairs may jointly carry out a pilot program of graduate medical education and training for medical personnel of the Armed Forces.

(b) DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTERS.—Under any pilot program carried out under this section, the Secretary of Defense and the Secretary of Veterans Affairs shall provide for medical personnel of the Armed Forces to pursue one or more programs of graduate medical education and training in one or more medical centers of the Department of Veterans Affairs.

(c) AGREEMENT.—The Secretary of Defense and the Secretary of Veterans Affairs shall enter into an agreement for carrying out any pilot program under this section. The agreement shall provide a means for the Secretary of Defense to defray the costs incurred by the Secretary of Veterans Affairs in providing the graduate medical education and training in, or the use of, the facility or facilities of the Department of Veterans Affairs participating in the pilot program.

(d) USE OF EXISTING AUTHORITIES.—To carry out the pilot program, the Secretary of Defense and the Secretary of Veterans Affairs shall exercise authorities provided to the Secretaries, respectively, under other laws relating to the furnishing or support of medical education and the cooperative use of facilities.

(e) PERIOD OF PROGRAM.—Any pilot program carried out under this section shall begin not later than August 1, 2002, and shall terminate on July 31, 2007.

(f) ANNUAL REPORT.—(1) Not later than January 31, 2003, and January 31 of each year thereafter, the Secretary of Defense and the Secretary of Veterans Affairs shall jointly submit to Congress a report on the conduct of any pilot program carried out under this section. The report shall cover the preceding year and shall include the Secretaries' assessment of the efficacy of providing for medical personnel of the Armed Forces to pursue programs of graduate medical education and training in medical centers of the Department of Veterans Affairs.

(2) The reporting requirement under this subsection shall terminate upon the submittal of the report due on January 31, 2008.

SEC. 539. TRANSFER OF ENTITLEMENT TO EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL BY MEMBERS OF THE ARMED FORCES WITH CRITICAL MILITARY SKILLS.

(a) AUTHORITY TO TRANSFER TO FAMILY MEMBERS.—(1) Subchapter II of chapter 30 of title 38, United States Code, is amended by adding at the end the following new section:

"§ 3020. Transfer of entitlement to basic educational assistance: members of the Armed Forces with critical military skills

''(a) IN GENERAL.—Subject to the provisions of this section, each Secretary concerned may, for the purpose of enhancing recruitment and retention of members of the Armed Forces with critical military skills and at such Secretary's sole discretion, permit an individual described in subsection (b) who is entitled to basic educational assistance under this subchapter to elect to transfer, in whole or in part, up to 18 months of such individual's entitlement to such assistance to the dependents specified in subsection (c).

''(b) ELIGIBLE INDIVIDUALS.—An individual referred to in subsection (a) is any member of the Armed Forces who, at the time of the approval by the Secretary concerned of the member's request to transfer entitlement to basic educational assistance under this section—

''(1) has completed six years of service in the Armed Forces;

''(2) either—

''(A) has a critical military skill designated by the Secretary concerned for purposes of this section; or

''(B) is in a military specialty designated by the Secretary concerned for purposes of this section as requiring critical military skills; and

''(3) enters into an agreement to serve at least four more years as a member of the Armed Forces.

''(c) ELIGIBLE DEPENDENTS.—An individual approved to transfer an entitlement to basic educational assistance under this section may transfer the individual's entitlement as follows:

''(1) To the individual's spouse.

''(2) To one or more of the individual's children.

''(3) To a combination of the individuals referred to in paragraphs (1) and (2).

''(d) LIMITATION ON MONTHS OF TRANSFER.—The total number of months of entitlement transferred by an individual under this section may not exceed 18 months.

''(e) DESIGNATION OF TRANSFEREE.—An individual transferring an entitlement to basic educational assistance under this section shall—

''(1) designate the dependent or dependents to whom such entitlement is being transferred and the percentage of such entitlement to be transferred to each such dependent; and

''(2) specify the period for which the transfer shall be effective for each dependent designated under paragraph (1).

''(f) TIME FOR TRANSFER; REVOCATION AND MODIFICATION.—(1) Subject to the time limitation for use of entitlement under section 3031 of this title, an individual approved to transfer entitlement to basic educational assistance under this section may transfer such entitlement at any time after the approval of individual's request to transfer such entitlement without regard to whether the individual is a member of the Armed Forces when the transfer is executed.

''(2)(A) An individual transferring entitlement under this section may modify or revoke at any time the transfer of any unused portion of the entitlement so transferred.

''(B) The modification or revocation of the transfer of entitlement under this paragraph shall be made by the submittal of written notice of the action to both the Secretary concerned and the Secretary of Veterans Affairs.

''(g) COMMENCEMENT OF USE.—A dependent to whom entitlement to basic educational assistance is transferred under this section may not commence the use of the transferred entitlement until the following:

''(1) In the case of entitlement transferred to a spouse, the completion by the individual making the transfer of 6 years of service in the Armed Forces.

''(2) In the case of entitlement transferred to a child, both—

''(A) the completion by the individual making the transfer of 10 years of service in the Armed Forces; and

''(B) either—

''(i) the completion by the child of the requirements of a secondary school diploma (or equivalency certificate); or

''(ii) the attainment by the child of 18 years of age.

''(h) ADDITIONAL ADMINISTRATIVE MATTERS.—(1) The use of any entitlement to basic educational assistance transferred under this section shall be charged against the entitlement of the individual making the transfer at the rate of one month for each month of transferred entitlement that is used.

''(2) Except as provided under subsection (e)(2) and subject to paragraphs (4) and (5), a dependent to whom entitlement is transferred under this section is entitled to basic educational assistance under this subchapter in the same manner and at the same rate as the individual from whom the entitlement was transferred.

''(3) The death of an individual transferring an entitlement under this section shall not affect the use of the entitlement by the individual to whom the entitlement is transferred.

''(4) Notwithstanding section 3031 of this title, a child to whom entitlement is transferred under this section may not use any entitlement so transferred after attaining the age of 26 years.

''(5) The administrative provisions of this chapter (including the provisions set forth in section 3034(a)(1) of this title) shall apply to the use of entitlement transferred under this section, except that the dependent to whom the entitlement is transferred shall be treated as the eligible veteran for purposes of such provisions.

''(6) The purposes for which a dependent to whom entitlement is transferred under this section may use such entitlement shall include the pursuit and completion of the requirements of a secondary school diploma (or equivalency certificate).

''(i) OVERPAYMENT.—(1) In the event of an overpayment of basic educational assistance with respect to a dependent to whom entitlement is transferred under this section, the dependent and the individual making the transfer shall be jointly and severally liable to the United States for the amount of the overpayment for purposes of section 3685 of this title.

''(2) Except as provided in paragraph (3), if an individual transferring entitlement under this section fails to complete the service agreed to by the individual under subsection (b)(3) in accordance with the terms of the agreement of the individual under that subsection, the amount of any transferred entitlement under this section that is used by a dependent of the individual as of the date of such failure shall be treated as an overpayment of basic educational assistance under paragraph (1).

''(3) Paragraph (2) shall not apply in the case of an individual who fails to complete service agreed to by the individual—

''(A) by reason of the death of the individual; or

''(B) for a reason referred to in section 3011(a)(1)(A)(ii)(I) of this title.

''(j) APPROVALS OF TRANSFER SUBJECT TO AVAILABILITY OF APPROPRIATIONS.—The Secretary concerned may approve transfers of entitlement to basic educational assistance under this section in a fiscal year only to the extent that appropriations for military personnel are available in the fiscal year for purposes of making deposits in the Department of Defense Education Benefits Fund under section 2006 of title 10 in the fiscal year to cover the present value of future benefits payable from the Fund for the Department of Defense portion of payments of basic educational assistance attributable to increased usage of benefits as a result of such transfers of entitlement in the fiscal year.

''(k) REGULATIONS.—The Secretary of Defense shall prescribe regulations for purposes of this section. Such regulations shall specify the manner and effect of an election to modify or revoke a transfer of entitlement under subsection (f)(2), and shall specify the manner of the applicability of the administrative provisions referred to in subsection (h)(5) to a dependent to whom entitlement is transferred under this section.

''(l) ANNUAL REPORTS.—(1) Not later than January 31, 2003, and each year thereafter, each Secretary concerned shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the transfers of entitlement to basic educational assistance under this section that were approved by such Secretary during the preceding year.

''(2) Each report shall set forth—

''(A) the number of transfers of entitlement under this section that were approved by such Secretary during the preceding year; or

''(B) if no transfers of entitlement under this section were approved by such Secretary during that year, a justification for such Secretary's decision not to approve any such transfers of entitlement during that year.

''(m) SECRETARY CONCERNED DEFINED.—Notwithstanding section 101(25) of this title, in this section, the term 'Secretary concerned' means—

''(1) the Secretary of the Army with respect to matters concerning the Army;

''(2) the Secretary of the Navy with respect to matters concerning the Navy or the Marine Corps;

''(3) the Secretary of the Air Force with respect to matters concerning the Air Force; and

''(4) the Secretary of the Defense with respect to matters concerning the Coast Guard, or the Secretary of Transportation when it is not operating as a service in the Navy.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3019 the following new item:

''3020. Transfer of entitlement to basic educational assistance: members of the Armed Forces with critical military skills.''.

(b) TREATMENT UNDER DEPARTMENT OF DEFENSE EDUCATION BENEFITS FUND.—Section 2006(b)(2) of title 10, United States Code, is amended by adding at the end the following:

''(D) The present value of future benefits payable from the Fund for the Department of Defense portion of payments of educational assistance under subchapter II of chapter 30 of title 38 attributable to increased usage of benefits as a result of transfers of entitlement to basic educational assistance under section 3020 of that title during such period.''.

(c) PLAN FOR IMPLEMENTATION.—Not later than June 30, 2002, the Secretary of Defense shall submit to Congress a report describing the manner in which the Secretaries of the military departments and the Secretary of Transportation propose to exercise the authority granted by section 3020 of title 38, United States Code, as added by subsection (a). The report shall include the regulations prescribed under subsection (k) of that section for purposes of the exercise of the authority.

(d) FUNDING FOR FISCAL YEAR 2002.—Of the amount authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2002 by section 421, $30,000,000 may be available in fiscal year 2002 for deposit into the Department of Defense Education Benefits Fund under section 2006 of title 10, United States Code, for purposes of covering payments of amounts under subparagraph (D) of section 2006(b)(2) of title 10, United States Code (as added by subsection (b)), as a result of transfers of entitlement to basic educational assistance under section 3020 of title 38, United States Code (as added by subsection (a)).

SEC. 540. PARTICIPATION OF REGULAR MEMBERS OF THE ARMED FORCES IN THE SENIOR RESERVE OFFICERS' TRAINING CORPS.

(a) ELIGIBILITY.—Section 2104(b)(3) of title 10, United States Code, is amended by inserting ''the regular component or'' after ''enlist in''.

(b) PAY RATE WHILE ON FIELD TRAINING OR PRACTICE CRUISE.—Section 209(c) of title 37, United States Code, is amended by inserting before the period at the end the following: '', except that the rate for a cadet or midshipmen who is a member of the regular component of an armed force shall be the rate of basic pay applicable to the member under section 203 of this title''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

Subtitle D—Decorations, Awards, and Commendations

SEC. 551. AUTHORITY FOR AWARD OF THE MEDAL OF HONOR TO HUMBERT R. VERSACE FOR VALOR DURING THE VIETNAM WAR.

(a) WAIVER OF TIME LIMITATIONS.—Notwithstanding the time limitations specified in section 3744 of title 10, United States Code, or any other time limitation with respect to the awarding of certain medals to persons who served in the military service, the President may award the Medal of Honor under section 3741 of that title to Humbert R. Versace for the acts of valor referred to in subsection (b).

(b) ACTION DESCRIBED.—The acts of valor referred to in subsection (a) are the actions of Humbert R. Versace between October 29, 1963, and September 26, 1965, while interned as a prisoner of war by the Vietnamese Communist National Liberation Front (Viet Cong) in the Republic of Vietnam.

SEC. 552. REVIEW REGARDING AWARD OF MEDAL OF HONOR TO CERTAIN JEWISH AMERICAN WAR VETERANS.

(a) REVIEW REQUIRED.—The Secretary of each military department shall review the service records of each Jewish American war veteran described in subsection (b) to determine whether or not that veteran should be awarded the Medal of Honor.

(b) COVERED JEWISH AMERICAN WAR VETERANS.—The Jewish American war veterans whose service records are to be reviewed under subsection (a) are the following:

(1) Any Jewish American war veteran who was previously awarded the Distinguished Service Cross, the Navy Cross, or the Air Force Cross.

(2) Any other Jewish American war veteran whose name is submitted to the Secretary concerned for such purpose by the Jewish War Veterans of the United States of America before the end of the one-year period beginning on the date of the enactment of this Act.

(c) CONSULTATIONS.—In carrying out the review under subsection (a), the Secretary of each military department shall consult with the Jewish War Veterans of the United States of America and with such other veterans service organizations as the Secretary considers appropriate.

(d) RECOMMENDATION BASED ON REVIEW.—If the Secretary concerned determines, based upon the review under subsection (a) of the service records of any Jewish American war veteran, that the award of the Medal of Honor to that veteran is warranted, the Secretary shall submit to the President a recommendation that the President award the Medal of Honor to that veteran.

(e) AUTHORITY TO AWARD MEDAL OF HONOR.—A Medal of Honor may be awarded to a Jewish American war veteran in accordance with a recommendation of the Secretary concerned under subsection (d).

(f) WAIVER OF TIME LIMITATIONS.—An award of the Medal of Honor may be made under subsection (e) without regard to—

(1) section 3744, 6248, or 8744 of title 10, United States Code, as applicable; and

(2) any regulation or other administrative restriction on—

(A) the time for awarding the Medal of Honor; or

(B) the awarding of the Medal of Honor for service for which a Distinguished Service Cross, Navy Cross, Air Force Cross, or any other decoration has been awarded.

(g) JEWISH AMERICAN WAR VETERAN DEFINED.—In this section, the term ''Jewish American war veteran'' means any person who served in the Armed Forces during World War II or a later period of war and who identified himself or herself as Jewish on his or her military personnel records.

SEC. 553. ISSUANCE OF DUPLICATE AND REPLACEMENT MEDALS OF HONOR.

(a) ARMY.—(1)(A) Chapter 357 of title 10, United States Code, is amended by inserting after section 3747 the following new section:

''§ 3747a. Medal of honor: issuance of duplicate

''(a) ISSUANCE.—Upon written application by a person to whom a medal of honor has been awarded under this chapter, the Secretary of the Army may issue to the person one duplicate medal of honor, with ribbons and appurtenances. No charge may be imposed for the issuance of the duplicate medal.

''(b) SPECIAL MARKING.—A duplicate medal of honor issued under this section shall be marked as a duplicate or for display purposes only. The Secretary shall prescribe the manner in which the duplicate medal is marked.

''(c) ISSUANCE NOT TO BE CONSIDERED ADDITIONAL AWARD.—The issuance of a duplicate medal of honor under this section may not be considered an award of more than one medal of honor prohibited by section 3744(a) of this title.''.

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3747 the following:

''3747a. Medal of honor: issuance of duplicate.''.

(2) Section 3747 of title 10, United States Code, is amended by striking ''lost'' and inserting ''stolen, lost,''.

(b) NAVY AND MARINE CORPS.—(1)(A) Chapter 567 of such title is amended by inserting after section 6253 the following new section:

''§ 6253a. Medal of honor: issuance of duplicate

''(a) ISSUANCE.—Upon written application by a person to whom a medal of honor has been awarded under this chapter, the Secretary of the Navy may issue to the person one duplicate medal of honor, with ribbons and appurtenances. No charge may be imposed for the issuance of the duplicate medal.

''(b) SPECIAL MARKING.—A duplicate medal of honor issued under this section shall be marked as a duplicate or for display purposes only. The Secretary shall prescribe the manner in which the duplicate medal is marked.

''(c) ISSUANCE NOT TO BE CONSIDERED ADDITIONAL AWARD.—The issuance of a duplicate medal of honor under this section may not be considered an award of more than one medal of honor prohibited by section 6247 of this title.''.

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 6253 the following:

''6253a. Medal of honor: issuance of duplicate.''.

(2) Section 6253 of title 10, United States Code, is amended by striking ''lost'' and inserting ''stolen, lost,''.

(c) AIR FORCE.—(1)(A) Chapter 857 of such title is amended by inserting after section 8747 the following new section:

''§ 8747a. Medal of honor: issuance of duplicate

''(a) ISSUANCE.—Upon written application by a person to whom a medal of honor has been awarded under this chapter, the Secretary of the Air Force may issue to the person one duplicate medal of honor, with ribbons and appurtenances. No charge may be imposed for the issuance of the duplicate medal.

''(b) SPECIAL MARKING.—A duplicate medal of honor issued under this section shall be marked as a duplicate or for display purposes only. The Secretary shall prescribe the manner in which the duplicate medal is marked.

''(c) ISSUANCE NOT TO BE CONSIDERED ADDITIONAL AWARD.—The issuance of a duplicate medal of honor under this section may not be considered an award of more than one medal of honor prohibited by section 8744(a) of this title.''.

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 8747 the following:

''8747a. Medal of honor: issuance of duplicate.''.

(2) Section 8747 of title 10, United States Code, is amended by striking ''lost'' and inserting ''stolen, lost,''.

SEC. 554. WAIVER OF TIME LIMITATIONS FOR AWARD OF CERTAIN DECORATIONS TO CERTAIN PERSONS.

(a) WAIVER.—Any limitation established by law or policy for the time within which a recommendation for the award of a military decoration or award must be submitted shall not apply to awards of decorations described in this section, the award of each such decoration having been determined by the Secretary concerned to be warranted in accordance with section 1130 of title 10, United States Code.

(b) SILVER STAR.—Subsection (a) applies to the award of the Silver Star to Wayne T. Alderson, of Glassport, Pennsylvania, for

gallantry in action from March 15 to March 18, 1945, while serving as a member of the Army.

(c) DISTINGUISHED FLYING CROSS.—Subsection (a) applies to the award of the Distinguished Flying Cross for service during World War II (including multiple awards to the same individual) in the case of each individual concerning whom the Secretary of the Navy (or an officer of the Navy acting on behalf of the Secretary) submitted to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate, during the period beginning on October 30, 2000, and ending on the day before the date of the enactment of this Act, a notice as provided in section 1130(b) of title 10, United States Code, that the award of the Distinguished Flying Cross to that individual is warranted and that a waiver of time restrictions prescribed by law for recommendation for such award is recommended.

SEC. 555. SENSE OF SENATE ON ISSUANCE OF KOREA DEFENSE SERVICE MEDAL.

It is the sense of the Senate that the Secretary of Defense should consider authorizing the issuance of a campaign medal, to be known as the Korea Defense Service Medal, to each person who while a member of the Armed Forces served in the Republic of Korea, or the waters adjacent thereto, during the period beginning on July 28, 1954, and ending on such date after that date as the Secretary considers appropriate.

SEC. 556. RETROACTIVE MEDAL OF HONOR SPECIAL PENSION.

(a) ENTITLEMENT.—Notwithstanding any other provision of law, Robert R. Ingram of Jacksonville, Florida, who was awarded the Medal of Honor pursuant to Public Law 105–103 (111 Stat. 2218), shall be entitled to the special pension provided for under section 1562 of title 38, United States Code (and antecedent provisions of law), for months that begin after March 1966.

(b) AMOUNT.—The amount of special pension payable under subsection (a) for a month beginning before the date of the enactment of this Act shall be the amount of special pension provided for by law for that month for persons entered and recorded in the Army, Navy, Air Force, and Coast Guard Medal of Honor Roll (or antecedent Medal of Honor Roll required by law).

Subtitle E—Funeral Honors Duty

SEC. 561. ACTIVE DUTY END STRENGTH EXCLUSION FOR RESERVES ON ACTIVE DUTY OR FULL-TIME NATIONAL GUARD DUTY FOR FUNERAL HONORS DUTY.

Section 115(d) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(10) Members of reserve components on active duty or full-time National Guard duty to prepare for and to perform funeral honors functions under section 1491 of this title.''.

SEC. 562. PARTICIPATION OF RETIREES IN FUNERAL HONORS DETAILS.

(a) AUTHORITY.—(1) Subsection (b)(2) of section 1491 of title 10, United States Code, is amended by inserting '', members or former members of the armed forces in a retired status,'' in the second sentence after ''members of the armed forces''.

(2) Subsection (h) of such section is amended to read as follows:

''(h) DEFINITIONS.—In this section:

''(1) The term 'retired status', with respect to a member or former member of the armed forces, means that the member or former member—

''(A) is on a retired list of an armed force;

''(B) is entitled to receive retired or retainer pay; or

''(C) except for not having attained 60 years of age, would be entitled to receive retired pay upon application under chapter 1223 of this title.

''(2) The term 'veteran' means a decedent who—

''(A) served in the active military, naval, or air service (as defined in section 101(24) of title 38) and who was discharged or released therefrom under conditions other than dishonorable; or

''(B) was a member or former member of the Selected Reserve described in section 2301(f) of title 38.''.

(b) FUNERAL HONORS DUTY ALLOWANCE.—Section 435(a) of title 37, United States Code, is amended—

(1) by inserting ''(1)'' after ''(a) ALLOWANCE AUTHORIZED.—''; and

(2) by adding at the end the following new paragraph:

''(2)(A) The Secretary concerned may authorize payment of an allowance to a member or former member of the armed forces in a retired status (as defined in section 1491(h) of title 10) for participating as a member of a funeral honors detail under section 1491 of title 10 for a period of at least two hours, including time for preparation.

''(B) An allowance paid to a member or former member under subparagraph (A) shall be in addition to any retired or retainer pay or other compensation to which the member or former member is entitled under this title or title 10 or 38.''.

SEC. 563. BENEFITS AND PROTECTIONS FOR MEMBERS IN A FUNERAL HONORS DUTY STATUS.

(a) FUNERAL HONORS DUTY DEFINED.—Section 101(d) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(8) The term 'funeral honors duty' means duty under section 12503 of this title or section 115 of title 32.''.

(b) APPLICABILITY OF UNIFORM CODE OF MILITARY JUSTICE.—Section 802 of title 10, United States Code, is amended—

(1) in subsection (a)(3), by inserting ''or engaged in funeral honors duty'' after ''on inactive-duty training''; and

(2) in subsection (d)(2)(B), by inserting ''or engaged in funeral honors duty'' after ''on inactive-duty training''.

(c) COMMISSARY STORES PRIVILEGES FOR DEPENDENTS OF A DECEASED RESERVE COMPONENT MEMBER.—Section 1061(b) of such title is amended—

(1) in paragraph (1)—

(A) by striking ''or'' the first place it appears; and

(B) by inserting '', or funeral honors duty'' before the semicolon; and

(2) in paragraph (2)—

(A) by striking ''or'' the third place it appears; and

(B) by inserting '', or funeral honors duty'' before the period.

(d) PAYMENT OF A DEATH GRATUITY.—(1) Section 1475(a) of such title is amended—

(A) in paragraph (2), by inserting ''or while engaged in funeral honors duty'' after ''Public Health Service)''; and

(B) in paragraph (3)—

(i) by striking ''or inactive duty training'' the first place it appears and inserting ''inactive-duty training'';

(ii) by inserting ''or funeral honors duty,'' after ''Public Health Service),''; and

(iii) by striking ''or inactive duty training'' the second place it appears and inserting '', inactive-duty training, or funeral honors duty''.

(2) Section 1476(a) of such title is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking ''or'';

(ii) in subparagraph (B), by striking the period at the end and inserting ''; or''; and

(iii) by adding at the end the following new subparagraph:

''(C) funeral honors duty.''; and

(B) in paragraph (2)(A), by striking ''or inactive-duty training'' and inserting '', inactive-duty training, or funeral honors duty''.

(e) MILITARY AUTHORITY FOR MEMBERS OF THE COAST GUARD RESERVE.—(1) Section 704 of title 14, United States Code, is amended by striking ''or inactive-duty training'' in the second sentence and inserting '', inactive-duty training, or funeral honors duty''.

(2) Section 705(a) of such title is amended by inserting ''on funeral honors duty,'' after ''on inactive-duty training,''.

(f) VETERANS BENEFITS.—Section 101(24) of title 38, United States Code, is amended—

(1) by striking ''and'' at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C)(ii) and inserting ''; and''; and

(3) by adding at the end the following new subparagraph (D):

''(D) any period of funeral honors duty (as defined in section 101(d) of title 10) during which the individual concerned was disabled or died from an injury incurred or aggravated in line of duty.''.

(g) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

SEC. 564. MILITARY LEAVE FOR CIVILIAN EMPLOYEES SERVING AS MILITARY MEMBERS OF FUNERAL HONORS DETAIL.

Section 6323(a) of title 5, United States Code, is amended—

(1) in the first sentence of paragraph (1), by striking ''active duty, inactive duty training'' and all that follows through ''National Guard'' and inserting ''military duty or training described in paragraph (4)''; and

(2) by adding at the end the following new paragraph:

''(4) The entitlement under paragraph (1) applies to the performance of duty or training as a Reserve of the armed forces or member of the National Guard, as follows:

''(A) Active duty.

''(B) Inactive duty training (as defined in section 101 of title 37).

''(C) Field or coast defense training under sections 502 through 505 of title 32.

''(D) Funeral honors duty under section 12503 of title 10 or section 115 of title 32.''.

Subtitle F—Uniformed Services Overseas Voting

SEC. 571. SENSE OF THE SENATE REGARDING THE IMPORTANCE OF VOTING BY MEMBERS OF THE UNIFORMED SERVICES.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that each administrator of a Federal, State, or local election should—

(1) be aware of the importance of the ability of each uniformed services voter to exercise their right to vote; and

(2) perform their duties with the intent to ensure that—

(A) each uniformed services voter receives the utmost consideration and cooperation when voting;

(B) each valid ballot cast by such a voter is duly counted; and

(C) all eligible American voters, regardless of race, ethnicity, disability, the language they speak, or the resources of the community in which they live should have an equal

opportunity to cast a vote and have that vote counted.

(b) UNIFORMED SERVICES VOTER DEFINED.—In this section, the term ''uniformed services voter'' means—

(1) a member of a uniformed service (as defined in section 101(a)(5) of title 10, United States Code) in active service;

(2) a member of the merchant marine (as defined in section 107 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–6)); and

(3) a spouse or dependent of a member referred to in subparagraph (A) or (B) who is qualified to vote.

SEC. 572. STANDARD FOR INVALIDATION OF BALLOTS CAST BY ABSENT UNIFORMED SERVICES VOTERS IN FEDERAL ELECTIONS.

(a) IN GENERAL.—Section 102 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–1) is amended—

(1) by striking ''Each State'' and inserting ''(a) IN GENERAL.—Each State''; and

(2) by adding at the end the following:

''(c) STANDARDS FOR INVALIDATION OF CERTAIN BALLOTS.—

''(1) IN GENERAL.—A State may not refuse to count a ballot submitted in an election for Federal office by an absent uniformed services voter solely—

''(A) on the grounds that the ballot lacked a notarized witness signature, an address, other than on a Federal write-in absentee ballot (SF186) or a postmark: *Provided,* That there are other indicia that the vote was cast in a timely manner; or

''(B) on the basis of a comparison of signatures on ballots, envelopes, or registration forms unless there is a lack of reasonable similarity between the signatures.

''(2) NO EFFECT ON FILING DEADLINES UNDER STATE LAW.—Nothing in this subsection may be construed to affect the application to ballots submitted by absent uniformed services voters of any ballot submission deadline applicable under State law.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to ballots described in section 102(c) of the Uniformed and Overseas Citizens Absentee Voting Act (as added by such subsection) that are submitted with respect to elections that occur after the date of enactment of this Act.

SEC. 573. GUARANTEE OF RESIDENCY FOR MILITARY PERSONNEL.

Article VII of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. App. 590 et seq.) is amended by adding at the end the following:

''SEC. 704. (a) For purposes of voting for any Federal office (as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431)) or a State or local office, a person who is absent from a State in compliance with military or naval orders shall not, solely by reason of that absence—

''(1) be deemed to have lost a residence or domicile in that State, without regard to whether or not the person intends to return to that State;

''(2) be deemed to have acquired a residence or domicile in any other State; or

''(3) be deemed to have become a resident in or a resident of any other State.

''(b) In this section, the term 'State' includes a territory or possession of the United States, a political subdivision of a State, territory, or possession, and the District of Columbia.''.

SEC. 574. EXTENSION OF REGISTRATION AND BALLOTING RIGHTS FOR ABSENT UNIFORMED SERVICES VOTERS TO STATE AND LOCAL ELECTIONS.

(a) IN GENERAL.—Section 102 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–1), as amended by section 572(a)(1), is further amended by inserting after subsection (a) the following new subsection:

''(b) ELECTIONS FOR STATE AND LOCAL OFFICES.—Each State shall—

''(1) permit absent uniformed services voters to use absentee registration procedures and vote by absentee ballot in general, special, primary, and runoff elections for State and local offices; and

''(2) accept and process, with respect to any election described in paragraph (1), any otherwise valid voter registration application from an absent uniformed services voter if the application is received by the appropriate State election official not less than 30 days before the date of the election.''.

(b) CONFORMING AMENDMENT.—The heading for title I of such Act is amended by striking ''**FOR FEDERAL OFFICE**''.

SEC. 575. USE OF SINGLE APPLICATION AS A SIMULTANEOUS ABSENTEE VOTER REGISTRATION APPLICATION AND ABSENTEE BALLOT APPLICATION.

Subsection (a) of section 102 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–1), as redesignated by section 572(a)(1), is amended—

(1) by striking ''and'' at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting a semicolon; and

(3) by inserting after paragraph (3) the following new paragraph (4):

''(4) accept and process the official post card form (prescribed under section 101) as a simultaneous absentee voter registration application and absentee ballot application; and''.

SEC. 576. USE OF SINGLE APPLICATION FOR ABSENTEE BALLOTS FOR ALL FEDERAL ELECTIONS.

Subsection (a) of section 102 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–1), as amended by section 575, is further amended by inserting after paragraph (4) the following new paragraph (5):

''(5) accept and process, with respect to all general, special, primary, and runoff elections for Federal office occurring during a year, any otherwise valid absentee ballot application from an absent uniformed services voter or overseas voter if a single application for any such election is received by the appropriate State election official not less than 30 days before the first election for Federal office occurring during the year.''.

SEC. 577. ELECTRONIC VOTING DEMONSTRATION PROJECT.

(a) ESTABLISHMENT OF DEMONSTRATION PROJECT.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary of Defense shall carry out a demonstration project under which absent uniformed services voters (as defined in section 107(1) of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–6(1))) are permitted to cast ballots in the regularly scheduled general election for Federal office for November 2002, through an electronic voting system.

(2) AUTHORITY TO DELAY IMPLEMENTATION.—If the Secretary of Defense determines that the implementation of the demonstration project under paragraph (1) with respect to the regularly scheduled general election for Federal office for November 2002 may adversely affect the national security of the United States, the Secretary may delay the implementation of such demonstration project until the regularly scheduled general election for Federal office for November 2004. The Secretary shall notify the Armed Services Committees of the Senate and the House of Representatives of any decision to delay implementation of the demonstration project.

(b) COORDINATION WITH STATE ELECTION OFFICIALS.—To the greatest extent practicable, the Secretary of Defense shall carry out the demonstration project under this section through cooperative agreements with State election officials.

(c) REPORT TO CONGRESS.—Not later than June 1, 2003, the Secretary of Defense shall submit a report to Congress analyzing the demonstration project conducted under this section, and shall include in the report any recommendations the Secretary of Defense considers appropriate for continuing the project on an expanded basis for absent uniformed services voters during the next regularly scheduled general election for Federal office.

SEC. 578. FEDERAL VOTING ASSISTANCE PROGRAM.

(a) IN GENERAL.—The Secretary of Defense shall promulgate regulations to require each of the Armed Forces to ensure their compliance with any directives issued by the Secretary of Defense in implementing the Federal Voting Assistance Program (referred to in this section as the ''Program'') or any similar program.

(b) REVIEW AND REPORT.—(1) The Inspector General of each of the Armed Forces shall—

(A) conduct an annual review of the effectiveness of the Program or any similar program;

(B) conduct an annual review of the compliance with the Program or any similar program of the branch; and

(C) submit an annual report to the Inspector General of the Department of Defense on the results of the reviews under subparagraphs (A) and (B).

(2) Not later than March 31, 2003, and annually thereafter, the Inspector General of the Department of Defense shall submit a report to Congress on—

(A) the effectiveness of the Program or any similar program; and

(B) the level of compliance with the Program or any similar program of the branches of the Armed Forces.

SEC. 579. MAXIMIZATION OF ACCESS OF RECENTLY SEPARATED UNIFORMED SERVICES VOTERS TO THE POLLS.

(a) ABSENTEE REGISTRATION.—For purposes of voting in any primary, special, general, or runoff election for Federal office (as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431)), each State shall, with respect to any uniformed services voter (as defined in section 571(b)) requesting to vote in the State accept and process, with respect to any primary, special, general, or runoff election, any otherwise valid voter registration application submitted by such voter.

(b) VOTING BY RECENTLY SEPARATED UNIFORMED SERVICES VOTERS.—Each State shall permit each recently separated uniformed services voter to vote in any election for which a voter registration application has been accepted and processed under subsection (a) if that voter—

(1) has registered to vote under such subsection; and

(2) is eligible to vote in that election under State law.

(c) DEFINITIONS.—In this section:

(1) The term ''State'' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States.

(2) The term ''recently separated uniformed services voter'' means any individual who was a uniformed services voter (as defined in section 571(b)) on the date that is 60 days before the date on which the individual seeks to vote and who—

(A) presents to the election official Department of Defense form 214 evidencing their former status as such a voter, or any other official proof of such status; and

(B) is no longer such a voter; and

(C) is otherwise qualified to vote.

SEC. 580. GOVERNORS' REPORTS ON IMPLEMENTATION OF FEDERAL VOTING ASSISTANCE PROGRAM RECOMMENDATIONS.

(a) REPORTS.—Not later than 90 days after the date on which a State receives a legislative recommendation, the State shall submit a report on the status of the implementation of that recommendation to the Presidential designee and to each Member of Congress that represents that State.

(b) PERIOD OF APPLICABILITY.—This section applies with respect to legislative recommendations received by States during the period beginning on the date of enactment of this Act and ending three years after such date.

(c) DEFINITIONS.—In this section:

(1) The term ''legislative recommendation'' means a recommendation of the Presidential designee suggesting a modification in the laws of a State for the purpose of maximizing the access to the polls of absent uniformed services voters and overseas voters, including each recommendation made under section 104 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–3).

(2) The term ''Presidential designee'' means the head of the executive department designated under section 101 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff).

Subtitle G—Other Matters

SEC. 581. PERSONS AUTHORIZED TO BE INCLUDED IN SURVEYS OF MILITARY FAMILIES REGARDING FEDERAL PROGRAMS.

(a) ADDITION OF CERTAIN FAMILY MEMBERS AND SURVIVORS.—Subsection (a) of section 1782 of title 10, United States Code, is amended to read as follows:

''(a) AUTHORITY.—The Secretary of Defense may conduct surveys of persons to determine the effectiveness of Federal programs relating to military families and the need for new programs, as follows:

''(1) Members of the armed forces on active duty or in an active status.

''(2) Retired members of the armed forces.

''(3) Members of the families of such members and retired members of the armed forces (including surviving members of the families of deceased members and deceased retired members).''.

(b) FEDERAL RECORDKEEPING REQUIREMENTS.—Subsection (c) of such section is amended to read as follows:

''(c) FEDERAL RECORDKEEPING REQUIREMENTS.—With respect to a survey authorized under subsection (a) that includes a person referred to in that subsection who is not an employee of the United States or is not considered an employee of the United States for the purposes of section 3502(3)(A)(i) of title 44, the person shall be considered as being an employee of the United States for the purposes of that section.''.

SEC. 582. CORRECTION AND EXTENSION OF CERTAIN ARMY RECRUITING PILOT PROGRAM AUTHORITIES.

(a) CONTRACT RECRUITING INITIATIVES.—Subsection (d)(2) of section 561 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–130) is amended—

(1) in subparagraphs (A) and (D), by inserting ''and Army Reserve'' after ''Regular Army''; and

(2) in subparagraph (B), by striking ''and chain of command''.

(b) EXTENSION OF AUTHORITY.—Subsection (e) of such section is amended by striking ''December 31, 2005'' and inserting ''September 30, 2007''.

(c) EXTENSION OF TIME FOR REPORTS.—Subsection (g) of such section is amended by striking ''February 1, 2006'' and inserting ''February 1, 2008''.

SEC. 583. OFFENSE OF DRUNKEN OPERATION OF A VEHICLE, AIRCRAFT, OR VESSEL UNDER THE UNIFORM CODE OF MILITARY JUSTICE.

(a) LOWER STANDARD OF ALCOHOL CONCENTRATION.—Section 911 of title 10, United States Code (article 111 of the Uniform Code of Military Justice), is amended by striking ''0.10 grams'' both places it appears in paragraph (2) and inserting ''0.08 grams''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply to acts described in paragraph (2) of section 911 of title 10, United States Code, that are committed on or after that date.

SEC. 584. AUTHORITY OF CIVILIAN EMPLOYEES TO ACT AS NOTARIES.

(a) CLARIFICATION OF STATUS OF CIVILIAN ATTORNEYS ELIGIBLE TO ACT AS NOTARIES.—Subsection (b) of section 1044a of title 10, United States Code, is amended by striking ''legal assistance officers'' in paragraph (2) and inserting ''legal assistance attorneys''.

(b) OTHER CIVILIAN EMPLOYEES DESIGNATED TO ACT AS NOTARIES ABROAD.—Such subsection is further amended by adding at the end the following new paragraph:

''(5) For the performance of notarial acts at locations outside the United States, all employees of a military department or the Coast Guard who are designated by regulations of the Secretary concerned or by statute to have those powers for exercise outside the United States.''.

SEC. 585. REVIEW OF ACTIONS OF SELECTION BOARDS.

(a) IN GENERAL.—(1) Chapter 79 of title 10, United States Code, is amended by adding at the end the following:

''§ 1558. Exclusive remedies in cases involving selection boards

''(a) CORRECTION OF MILITARY RECORDS.—The Secretary concerned may correct a person's military records in accordance with a recommendation made by a special board. Any such correction shall be effective, retroactively, as of the effective date of the action taken on a report of a previous selection board that resulted in the action corrected in the person's military records.

''(b) RELIEF ASSOCIATED WITH CORRECTIONS OF CERTAIN ACTIONS.—(1) The Secretary concerned shall ensure that a person receives relief under paragraph (2) or (3), as the person may elect, if the person—

''(A) was separated or retired from an armed force, or transferred to the retired reserve or to inactive status in a reserve component, as a result of a recommendation of a selection board; and

''(B) becomes entitled to retention on or restoration to active duty or active status in a reserve component as a result of a correction of the person's military records under subsection (a).

''(2)(A) With the consent of a person referred to in paragraph (1), the person shall be retroactively and prospectively restored to the same status, rights, and entitlements (less appropriate offsets against back pay and allowances) in the person's armed force as the person would have had if the person had not been selected to be separated, retired, or transferred to the retired reserve or to inactive status in a reserve component, as the case may be, as a result of an action corrected under subsection (a). An action under this subparagraph is subject to subparagraph (B).

''(B) Nothing in subparagraph (A) shall be construed to permit a person to be on active duty or in an active status in a reserve component after the date on which the person would have been separated, retired, or transferred to the retired reserve or to inactive status in a reserve component if the person had not been selected to be separated, retired, or transferred to the retired reserve or to inactive status in a reserve component, as the case may be, in an action of a selection board that is corrected under subsection (a).

''(3) If the person does not consent to a restoration of status, rights, and entitlements under paragraph (2), the person shall receive back pay and allowances (less appropriate offsets) and service credit for the period beginning on the date of the person's separation, retirement, or transfer to the retired reserve or to inactive status in a reserve component, as the case may be, and ending on the earlier of—

''(A) the date on which the person would have been so restored under paragraph (2), as determined by the Secretary concerned; or

''(B) the date on which the person would otherwise have been separated, retired, or transferred to the retired reserve or to inactive status in a reserve component, as the case may be.

''(c) FINALITY OF UNFAVORABLE ACTION.—If a special board makes a recommendation not to correct the military records of a person regarding action taken in the case of that person on the basis of a previous report of a selection board, the action previously taken on that report shall be considered as final as of the date of the action taken on that report.

''(d) REGULATIONS.—(1) The Secretary concerned may prescribe regulations to carry out this section (other than subsection (e)) with respect to the armed force or armed forces under the jurisdiction of the Secretary.

''(2) The Secretary may prescribe in the regulations the circumstances under which consideration by a special board may be provided for under this section, including the following:

''(A) The circumstances under which consideration of a person's case by a special board is contingent upon application by or for that person.

''(B) Any time limits applicable to the filing of an application for consideration.

''(3) Regulations prescribed by the Secretary of a military department under this subsection shall be subject to the approval of the Secretary of Defense.

''(e) JUDICIAL REVIEW.—(1) A person challenging for any reason the action or recommendation of a selection board, or the action taken by the Secretary concerned on the report of a selection board, is not entitled to relief in any judicial proceeding unless the person has first been considered by a

special board under this section or the Secretary concerned has denied such consideration.

''(2) A court of the United States may review a determination by the Secretary concerned not to convene a special board in the case of any person. In any such case, a court may set aside the Secretary's determination only if the court finds the determination to be arbitrary or capricious, not based on substantial evidence, or otherwise contrary to law. If a court sets aside a determination not to convene a special board, it shall remand the case to the Secretary concerned, who shall provide for consideration of the person by a special board.

''(3) A court of the United States may review a recommendation of a special board or an action of the Secretary concerned on the report of a special board convened for consideration of a person. In any such case, a court may set aside the recommendation or action, as the case may be, only if the court finds that the recommendation or action was contrary to law or involved a material error of fact or a material administrative error. If a court sets aside the recommendation of a special board, it shall remand the case to the Secretary concerned, who shall provide for reconsideration of the person by another special board. If a court sets aside the action of the Secretary concerned on the report of a special board, it shall remand the case to the Secretary concerned for a new action on the report of the special board.

''(4)(A) If, not later than six months after receiving a complete application for consideration by a special board in any case, the Secretary concerned has not convened a special board and has not denied consideration by a special board in that case, the Secretary shall be deemed to have denied the consideration of the case for the purposes of this subsection.

''(B) If, not later than one year after the convening of a special board in any case, the Secretary concerned has not taken final action on the report of the special board, the Secretary shall be deemed to have denied relief in such case for the purposes of this subsection.

''(C) Under regulations prescribed under subsection (d), the Secretary concerned may waive the applicability of subparagraph (A) or (B) in a case if the Secretary determines that a longer period for consideration of the case is warranted. The Secretary of a military department may not delegate authority to make a determination under this subparagraph.

''(f) EXCLUSIVITY OF REMEDIES.—Notwithstanding any other provision of law, but subject to subsection (g), the remedies provided under this section are the only remedies available to a person for correcting an action or recommendation of a selection board regarding that person or an action taken on the report of a selection board regarding that person.

''(g) EXISTING JURISDICTION.—(1) Nothing in this section limits the jurisdiction of any court of the United States under any provision of law to determine the validity of any statute, regulation, or policy relating to selection boards, except that, in the event that any such statute, regulation, or policy is held invalid, the remedies prescribed in this section shall be the sole and exclusive remedies available to any person challenging the recommendation of a special board on the basis of the invalidity.

''(2) Nothing in this section limits authority to correct a military record under section 1552 of this title.

''(h) INAPPLICABILITY TO COAST GUARD.—This section does not apply to the Coast Guard when it is not operating as a service in the Navy.

''(i) DEFINITIONS.—In this section:

''(1) The term 'special board'—

''(A) means a board that the Secretary concerned convenes under any authority to consider whether to recommend a person for appointment, enlistment, reenlistment, assignment, promotion, retention, separation, retirement, or transfer to inactive status in a reserve component instead of referring the records of that person for consideration by a previously convened selection board which considered or should have considered that person;

''(B) includes a board for the correction of military or naval records convened under section 1552 of this title, if designated as a special board by the Secretary concerned; and

''(C) does not include a promotion special selection board convened under section 628 or 14502 of this title.

''(2) The term 'selection board'—

''(A) means a selection board convened under section 573(c), 580, 580a, 581, 611(b), 637, 638, 638a, 14101(b), 14701, 14704, or 14705 of this title, and any other board convened by the Secretary concerned under any authority to recommend persons for appointment, enlistment, reenlistment, assignment, promotion, or retention in the armed forces or for separation, retirement, or transfer to inactive status in a reserve component for the purpose of reducing the number of persons serving in the armed forces; and

''(B) does not include—

''(i) a promotion board convened under section 573(a), 611(a), or 14101(a) of this title;

''(ii) a special board;

''(iii) a special selection board convened under section 628 of this title; or

''(iv) a board for the correction of military records convened under section 1552 of this title.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

''1558. Exclusive remedies in cases involving selection boards .''.

(b) SPECIAL SELECTION BOARDS.—Section 628 of such title is amended—

(1) by redesignating subsection (g) as subsection (j); and

(2) by inserting after subsection (f) the following:

''(g) JUDICIAL REVIEW.—(1) A court of the United States may review a determination by the Secretary concerned under subsection (a)(1) or (b)(1) not to convene a special selection board in the case of an officer or former officer of the armed forces. If the court finds the determination to be arbitrary or capricious, not based on substantial evidence, or otherwise contrary to law, it shall remand the case to the Secretary concerned, who shall provide for consideration of the officer or former officer by a special selection board under this section.

''(2) A court of the United States may review the action of a special selection board convened under this section upon the request of an officer or former officer of the armed forces and any action taken by the President on the report of the board. If the court finds that the action was contrary to law or involved a material error of fact or a material administrative error, it shall remand the case to the Secretary concerned, who shall provide for reconsideration of the officer or former officer by another special selection board.

''(3)(A) For the purposes of this subsection, the Secretary concerned shall be deemed to have determined not to convene a special selection board under subsection (a)(1) or (b)(1) in the case of an officer or former officer of the armed forces upon a failure of the Secretary to make a determination on the convening of a special selection board in that case within six months after receiving a properly completed request to convene a special selection board under that authority in that case.

''(B) Under regulations prescribed by the Secretary concerned, the Secretary may waive the applicability of subparagraph (A) in the case of a request for the convening of a special selection board if the Secretary determines that a longer period for consideration of the request is warranted. The Secretary concerned may not delegate authority to make a determination under this subparagraph.

''(h) LIMITATIONS OF OTHER JURISDICTION.—(1) No official or court of the United States may, with respect to a claim based to any extent on the failure of an officer or former officer of the armed forces to be selected for promotion by a promotion board—

''(A) consider the claim unless the officer or former officer has first been referred by the Secretary concerned to a special selection board convened under this section and acted upon by that board and the report of the board has been approved by the President; or

''(B) except as provided in subsection (g), grant any relief on the claim unless the officer or former officer has been selected for promotion by a special selection board convened under this section to consider the officer for recommendation for promotion and the report of the board has been approved by the President.

''(i) EXISTING JURISDICTION.—(1) Nothing in this section limits the jurisdiction of any court of the United States under any provision of law to determine the validity of any statute, regulation, or policy relating to selection boards, except that, in the event that any such statute, regulation, or policy is held invalid, the remedies prescribed in this section shall be the sole and exclusive remedies available to any person challenging the recommendation of a selection board on the basis of the invalidity.

''(2) Nothing in this section limits authority to correct a military record under section 1552 of this title.''.

(c) EFFECTIVE DATE AND APPLICABILITY.—(1) The amendments made by this section shall take effect on the date of the enactment of this Act and, except as provided in paragraph (2), shall apply with respect to any proceeding pending on or after that date without regard to whether a challenge to an action of a selection board of any of the Armed Forces being considered in such proceeding was initiated before, on, or after that date.

(2) The amendments made by this section shall not apply with respect to any action commenced in a court of the United States before the date of the enactment of this Act.

SEC. 586. ACCEPTANCE OF VOLUNTARY LEGAL ASSISTANCE FOR THE CIVIL AFFAIRS OF MEMBERS AND FORMER MEMBERS OF THE UNIFORMED SERVICES AND THEIR DEPENDENTS.

(a) AUTHORITY.—Subsection (a) of section 1588 of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(5) Legal services voluntarily provided as legal assistance under section 1044 of this title.''.

(b) DEFENSE OF LEGAL MALPRACTICE.—Subsection (d)(1) of that section is amended by adding at the end the following new subparagraph:

''(E) Section 1054 of this title (relating to legal malpractice), for a person voluntarily providing legal services accepted under subsection (a)(5), as if the person were providing the services as an attorney of a legal staff within the Department of Defense.''.

SEC. 587. EXTENSION OF DEFENSE TASK FORCE ON DOMESTIC VIOLENCE.

Section 591(j) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 641, 10 U.S.C. 1562 note) is amended by striking ''three years after the date of the enactment of this Act'' and inserting ''April 24, 2003''.

SEC. 588. TRANSPORTATION TO ANNUAL MEETING OF NEXT-OF-KIN OF PERSONS UNACCOUNTED FOR FROM CONFLICTS AFTER WORLD WAR II.

(a) IN GENERAL.—(1) Chapter 157 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2647. Transportation to annual meeting of next-of-kin of persons unaccounted for from conflicts after World War II

''The Secretary of Defense may provide transportation for the next-of-kin of persons who are unaccounted for from the Korean conflict, the Cold War, Vietnam War era, or the Persian Gulf War to and from those annual meetings sanctioned by the Department of Defense in the United States. Such transportation shall be provided under such regulations as the Secretary of Defense may prescribe.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2647. Transportation to annual meeting of next-of-kin of persons unaccounted for from conflicts after World War II.''.

(b) EFFECTIVE DATE.—Section 2647 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2001, or the date of the enactment of this Act, whichever is later.

SEC. 589. REPORT ON HEALTH AND DISABILITY BENEFITS FOR PRE-ACCESSION TRAINING AND EDUCATION PROGRAMS.

(a) STUDY.—The Secretary of Defense shall conduct a review of the health and disability benefit programs available to recruits and officer candidates engaged in training, education, or other types of programs while not yet on active duty and to cadets and midshipmen attending the service academies. The review shall be conducted with the participation of the Secretaries of the military departments.

(b) REPORT.—Not later than March 1, 2002, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the findings of the review. The report shall include the following with respect to persons described in subsection (a):

(1) A statement of the process and detailed procedures followed by each of the Armed Forces under the jurisdiction of the Secretary of a military department to provide health care and disability benefits to all such persons injured in training, education, or other types of programs conducted by the Secretary of a military department.

(2) Information on the total number of cases of such persons requiring health care and disability benefits and the total number of cases and average value of health care and disability benefits provided under the authority for each source of benefits available to those persons.

(3) A discussion of the issues regarding health and disability benefits for such persons that are encountered by the Secretary during the review, to include discussions with individuals who have received those benefits.

(4) A statement of the processes and detailed procedures followed by each of the Armed Forces under the jurisdiction of the Secretary of a military department to provide recruits and officer candidates with succinct information on the eligibility requirements (including information on when they become eligible) for health care benefits under the Defense health care program, and the nature and availability of the benefits under the program.

(5) A discussion of the necessity for legislative changes and specific legislative proposals needed to improve the benefits provided those persons.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2002.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2002 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 2002, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

COMMISSIONED OFFICERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–10[2] ...	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	7,180.20	7,415.40	7,571.10	7,614.90	7,809.30
O–7	5,966.40	6,371.70	6,371.70	6,418.20	6,657.90
O–6	4,422.00	4,857.90	5,176.80	5,176.80	5,196.60
O–5	3,537.00	4,152.60	4,440.30	4,494.30	4,673.10
O–4	3,023.70	3,681.90	3,927.60	3,982.50	4,210.50
O–3[3]	2,796.60	3,170.40	3,421.80	3,698.70	3,875.70
O–2[3]	2,416.20	2,751.90	3,169.50	3,276.30	3,344.10
O–1[3]	2,097.60	2,183.10	2,638.50	2,638.50	2,638.50
	Over 8	Over 10	Over 12	Over 14	Over 16
O–10[2] ...	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	8,135.10	8,210.70	8,519.70	8,608.50	8,874.30
O–7	6,840.30	7,051.20	7,261.80	7,472.70	8,135.10
O–6	5,418.90	5,448.60	5,448.60	5,628.60	6,305.70
O–5	4,673.10	4,813.50	5,073.30	5,413.50	5,755.80
O–4	4,395.90	4,696.20	4,930.20	5,092.50	5,255.70
O–3[3]	4,070.10	4,232.40	4,441.20	4,549.50	4,549.50
O–2[3]	3,344.10	3,344.10	3,344.10	3,344.10	3,344.10
O–1[3]	2,638.50	2,638.50	2,638.50	2,638.50	2,638.50
	Over 18	Over 20	Over 22	Over 24	Over 26
O–10[2] ...	$0.00	11,601.90	11,659.20	11,901.30	12,324.00
O–9	0.00	10,147.50	10,293.60	10,504.80	10,873.80
O–8	9,259.50	9,614.70	9,852.00	9,852.00	9,852.00
O–7	8,694.90	8,694.90	8,694.90	8,694.90	8,738.70
O–6	6,627.00	6,948.30	7,131.00	7,316.10	7,675.20
O–5	5,919.00	6,079.80	6,262.80	6,262.80	6,262.80
O–4	5,310.60	5,310.60	5,310.60	5,310.60	5,310.60
O–3[3]	4,549.50	4,549.50	4,549.50	4,549.50	4,549.50
O–2[3]	3,344.10	3,344.10	3,344.10	3,344.10	3,344.10
O–1[3]	2,638.50	2,638.50	2,638.50	2,638.50	2,638.50

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officers in pay grades 0–7 through O–10 may not exceed the rate of pay for level III of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, the rate of basic pay for this grade is $13,598.10, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] This table does not apply to commissioned officers in pay grade O–1, O–2, or O–3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E	$0.00	$0.00	$0.00	3,698.70	3,875.70
O–2E	0.00	0.00	0.00	3,276.30	3,344.10
O–1E	0.00	0.00	0.00	2,638.50	2,818.20
	Over 8	Over 10	Over 12	Over 14	Over 16
O–3E	4,070.10	4,232.40	4,441.20	4,617.00	4,717.50
O–2E	3,450.30	3,630.00	3,768.90	3,872.40	3,872.40
O–1E	2,922.30	3,028.50	3,133.20	3,276.30	3,276.30
	Over 18	Over 20	Over 22	Over 24	Over 26
O–3E	4,855.20	4,855.20	4,855.20	4,855.20	4,855.20
O–2E	3,872.40	3,872.40	3,872.40	3,872.40	3,872.40
O–1E	3,276.30	3,276.30	3,276.30	3,276.30	3,276.30

WARRANT OFFICERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	2,889.60	3,108.60	3,198.00	3,285.90	3,437.10
W–3	2,638.80	2,862.00	2,862.00	2,898.90	3,017.40
W–2	2,321.40	2,454.00	2,569.80	2,654.10	2,726.40
W–1	2,049.90	2,217.60	2,330.10	2,402.70	2,511.90
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	3,586.50	3,737.70	3,885.30	4,038.00	4,184.40
W–3	3,152.40	3,330.90	3,439.50	3,558.30	3,693.90
W–2	2,875.20	2,984.40	3,093.90	3,200.40	3,318.00
W–1	2,624.70	2,737.80	2,850.00	2,963.70	3,077.10
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5	$0.00	4,965.60	5,136.00	5,307.00	5,478.60
W–4	4,334.40	4,480.80	4,632.60	4,782.00	4,935.30
W–3	3,828.60	3,963.60	4,098.30	4,233.30	4,368.90
W–2	3,438.90	3,559.80	3,680.10	3,801.30	3,801.30
W–1	3,189.90	3,275.10	3,275.10	3,275.10	3,275.10

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for warrant officers may not exceed the rate of pay for level V of the Executive Schedule.

ENLISTED MEMBERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9[2]	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	1,986.90	2,169.00	2,251.50	2,332.50	2,417.40
E–6	1,701.00	1,870.80	1,953.60	2,033.70	2,117.40
E–5	1,561.50	1,665.30	1,745.70	1,828.50	1,912.80
E–4	1,443.60	1,517.70	1,599.60	1,680.30	1,752.30
E–3	1,303.50	1,385.40	1,468.50	1,468.50	1,468.50
E–2	1,239.30	1,239.30	1,239.30	1,239.30	1,239.30
E–1	[3] 1,105.50	1,105.50	1,105.50	1,105.50	1,105.50
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9[2]	$0.00	$3,423.90	3,501.30	3,599.40	3,714.60
E–8	2,858.10	2,940.60	3,017.70	3,110.10	3,210.30
E–7	2,562.90	2,645.10	2,726.40	2,808.00	2,892.60
E–6	2,254.50	2,337.30	2,417.40	2,499.30	2,558.10
E–5	2,030.10	2,110.20	2,193.30	2,193.30	2,193.30
E–4	1,752.30	1,752.30	1,752.30	1,752.30	1,752.30
E–3	1,468.50	1,468.50	1,468.50	1,468.50	1,468.50
E–2	1,239.30	1,239.30	1,239.30	1,239.30	1,239.30
E–1	1,105.50	1,105.50	1,105.50	1,105.50	1,105.50
	Over 18	Over 20	Over 22	Over 24	Over 26
E–9[2]	$3,830.40	3,944.10	4,098.30	4,251.30	4,467.00
E–8	3,314.70	3,420.30	3,573.00	3,724.80	3,937.80
E–7	2,975.10	3,057.30	3,200.40	3,292.80	3,526.80
E–6	2,602.80	2,602.80	2,602.80	2,602.80	2,602.80
E–5	2,193.30	2,193.30	2,193.30	2,193.30	2,193.30
E–4	1,752.30	1,752.30	1,752.30	1,752.30	1,752.30
E–3	1,468.50	1,468.50	1,468.50	1,468.50	1,468.50
E–2	1,239.30	1,239.30	1,239.30	1,239.30	1,239.30
E–1	1,105.50	1,105.50	1,105.50	1,105.50	1,105.50

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, basic pay for this grade is $5,382.90, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] In the case of members in pay grade E–1 who have served less than 4 months on active duty, the rate of basic pay is $1,022.70.

SEC. 602. BASIC PAY RATE FOR CERTAIN RESERVE COMMISSIONED OFFICERS WITH PRIOR SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER.

(a) SERVICE CREDIT.—Section 203(d) of title 37, United States Code, is amended—

(1) by inserting ''(1)'' after ''(d)'';

(2) by striking ''active service as a warrant officer or as a warrant officer and an enlisted member'' and inserting ''service described in paragraph (2)''; and

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

''(2) Service to be taken into account for purposes of computing basic pay under paragraph (1) is as follows:

''(A) Active service as a warrant officer or as a warrant officer and an enlisted member, in the case of—

''(i) a commissioned officer on active duty who is paid from funds appropriated for active-duty personnel; or

''(ii) a commissioned officer on active Guard and Reserve duty.

''(B) In the case of a commissioned officer (not referred to in subparagraph (A)(ii)) who is paid from funds appropriated for reserve personnel, service as a warrant officer, or as a warrant officer and enlisted member, for which at least 1,460 points have been credited to the officer for the purposes of section 12732(a)(2) of title 10.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2001, and shall apply with respect to months beginning on or after that date.

SEC. 603. RESERVE COMPONENT COMPENSATION FOR DISTRIBUTED LEARNING ACTIVITIES PERFORMED AS INACTIVE-DUTY TRAINING.

(a) COMPENSATION AUTHORIZED.—Section 206(d) of title 37, United States Code, is amended to read as follows:

''(d)(1) Compensation is payable under this section to a member in a grade below E–7 for a period of instruction or duty in pursuit of the satisfaction of educational requirements imposed on members of the uniformed services by law or regulations if—

''(A) the particular activity in pursuit of the satisfaction of such requirements is an activity approved for that period of instruction or duty by the commander who prescribes the instruction or duty for the member for that period; and

''(B) the member attains the learning objectives required for the period of instruction or duty, as determined under regulations prescribed by the Secretary concerned.

''(2) Acceptable means of pursuit of the satisfaction of educational requirements for the purposes of compensation under this section include any means (which may include electronic, documentary, or distributed learning) that is authorized for the attainment of educational credit toward the satisfaction of those requirements in regulations prescribed by the Secretary concerned.''.

(b) DEFINITION OF INACTIVE-DUTY TRAINING.—Section 101(22) of title 37, United States Code, is amended by striking ''but does not include work or study in connection with a correspondence course of a uniformed service''.

SEC. 604. CLARIFICATIONS FOR TRANSITION TO REFORMED BASIC ALLOWANCE FOR SUBSISTENCE.

(a) BASELINE AMOUNT FOR CALCULATING ALLOWANCE FOR ENLISTED MEMBERS.—For the purposes of section 402(b)(2) of title 37, United States Code, the monthly rate of basic allowance for subsistence that is in effect for an enlisted member for the year ending December 31, 2001, is $233.

(b) RATE FOR ENLISTED MEMBERS WHEN MESSING FACILITIES NOT AVAILABLE.—(1) Notwithstanding section 402 of title 37, United States Code, the Secretary of Defense, or the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, may prescribe a rate of basic allowance for subsistence to apply to enlisted members of the uniformed services when messing facilities of the United States are not available. The rate may be higher than the rate of basic allowance for subsistence that would otherwise be applicable to the members under that section, but may not be higher than the highest rate that was in effect for enlisted members of the uniformed services under those circumstances before the date of the enactment of this Act.

(2) Paragraph (1) shall cease to be effective on the first day of the first month for which the basic allowance for subsistence calculated for enlisted members of the uniformed services under section 402 of title 37, United States Code, exceeds the rate of the basic allowance for subsistence prescribed under that paragraph.

(c) DATE FOR EARLY TERMINATION OF BAS TRANSITIONAL AUTHORITY.—Section 603(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–145) is amended by striking ''October 1, 2001,'' and inserting ''January 1, 2002,''.

SEC. 605. INCREASE IN BASIC ALLOWANCE FOR HOUSING IN THE UNITED STATES.

(a) ACCELERATION OF INCREASE.—Subsection 403(b)(1) of title 37, United States Code, is amended by adding at the end the following: ''After September 30, 2002, the rate prescribed for a grade and dependency status for a military housing area in the United States may not be less than the median cost of adequate housing for members in that grade and dependency status in that area, as determined on the basis of the costs of adequate housing determined for the area under paragraph (2).''.

(b) FISCAL YEAR 2002 RATES.—(1) Subject to subsection (b)(3) of section 403 of title 37, United States Code, in the administration of such section 403 for fiscal year 2002, the monthly amount of a basic allowance for housing for an area of the United States for a member of a uniformed service shall be equal to 92.5 percent of the monthly cost of adequate housing in that area, as determined by the Secretary of Defense, for members of the uniformed services serving in the same pay grade and with the same dependency status as the member.

(2) In addition to the amount determined by the Secretary of Defense under section 403(b)(3) of title 37, United States Code, to be the total amount to be paid during fiscal year 2002 for the basic allowance for housing for military housing areas inside the United States, $232,000,000 of the amount authorized to be appropriated by section 421 for military personnel may be used by the Secretary to further increase the total amount available for the basic allowance for housing for military housing areas inside the United States.

SEC. 606. CLARIFICATION OF ELIGIBILITY FOR SUPPLEMENTAL SUBSISTENCE ALLOWANCE.

Section 402a(b)(1) of title 37, United States Code, is amended by inserting ''with dependents'' after ''a member of the armed forces''.

SEC. 607. CORRECTION OF LIMITATION ON ADDITIONAL UNIFORM ALLOWANCE FOR OFFICERS.

Section 416(b)(1) of title 37, United States Code, is amended by striking ''$200'' and inserting ''$400''.

SEC. 608. PAYMENT FOR UNUSED LEAVE IN EXCESS OF 60 DAYS ACCRUED BY MEMBERS OF RESERVE COMPONENTS ON ACTIVE DUTY FOR ONE YEAR OR LESS.

(a) ELIGIBILITY.—Section 501(b)(5) of title 37, United States Code, is amended by—

(1) striking ''or'' at the end of subparagraph (B);

(2) striking the period at the end of subparagraph (C) and inserting ''; or''; and

(3) adding at the end the following new subparagraph:

''(D) by a member of a reserve component while serving on active duty, full-time National Guard duty, or active duty for training for a period of more than 30 days but not in excess of 365 days.''.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001, and shall apply with respect to periods of active duty that begin on or after that date.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SPECIAL PAY FOR HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(f) of title 37, United States Code, is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(c) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(d) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(e) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(f) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(g) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(f) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(h) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking ''January 1, 2002'' and inserting ''January 1, 2003''.

SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

SEC. 613. EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

SEC. 614. EXTENSION OF AUTHORITIES RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking ''December 31, 2001,'' and inserting ''December 31, 2002,''.

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(c) BONUS FOR ENLISTMENT FOR TWO OR MORE YEARS.—Section 309(e) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(d) RETENTION BONUS FOR MEMBERS WITH CRITICAL SKILLS.—Section 323(i) of such title is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

SEC. 615. HAZARDOUS DUTY PAY FOR MEMBERS OF MARITIME VISIT, BOARD, SEARCH, AND SEIZURE TEAMS.

(a) ELIGIBILITY.—Section 301(a) of title 37, United States Code, is amended—

(1) by striking ''or'' at the end of paragraph (10);

(2) by striking the period at the end of paragraph (11) and inserting ''; or''; and

(3) by inserting at the end the following new paragraph:

''(12) involving regular participation as a member of a team conducting visit, board, search, and seizure operations aboard vessels in support of maritime interdiction operations.''.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

SEC. 616. SUBMARINE DUTY INCENTIVE PAY RATES.

(a) AUTHORITY.—Section 301c of title 37, United States Code, is amended by striking subsection (b) and inserting the following:

''(b) The Secretary of the Navy shall prescribe the monthly rates of submarine duty incentive pay. The maximum monthly rate may not exceed $1,000.''.

(b) CONFORMING AMENDMENTS.—(1) Subsection (a) of such section is amended—

(A) by striking ''in the amount set forth in subsection (b)'' in paragraphs (1) and (2); and

(B) in paragraph (4), by striking ''that pay in the amount set forth in subsection (b)'' and inserting ''submarine duty incentive pay''.

(2) Subsection (d) of such section is amended by striking ''monthly incentive pay authorized by subsection (b)'' and inserting ''monthly submarine duty incentive pay authorized''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2002.

SEC. 617. CAREER SEA PAY.

(a) IN GENERAL.—Section 305a(d) of title 37, United States Code, is amended by adding at the end the following: ''Under no circumstances shall a member of the uniformed services be excluded from this entitlement by virtue of his or her rank, no matter how junior, or subjected to a minimum time in service or underway in order to rate this entitlement.''.

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by subsection (a) shall take effect on October 1, 2001, and shall apply with respect to pay periods beginning on or after that date.

SEC. 618. MODIFICATION OF ELIGIBILITY REQUIREMENTS FOR INDIVIDUAL READY RESERVE BONUS FOR REENLISTMENT, ENLISTMENT, OR EXTENSION OF ENLISTMENT.

(a) ELIGIBILITY BASED ON QUALIFICATIONS IN CRITICALLY SHORT WARTIME SKILLS OR SPECIALTIES.—Section 308h(a) of title 37, United States Code, is amended to read as follows:

''(a)(1) The Secretary concerned may pay a bonus as provided in subsection (b) to an eligible person who reenlists, enlists, or voluntarily extends an enlistment in a reserve component of an armed force for assignment to an element (other than the Selected Reserve) of the Ready Reserve of that armed force if the reenlistment, enlistment, or extension is for a period of three years, or for a period of six years, beyond any other period the person is obligated to serve.

''(2) A person is eligible for a bonus under this section if the person—

''(A) is or has been a member of an armed force;

''(B) is qualified in a skill or specialty designated by the Secretary concerned as a critically short wartime skill or critically short wartime specialty, respectively; and

''(C) has not failed to complete satisfactorily any original term of enlistment in the armed forces.

''(3) For the purposes of this section, the Secretary concerned may designate a skill or specialty as a critically short wartime skill or critically short wartime specialty, respectively, for an armed force under the jurisdiction of the Secretary if the Secretary determines that—

''(A) the skill or specialty is critical to meet wartime requirements of the armed force; and

''(B) there is a critical shortage of personnel in that armed force who are qualified in that skill or specialty.''.

(b) REGULATIONS.—The Secretaries of the military departments shall prescribe the regulations necessary for administering section 308h of title 37, United States Code, as amended by this section, not later than the effective date determined under subsection (c)(1).

(c) EFFECTIVE DATE.—This section and the amendments made by this section—

(1) shall take effect on the first day of the first month that begins more than 180 days after the date of the enactment of this Act; and

(2) shall apply with respect to reserve component reenlistments, enlistments, and extensions of enlistments that are executed on or after the first day of that month.

SEC. 619. ACCESSION BONUS FOR OFFICERS IN CRITICAL SKILLS.

(a) IN GENERAL.—(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 323 the following new section:

''§ 324. Special pay: critical officer skills accession bonus

''(a) ACCESSION BONUS AUTHORIZED.—A person who executes a written agreement to accept a commission as an officer of an armed force and serve on active duty in a designated critical officer skill for the period specified in the agreement may be paid an accession bonus upon acceptance of the written agreement by the Secretary concerned.

''(b) DESIGNATION OF CRITICAL OFFICER SKILLS.—(1) The Secretary of Defense, or the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall designate the critical officer skills for the purposes of this section. The Secretary of Defense may so designate a skill for any one or more of the armed forces.

''(2) A skill may be designated as a critical officer skill for an armed force for the purposes of this section if—

''(A) in order to meet requirements of the armed force, it is critical for the armed force to have a sufficient number of officers who are qualified in that skill; and

''(B) in order to mitigate a current or projected significant shortage of personnel in the armed force who are qualified in that skill, it is critical to access into that armed force in sufficient numbers persons who are qualified in that skill or are to be trained in that skill.

''(c) AMOUNT OF BONUS.—The amount of a bonus paid with respect to a critical officer skill shall be determined under regulations jointly prescribed by the Secretary of Defense and the Secretary of Transportation, but may not exceed $20,000.

''(d) LIMITATION ON ELIGIBILITY FOR BONUS.—An individual may not be paid a bonus under subsection (a) if the individual has received, or is receiving, an accession bonus for the same period of service under section 302d, 302h, or 312b of this title.

''(e) PAYMENT METHOD.—Upon acceptance of a written agreement referred to in subsection (a) by the Secretary concerned, the total amount payable pursuant to the agreement under this section becomes fixed and may be paid by the Secretary in either a lump sum or installments.

''(f) REPAYMENT FOR FAILURE TO COMPLETE OBLIGATED SERVICE.—(1) A person who, after having received all or part of the bonus under this section pursuant to an agreement referred to in subsection (a), fails to accept an appointment as a commissioned officer or to commence or complete the total period of active duty service in a designated critical officer skill as provided in the agreement shall refund to the United States the amount that bears the same ratio to the total amount of the bonus authorized for such person as the unserved part of the period of agreed active duty service in a designated critical officer skill bears to the total period of the agreed active duty service, but not more than the amount that was paid to the person.

''(2) Subject to paragraph (3), an obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

''(3) The Secretary concerned may waive, in whole or in part, a refund required under paragraph (1) if the Secretary concerned determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

''(4) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of a written agreement entered into under subsection (a) does not discharge the person signing the agreement from a debt arising under such agreement or under paragraph (1).

''(g) TERMINATION OF AUTHORITY.—No bonus may be paid under this section with respect to an agreement entered into after December 31, 2002.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 323 the following new item:

''324. Special pay: critical officer skills accession bonus.''.

(b) EFFECTIVE DATE.—Section 324 of title 37, United States Code (as added by subsection (a)), shall take effect on October 1, 2001.

SEC. 620. MODIFICATION OF THE NURSE OFFICER CANDIDATE ACCESSION PROGRAM RESTRICTION ON STUDENTS ATTENDING CIVILIAN EDUCATIONAL INSTITUTIONS WITH SENIOR RESERVE OFFICERS' TRAINING PROGRAMS.

Section 2130a of title 10, United States Code, is amended—

(1) in subsection (a)(2), by striking ''that does not have a Senior Reserve Officers' Training Program established under section 2102 of this title''; and

(2) in subsection (b)(1), by striking ''that does not have a Senior Reserve Officers' Training Program established under section 2102 of this title'' and inserting ''and, in the case of a student so enrolled at a civilian institution that has a Senior Reserve Officers' Training Program established under section 2102 of this title, is not eligible to participate in the Senior Reserve Officers' Training Program''.

SEC. 621. ELIGIBILITY FOR CERTAIN CAREER CONTINUATION BONUSES FOR EARLY COMMITMENT TO REMAIN ON ACTIVE DUTY.

(a) AVIATION OFFICERS.—Section 301b(b)(4) of title 37, United States Code, is amended by striking ''has completed'' and inserting ''is within one year of the completion of''.

(b) SURFACE WARFARE OFFICERS.—Section 319(a)(3) of title 37, United States Code, is amended by striking ''has completed'' and inserting ''is within one year of the completion of''.

SEC. 622. HOSTILE FIRE OR IMMINENT DANGER PAY.

(a) IN GENERAL.—Chapter 59, Subchapter IV of title 5, United States Code, is amended by adding at the end the following new section:

''§ 5949 Hostile fire or imminent danger pay

''(a) The head of an Executive agency may pay an employee special pay at the rate of $150 for any month in which the employee, while on duty in the United States—

''(1) was subject to hostile fire or explosion of hostile mines;

''(2) was in an area of the Pentagon in which the employee was in imminent danger of being exposed to hostile fire or explosion of hostile mines and in which, during the period on duty in that area, other employees were subject to hostile fire or explosion of hostile mines;

''(3) was killed, injured, or wounded by hostile fire, explosion of a hostile mine, or any other hostile action; or

''(4) was in an area of the Pentagon in which the employee was subject to the threat of physical harm or imminent danger on the basis of civil insurrection, civil war, terrorism, or wartime conditions.

''(b) An employee covered by subsection (a)(3) who is hospitalized for the treatment of his injury or wound may be paid special pay under this section for not more than three additional months during which the employee is so hospitalized.

''(c) For the purpose of this section, ''United States'' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States.

''(d) An employee may be paid special pay under this section in addition to other pay and allowances to which entitled. Payments under this section may not be considered to be part of basic pay of an employee.''.

(b) TECHNICAL AMENDMENT.—The table of sections at the beginning of chapter 59 of such title is amended by inserting at the end the following new item:

''5949. Hostile fire or imminent danger pay.''.

(c) EFFECTIVE DATE.—This provision is effective as if enacted into law on September 11, 2001, and may be applied to any hostile action that took place on that date or thereafter.

Subtitle C—Travel and Transportation Allowances

SEC. 631. ELIGIBILITY FOR TEMPORARY HOUSING ALLOWANCE WHILE IN TRAVEL OR LEAVE STATUS BETWEEN PERMANENT DUTY STATIONS.

(a) PERSONNEL IN GRADES BELOW E–4.—Section 403(i) of title 37, United States Code, is amended by striking ''who is in a pay grade E–4 (4 or more years of service) or above''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2001.

SEC. 632. ELIGIBILITY FOR PAYMENT OF SUBSISTENCE EXPENSES ASSOCIATED WITH OCCUPANCY OF TEMPORARY LODGING INCIDENT TO REPORTING TO FIRST PERMANENT DUTY STATION.

(a) OFFICER PERSONNEL.—Section 404a(a)(2)(C) of title 37, United States Code, is amended by striking ''an enlisted member'' and inserting ''a member''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2001.

SEC. 633. ELIGIBILITY FOR DISLOCATION ALLOWANCE.

(a) MEMBERS WITH DEPENDENTS WHEN ORDERED TO FIRST DUTY STATION.—Section 407 of title 37, United States Code, is amended—

(1) in subsection (a)(2), by adding at the end the following new subparagraph:

''(F) A member whose dependents actually move from the member's place of residence in connection with the performance of orders for the member to report to the member's first permanent duty station if the move—

''(i) is to the permanent duty station or a designated location; and

''(ii) is an authorized move.''; and

(2) in subsection (e), by inserting ''(except as provided in subsection (a)(2)(F))'' after ''first duty station''.

(b) MARRIED MEMBERS WITHOUT DEPENDENTS ASSIGNED TO GOVERNMENT FAMILY QUARTERS.—Subsection (a) of such section, as amended by subsection (a), is further amended—

(1) by adding at the end of paragraph (2) the following new subparagraph:

''(G) Each of two members married to each other who—

''(i) is without dependents;

''(ii) actually moves with the member's spouse to a new permanent duty station; and

''(iii) is assigned to family quarters of the United States at or in the vicinity of the new duty station.''; and

(2) by adding at the end of the subsection the following new paragraph:

''(4) If a primary dislocation allowance is payable to two members described in subparagraph (G) of paragraph (2) who are married to each other, the amount of the allowance payable to such members shall be the amount otherwise payable under this subsection to the member in the higher pay grade, or to either member if both members are in the same pay grade. The allowance shall be paid jointly to both members.''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

SEC. 634. ALLOWANCE FOR DISLOCATION FOR THE CONVENIENCE OF THE GOVERNMENT AT HOME STATION.

(a) AUTHORITY.—(1) Chapter 7 of title 37, United States Code is amended by inserting after section 407 the following new section:

''§ 407a. Travel and transportation: allowance for dislocation for the convenience of the Government at home station

''(a) AUTHORITY.—Under regulations prescribed by the Secretary concerned, a member of the uniformed services may be paid a dislocation allowance under this section when ordered, for the convenience of the Government and not pursuant to a permanent change of station, to occupy or to vacate family housing provided by the Department of Defense, or by the Department of Transportation in the case of the Coast Guard.

''(b) AMOUNT.—(1) Subject to paragraph (2), the amount of a dislocation allowance paid under this section is $500.

''(2) Effective on the same date that the monthly rates of basic pay for members of the uniformed services are increased under section 1009 of this title or by a law increasing those rates by a percentage specified in the law, the amount of the dislocation allowance provided under this section shall be increased by the percentage by which the monthly rates of basic pay are so increased.

''(c) ADVANCE PAYMENT.—A dislocation allowance payable under this section may be paid in advance.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 407 the following new item:

''407a. Travel and transportation: allowance for dislocation for the convenience of the Government at home station.''.

(b) EFFECTIVE DATE.—Section 407a of title 37, United States Code, shall take effect on October 1, 2001.

SEC. 635. TRAVEL AND TRANSPORTATION ALLOWANCES FOR FAMILY MEMBERS TO ATTEND THE BURIAL OF A DECEASED MEMBER OF THE UNIFORMED SERVICES.

(a) CONSOLIDATION OF AUTHORITIES.—Section 411f of title 37, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting ''ALLOWANCES AUTHORIZED.—(1)'' after ''(a)'';

(B) by striking ''the dependents of a member'' and inserting ''eligible members of the

family of a member of the uniformed services'';

(C) by striking ''such dependents'' and inserting ''such persons''; and

(D) by inserting at the end the following new paragraph:

''(2) An attendant accompanying a person provided travel and transportation allowances under this section for travel to the burial ceremony for a deceased member may also be provided under the uniform regulations round trip travel and transportation allowances for travel to the burial ceremony if—

''(A) the accompanied person is unable to travel unattended because of age, physical condition, or other justifiable reason, as determined under the uniform regulations; and

''(B) there is no other eligible member of the family of the deceased member traveling to the burial ceremony who is eligible for travel and transportation allowances under this section and is qualified to serve as the attendant.'';

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking ''(1) Except as provided in paragraph (2)'' and inserting ''LIMITATIONS.—(1) Except as provided in paragraphs (2) and (3)''; and

(ii) by inserting before the period at the end the following: ''and the time necessary for such travel'';

(B) in paragraph (2), by striking ''be extended to accommodate'' and inserting ''not exceed the rates for 2 days and''; and

(C) by adding at the end the following new paragraph:

''(3) If a deceased member is interred in a cemetery maintained by the American Battle Monuments Commission, the travel and transportation allowances authorized under this section may be provided to and from such cemetery and may not exceed the rates for 2 days and the time necessary for such travel.''; and

(3) by striking subsection (c) and inserting the following:

''(c) ELIGIBLE MEMBERS OF FAMILY.—The following members of the family of a deceased member of the uniformed services are eligible for the travel and transportation allowances under this section:

''(1) The surviving spouse (including a remarried surviving spouse) of the deceased member.

''(2) The unmarried child or children of the deceased member referred to in section 401(a)(2) of this title.

''(3) If no person described in paragraphs (1) and (2) is provided travel and transportation allowances under this section, the parent or parents of the deceased member (as defined in section 401(b)(2) of this title).

''(4) If no person described in paragraphs (1), (2), and (3) is provided travel and transportation allowances under this section, then—

''(A) the person who directs the disposition of the remains of the deceased member under section 1482(c) of title 10, or, in the case of a deceased member whose remains are commingled and buried in a common grave in a national cemetery, the person who would have been designated under such section to direct the disposition of the remains if individual identification had been made; and

''(B) up to two additional persons closely related to the deceased member who are selected by the person referred to in subparagraph (A).

''(d) DEFINITIONS.—In this section:

''(1) The term 'burial ceremony' includes the following:

''(A) An interment of casketed or cremated remains.

''(B) A placement of cremated remains in a columbarium.

''(C) A memorial service for which reimbursement is authorized under section 1482(d)(2) of title 10.

''(D) A burial of commingled remains that cannot be individually identified in a common grave in a national cemetery.

''(2) The term 'member of the family' includes a person described in section 1482(c)(4) of title 10 who, except for this paragraph, would not otherwise be considered a family member.''.

(b) REPEAL OF SUPERSEDED LAWS.—(1) Section 1482 of title 10, United States Code, is amended by striking subsection (d) and redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(2) The Funeral Transportation and Living Expense Benefits Act of 1974 (Public Law 93–257; 88 Stat. 53; 37 U.S.C. 406 note) is repealed.

(c) APPLICABILITY.—The amendments made by this Act shall apply with respect to deaths that occur on or after the later of—

(1) October 1, 2001; or

(2) the date of the enactment of this Act.

SEC. 636. FAMILY SEPARATION ALLOWANCE FOR MEMBERS ELECTING UNACCOMPANIED TOUR BY REASON OF HEALTH LIMITATIONS OF DEPENDENTS.

(a) ELIGIBILITY.—Section 427(c) of title 37, United States Code, is amended—

(1) in the first sentence, by striking ''A member who elects'' and inserting ''(1) Except as provided in paragraph (2), a member who elects'';

(2) in the second sentence, by striking ''The Secretary concerned may waive the preceding sentence'' and inserting the following:

''(3) The Secretary concerned may waive paragraph (1)''; and

(3) by inserting after paragraph (1) (as designated by the amendment made by paragraph (1) of this section) the following new paragraph:

''(2) The prohibition in the first sentence of paragraph (1) does not apply in the case of a member who elects to serve a tour of duty unaccompanied by his dependents at the member's permanent station because a dependent cannot accompany the member to or at that permanent station for medical reasons certified by a health care professional in accordance with regulations prescribed for the administration of this section.''.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

SEC. 637. FUNDED STUDENT TRAVEL FOR FOREIGN STUDY UNDER AN EDUCATION PROGRAM APPROVED BY A UNITED STATES SCHOOL.

(a) AUTHORITY.—Section 430 of title 37, United States Code, is amended—

(1) in subsection (a)(3)—

(A) by striking ''attending'' and inserting ''enrolled in''; and

(B) by inserting before the comma at the end the following: ''and is attending that school or is participating in a foreign study program approved by that school and, pursuant to that program, is attending a school outside the United States for a period of not more than one year''; and

(2) in subsection (b)—

(A) in the first sentence of paragraph (1), by striking ''each unmarried dependent child,'' and all that follows through ''the school being attended'' and inserting ''each unmarried dependent child (described in subsection (a)(3)) of one annual trip between the school being attended by that child''; and

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

''(3) The transportation allowance paid under paragraph (1) for an annual trip of a dependent child described in subsection (a)(3) who is attending a school outside the United States may not exceed the transportation allowance that would be paid under this section for the annual trip of that child between the child's school in the continental United States and the member's duty station outside the continental United States and return.''.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001, and shall apply with respect to travel that originates outside the continental United States (as defined in section 430(f) of title 37, United States Code), on or after that date.

SEC. 638. TRANSPORTATION OR STORAGE OF PRIVATELY OWNED VEHICLES ON CHANGE OF PERMANENT STATION.

(a) ADVANCE PAYMENT OF STORAGE COSTS.—Section 2634(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(4) Storage costs payable under this subsection may be paid in advance.''.

(b) SHIPMENT IN PERMANENT CHANGE OF STATION WITHIN CONUS.—Subsection (h)(1) of such section is amended—

(1) by striking ''includes'' in the second sentence and all that follows and inserting ''includes the following:''; and

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

''(A) An authorized change in home port of a vessel.

''(B) A transfer or assignment between two permanent stations in the continental United States when—

''(i) the member cannot, because of injury or the conditions of the order, drive the motor vehicle between the permanent duty stations; or

''(ii) the Secretary concerned determines that it is advantageous and cost-effective to the Government for one motor vehicle of the member to be transported between the permanent duty stations.''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

Subtitle D—Matters Relating to Retirement and Survivor Benefits

SEC. 651. PAYMENT OF RETIRED PAY AND COMPENSATION TO DISABLED MILITARY RETIREES.

(a) RESTORATION OF RETIRED PAY BENEFITS.—Chapter 71 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1414. Members eligible for retired pay who have service-connected disabilities: payment of retired pay and veterans' disability compensation

''(a) PAYMENT OF BOTH RETIRED PAY AND COMPENSATION.—Except as provided in subsection (b), a member or former member of the uniformed services who is entitled to retired pay (other than as specified in subsection (c)) and who is also entitled to veterans' disability compensation is entitled to be paid both without regard to sections 5304 and 5305 of title 38.

''(b) SPECIAL RULE FOR CHAPTER 61 CAREER RETIREES.—The retired pay of a member retired under chapter 61 of this title with 20 years or more of service otherwise creditable under section 1405 of this title at the time of the member's retirement is subject to reduction under sections 5304 and 5305 of title 38, but only to the extent that the amount of

the member's retired pay under chapter 61 of this title exceeds the amount of retired pay to which the member would have been entitled under any other provision of law based upon the member's service in the uniformed services if the member had not been retired under chapter 61 of this title.

''(c) EXCEPTION.—Subsection (a) does not apply to a member retired under chapter 61 of this title with less than 20 years of service otherwise creditable under section 1405 of this title at the time of the member's retirement.

''(d) DEFINITIONS.—In this section:

''(1) The term 'retired pay' includes retainer pay, emergency officers' retirement pay, and naval pension.

''(2) The term 'veterans' disability compensation' has the meaning given the term 'compensation' in section 101(13) of title 38.''.

(b) REPEAL OF SPECIAL COMPENSATION PROGRAM.—Section 1413 of such title is repealed.

(c) CLERICAL AMENDMENTS.—The table of sections at the beginning of such chapter is amended—

(1) by striking the item relating to section 1413; and

(2) by adding at the end the following new item:

''1414. Members eligible for retired pay who have service-connected disabilities: payment of retired pay and veterans' disability compensation.''.

(d) EFFECTIVE DATE.—(1) The amendments made by this section shall take effect on October 1, 2002.

(2) No benefits may be paid to any person by reason of section 1414 of title 10, United States Code, as added by the amendment made by subsection (a), for any period before the effective date under paragraph (1).

SEC. 652. SBP ELIGIBILITY OF SURVIVORS OF RETIREMENT-INELIGIBLE MEMBERS OF THE UNIFORMED SERVICES WHO DIE WHILE ON ACTIVE DUTY.

(a) SURVIVING SPOUSE ANNUITY.—Section 1448(d) of title 10, United States Code, is amended by striking paragraph (1) and inserting the following:

''(1) SURVIVING SPOUSE ANNUITY.—The Secretary concerned shall pay an annuity under this subchapter to the surviving spouse of—

''(A) a member who dies while on active duty after—

''(i) becoming eligible to receive retired pay;

''(ii) qualifying for retired pay except that the member has not applied for or been granted that pay; or

''(iii) completing 20 years of active service but before the member is eligible to retire as a commissioned officer because the member has not completed 10 years of active commissioned service; or

''(B) a member not described in subparagraph (A) who dies in line of duty while on active duty.''.

(b) COMPUTATION OF SURVIVOR ANNUITY.—Section 1451(c)(1) of title 10, United States Code, is amended—

(1) in subparagraph (A)—

(A) by striking ''based upon his years of active service when he died.'' and inserting ''based upon the following:''; and

(B) by adding at the end the following new clauses:

''(i) In the case of an annuity payable under section 1448(d) of this title by reason of the death of a member in line of duty, the retired pay base computed for the member under section 1406(b) or 1407 of this title as if the member had been retired under section 1201 of this title on the date of the member's death with a disability rated as total.

''(ii) In the case of an annuity payable under section 1448(d)(1)(A) of this title by reason of the death of a member not in line of duty, the member's years of active service when he died.

''(iii) In the case of an annuity under section 1448(f) of this title, the member's years of active service when he died.''; and

(2) in subparagraph (B)(i), by striking ''if the member or former member'' and all that follows and inserting ''as described in subparagraph (A).''.

(c) CONFORMING AMENDMENTS.—(1) The heading for subsection (d) of section 1448 of such title is amended by striking ''RETIREMENT-ELIGIBLE''.

(2) Subsection (d)(3) of such section is amended by striking ''1448(d)(1)(B) or 1448(d)(1)(C)'' and inserting ''clause (ii) or (iii) of section 1448(d)(1)(A)''.

(d) EXTENSION AND INCREASE OF OBJECTIVES FOR RECEIPTS FROM DISPOSALS OF CERTAIN STOCKPILE MATERIALS AUTHORIZED FOR SEVERAL FISCAL YEARS BEGINNING WITH FISCAL YEAR 1999.—Section 3303(a) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2262; 50 U.S.C. 98d note) is amended—

(1) by striking ''and'' at the end of paragraph (3);

(2) in paragraph (4)—

(A) by striking ''$720,000,000'' and inserting ''$760,000,000''; and

(B) by striking the period at the end and inserting ''; and''; and

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

''(5) $770,000,000 by the end of fiscal year 2011.''.

(e) EFFECTIVE DATE AND APPLICABILITY.—This section and the amendments made by this section shall take effect as of September 10, 2001, and shall apply with respect to deaths of members of the Armed Forces occurring on or after that date.

Subtitle E—Other Matters

SEC. 661. EDUCATION SAVINGS PLAN FOR REENLISTMENTS AND EXTENSIONS OF SERVICE IN CRITICAL SPECIALTIES.

(a) ESTABLISHMENT OF SAVINGS PLAN.—(1) Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

''§ 324. Incentive bonus: savings plan for education expenses and other contingencies

''(a) BENEFIT AND ELIGIBILITY.—The Secretary concerned may purchase United States savings bonds under this section for a member of the armed forces who is eligible as follows:

''(1) A member who, before completing three years of service on active duty, enters into a commitment to perform qualifying service.

''(2) A member who, after completing three years of service on active duty but not more than nine years of service on active duty, enters into a commitment to perform qualifying service.

''(3) A member who, after completing nine years of service on active duty, enters into a commitment to perform qualifying service.

''(b) QUALIFYING SERVICE.—For the purposes of this section, qualifying service is service on active duty in a specialty designated by the Secretary concerned as critical to meet requirements (whether or not such specialty is designated as critical to meet wartime or peacetime requirements) for a period that—

''(1) is not less than six years; and

''(2) does not include any part of a period for which the member is obligated to serve on active duty under an enlistment or other agreement for which a benefit has previously been paid under this section.

''(c) FORMS OF COMMITMENT TO ADDITIONAL SERVICE.—For the purposes of this section, a commitment means—

''(1) in the case of an enlisted member, a reenlistment; and

''(2) in the case of a commissioned officer, an agreement entered into with the Secretary concerned.

''(d) AMOUNTS OF BONDS.—The total of the face amounts of the United States savings bonds authorized to be purchased for a member under this section for a commitment shall be as follows:

''(1) In the case of a purchase for a member under paragraph (1) of subsection (a), $5,000.

''(2) In the case of a purchase for a member under paragraph (2) of subsection (a), the amount equal to the excess of $15,000 over the total of the face amounts of any United States savings bonds previously purchased for the member under this section.

''(3) In the case of a purchase for a member under paragraph (3) of subsection (a), the amount equal to the excess of $30,000 over the total of the face amounts of any United States savings bonds previously purchased for the member under this section.

''(e) TOTAL AMOUNT OF BENEFIT.—The total amount of the benefit authorized for a member when United States savings bonds are purchased for the member under this section by reason of a commitment by that member shall be the sum of—

''(1) the purchase price of the United States savings bonds; and

''(2) the amounts that would be deducted and withheld for the payment of individual income taxes if the total amount computed under this subsection for that commitment were paid to the member as a bonus.

''(f) AMOUNT WITHHELD FOR TAXES.—The total amount payable for a member under subsection (e)(2) for a commitment by that member shall be withheld, credited, and otherwise treated in the same manner as amounts deducted and withheld from the basic pay of the member.

''(g) REPAYMENT FOR FAILURE TO COMPLETE OBLIGATED SERVICE.—(1) If a person fails to complete the qualifying service for which the person is obligated under a commitment for which a benefit has been paid under this section, the person shall refund to the United States the amount that bears the same ratio to the total amount paid for the person (as computed under subsection (e)) for that particular commitment as the uncompleted part of the period of qualifying service bears to the total period of the qualifying service for which obligated.

''(2) Subject to paragraph (3), an obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

''(3) The Secretary concerned may waive, in whole or in part, a refund required under paragraph (1) if the Secretary concerned determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

''(4) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an enlistment or other agreement under this section does not discharge the person signing such reenlistment or other agreement from a debt arising under the reenlistment or agreement, respectively, or this subsection.

''(h) RELATIONSHIP TO OTHER SPECIAL PAYS.—The benefit authorized under this

section is in addition to any other bonus or incentive or special pay that is paid or payable to a member under any other provision of this chapter for any portion of the same qualifying service.

''(i) REGULATIONS.—This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under his jurisdiction and by the Secretary of Transportation for the Coast Guard when the Coast Guard is not operating as a service in the Navy.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''324. Incentive bonus: savings plan for education and other contingencies.''.

(b) EFFECTIVE DATE.—Section 324 of title 37, United States Code (as added by subsection (a)), shall take effect on October 1, 2001, and shall apply with respect to reenlistments and other agreements for qualifying service (described in that section) that are entered into on or after that date.

(c) FUNDING FOR FISCAL YEAR 2002.—Of the amount authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2002 by section 421, $20,000,000 may be available in that fiscal year for the purchase of United States savings bonds under section 324 of title 37, United States Code (as added by subsection (a)).

SEC. 662. COMMISSARY BENEFITS FOR NEW MEMBERS OF THE READY RESERVE.

(a) ELIGIBILITY.—Section 1063 of title 10, United States Code, is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by inserting after subsection (a) the following new subsection (b):

''(b) ELIGIBILITY OF NEW MEMBERS.—(1) The Secretary concerned shall authorize a new member of the Ready Reserve to use commissary stores of the Department of Defense for a number of days accruing at the rate of two days for each month in which the member participates satisfactorily in training required under section 10147(a)(1) of this title or section 502(a) of title 32, as the case may be.

''(2) For the purposes of paragraph (1), a person shall be considered a new member of the Ready Reserve upon becoming a member and continuing without a break in the membership until the earlier of—

''(A) the date on which the member becomes eligible to use commissary stores under subsection (a); or

''(B) December 31 of the first calendar year in which the membership has been continuous for the entire year.

''(3) A new member may not be authorized under this subsection to use commissary stores for more than 24 days for any calendar year.''.

(b) REQUIRED DOCUMENTATION.—Subsection (d) of such section, as redesignated by subsection (a)(1), is amended by adding at the end the following: ''The regulations shall specify the required documentation of satisfactory participation in training for the purposes of subsection (b).''.

(c) CONFORMING AMENDMENT.—Subsection (c) of such section, as redesignated by subsection (a)(1), is amended by striking ''Subsection (a)'' and inserting ''Subsections (a) and (b)''.

(d) CLERICAL AMENDMENTS.—(1) The heading for such section is amended to read as follows:

''§ 1063. Use of commissary stores: members of Ready Reserve''.

(2) Subsection (a) of such section is amended by striking ''OF READY RESERVE'' and inserting ''WITH 50 OR MORE CREDITABLE POINTS''.

(3) The item relating to such section in the table of sections at the beginning of chapter 54 of title 10, United States Code, is amended to read as follows:

''1063. Use of commissary stores: members of Ready Reserve.''.

SEC. 663. AUTHORIZATION OF TRANSITIONAL COMPENSATION AND COMMISSARY AND EXCHANGE BENEFITS FOR DEPENDENTS OF COMMISSIONED OFFICERS OF THE PUBLIC HEALTH SERVICE AND THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION WHO ARE SEPARATED FOR DEPENDENT ABUSE.

(a) COMMISSIONED OFFICERS OF THE PUBLIC HEALTH SERVICE.—Section 221(a) of the Public Health Service Act (42 U.S.C. 213a(a)) is amended by adding at the end the following new paragraph:

''(17) Section 1059, Transitional compensation and commissary and exchange benefits for dependents of members separated for dependent abuse.''.

(b) COMMISSIONED OFFICERS OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.—Section 3(a) of the Act entitled ''An Act to revise, codify, and enact into law, title 10 of the United States Code, entitled 'Armed Forces', and title 32 of the United States Code, entitled 'National Guard' '', approved August 10, 1956 (33 U.S.C. 857a(a)), is amended by adding at the end the following new paragraph:

''(17) Section 1059, Transitional compensation and commissary and exchange benefits for dependents of members separated for dependent abuse.''.

Subtitle F—National Emergency Family Support

SEC. 681. CHILD CARE AND YOUTH ASSISTANCE.

(a) AUTHORITY.—The Secretary of Defense may provide assistance for families of members of the Armed Forces serving on active duty during fiscal year 2002, in order to ensure that the children of such families obtain needed child care and youth services.

(b) APPROPRIATE PRIMARY OBJECTIVE.—The assistance authorized by this section should be directed primarily toward providing needed family support, including child care and youth services for children of such personnel who are deployed, assigned, or ordered to active duty in connection with operations of the Armed Forces under the national emergency.

SEC. 682. FAMILY EDUCATION AND SUPPORT SERVICES.

During fiscal year 2002, the Secretary of Defense is authorized to provide family education and support services to families of members of the Armed Services to the same extent that these services were provided during the Persian Gulf War.

TITLE VII—HEALTH CARE

Subtitle A—TRICARE Benefits Modernization

SEC. 701. REQUIREMENT FOR INTEGRATION OF BENEFITS.

(a) IN GENERAL.—The Secretary of Defense shall—

(1) terminate the Individual Case Management Program carried out under section 1079(a)(17) of title 10, United States Code (as in effect on September 30, 2001); and

(2) integrate the beneficiaries under that program, and the furnishing of care to those beneficiaries, into the TRICARE program as modified pursuant to the amendments made by this subtitle.

(b) REPEAL OF SEPARATE AUTHORITY.—Section 1079 of title 10, United States Code, is amended by striking paragraph (17).

(c) SAVINGS PROVISION.—Nothing in this subtitle or the amendments made by this subtitle shall be construed—

(1) to modify any eligibility requirement for any person receiving benefits under the Individual Case Management Program before October 1, 2001; or

(2) to terminate any benefits available under that program before that date.

(d) CONSULTATION REQUIREMENT.—The Secretary of Defense shall consult with the other administering Secretaries referred to in section 1072(3) of title 10, United States Code, in carrying out this section.

SEC. 702. DOMICILIARY AND CUSTODIAL CARE.

Section 1072 of title 10, United States Code, is amended by adding at the end the following new paragraphs:

''(8) The term 'domiciliary care' means treatment or services involving assistance with the performance of activities of daily living that is provided to a patient in a home-like setting because—

''(A) the treatment or services are not available, or are not suitable to be provided, to the patient in the patient's home; or

''(B) no member of the patient's family is willing to provide the treatment or services.

''(9) The term 'custodial care'—

''(A) means treatment or services that—

''(i) could be provided safely and reasonably by a person not trained as a physician, nurse, paramedic, or other health care provider; or

''(ii) are provided principally to assist the recipient of the treatment or services with the performance of activities of daily living; and

''(B) includes any treatment or service described in subparagraph (A) without regard to—

''(i) the source of any recommendation to provide the treatment or service; and

''(ii) the setting in which the treatment or service is provided.''.

SEC. 703. LONG TERM CARE.

(a) LIMITATION.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1074i the following new section:

''§ 1074j. Long term care benefits program

''(a) REQUIREMENT FOR PROGRAM.—The Secretary of Defense shall provide long term health care benefits under the TRICARE program in an effective and efficient manner that integrates those benefits with the benefits provided on a less than a long term basis under the TRICARE program.

''(b) AUTHORIZED CARE.—The types of health care authorized to be provided under this section shall include the following:

''(1) The types of health care authorized to be acquired by contract under section 1079 of this title.

''(2) Extended care services.

''(3) Post-hospital extended care services.

''(4) Comprehensive intermittent home health services.

''(c) DURATION OF POST-HOSPITAL EXTENDED CARE SERVICES.—The post-hospital extended care services provided in a skilled nursing facility to a patient during a spell of illness under subsection (b)(3) shall continue for as long as is medically necessary and appropriate. The limitation on the number of days of coverage under subsections (a)(2) and (b)(2)(A) of section 1812 of the Social Security Act (42 U.S.C. 1395d) shall not apply with respect to the care provided that patient.

''(d) REGULATIONS.—The Secretary of Defense shall, after consultation with the other administering Secretaries, prescribe regulations to carry out this section.

''(e) DEFINITIONS.—In this section:

''(1) The term 'extended care services' has the meaning given the term in subsection (h) of section 1861 of the Social Security Act (42 U.S.C. 1395x).

''(2) The term 'post-hospital extended services' has the meaning given the term in subsection (i) of section 1861 of the Social Security Act (42 U.S.C. 1395x).

''(3) The term 'home health services' has the meaning given the term in subsection (m) of section 1861 of the Social Security Act (42 U.S.C. 1395x).

''(4) The term 'skilled nursing facility' has the meaning given the term in section 1819(a) of the Social Security Act (42 U.S.C. 1395i–3(a)).

''(5) The term 'spell of illness' has the meaning given the term in subsection (a) of section 1861 of the Social Security Act (42 U.S.C. 1395x).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1074i the following new item:

''1074j. Long term care benefits program.''.

SEC. 704. EXTENDED BENEFITS FOR DISABLED BENEFICIARIES.

Section 1079 of title 10, United States Code, is amended by striking subsections (d), (e), and (f) and inserting the following:

''(d)(1) The health care benefits contracted for under this section shall include extended benefits for dependents referred to in the first sentence of subsection (a) who have any of the following qualifying conditions:

''(A) Moderate or severe mental retardation.

''(B) A serious physical disability.

''(C) Any extraordinary physical or psychological condition.

''(2) The extended benefits under paragraph (1) may include comprehensive health care, including services necessary to maintain function, or to minimize or prevent deterioration of function, of the patient, and case management services, to the extent not otherwise provided under this chapter with respect to a qualifying condition, as follows:

''(A) Diagnosis.

''(B) Inpatient, outpatient, and comprehensive home health supplies and services.

''(C) Training and rehabilitation, including special education and assistive technology devices.

''(D) Institutional care in private nonprofit, public, and State institutions and facilities and, when appropriate, transportation to and from such institutions and facilities.

''(E) Any other services and supplies determined appropriate under regulations prescribed under paragraph (9).

''(3) The extended benefits under paragraph (1) may also include respite care for the primary caregiver of a dependent eligible for extended benefits under this subsection.

''(4) Home health supplies and services may be provided to a dependent under paragraph (2)(B) as other than part-time or intermittent services (as determined in accordance with the second sentence of section 1861(m) of the Social Security Act (42 U.S.C. 1395x(m)) only if—

''(A) the provision of such supplies and services in the home of the dependent is medically appropriate; and

''(B) the cost of the provision of such supplies and services to the dependent is equal to or less than the cost of the provision of similar supplies and services to the dependent in a skilled nursing facility.

''(5) Subsection (a)(13) shall not apply to the provision of care and services determined appropriate to be provided as extended benefits under this subsection.

''(6) Subject to paragraph (7), a member of the uniformed services shall pay a share of the cost of any care and services provided as extended benefits to any of the dependents of the member under this subsection as follows:

''(A) In the case of a member in the lowest enlisted pay grade, the first $25 of the cumulative costs of all care furnished to one or more dependents of the member in a month.

''(B) In the case of a member in the highest commissioned pay grade, the first $250 of the cumulative costs of all care furnished to one or more dependents of the member in a month.

''(C) In the case of a member in any other pay grade, a fixed amount of the cumulative costs of all care furnished to one or more dependents of the member in a month, as prescribed for that pay grade in regulations prescribed under paragraph (9).

''(7)(A) In the case of extended benefits provided under subparagraph (C) or (D) of paragraph (2) to a dependent of a member of the uniformed services—

''(i) the Government's share of the total cost of providing such benefits in any month shall not exceed $2,500, except for costs that a member is exempt from paying under subparagraph (B); and

''(ii) the member shall pay (in addition to any amount payable under paragraph (6)) the amount, if any, by which the amount of such total cost for the month exceeds the Government's maximum share under clause (i).

''(B) A member of the uniformed services who incurs expenses under subparagraph (A) for a month for more than one dependent shall not be required to pay for the month under clause (ii) of that subparagraph an amount greater than the amount the member would otherwise be required to pay under that clause for the month if the member were incurring expenses under that subparagraph for only one dependent.

''(8) To qualify for extended benefits under subparagraph (C) or (D) of paragraph (2), a dependent of a member of the uniformed services shall be required to use public facilities to the extent such facilities are available and adequate, as determined under joint regulations of the administering Secretaries.

''(9) The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations to carry out this subsection.''.

SEC. 705. CONFORMING REPEALS.

The following provisions of law are repealed:

(1) Section 703 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 682; 10 U.S.C. 1077 note).

(2) Section 8118 of the Department of Defense Appropriations Act, 2000 (Public Law 106–79; 113 Stat. 1260).

(3) Section 8100 of the Department of Defense Appropriations Act, 2001 (Public Law 106–259; 114 Stat. 696).

SEC. 706. PROSTHETICS AND HEARING AIDS.

Section 1077 of title 10 United States Code, is amended—

(1) in subsection (a), by adding at the end the following:

''(16) A hearing aid, but only for a dependent of a member of the uniformed services on active duty and only if the dependent has a profound hearing loss, as determined under standards prescribed in regulations by the Secretary of Defense in consultation with the administering Secretaries.'';

(2) in subsection (b)(2), by striking ''Hearing aids, orthopedic footwear,'' and inserting ''Orthopedic footwear''; and

(3) by adding at the end the following new subsection:

''(f)(1) Authority to provide a prosthetic device under subsection (a)(15) includes authority to provide the following:

''(A) Any accessory or item of supply that is used in conjunction with the device for the purpose of achieving therapeutic benefit and proper functioning.

''(B) Services necessary to train the recipient of the device in the use of the device.

''(C) Repair of the device for normal wear and tear or damage.

''(D) Replacement of the device if the device is lost or irreparably damaged or the cost of repair would exceed 60 percent of the cost of replacement.

''(2) An augmentative communication device may be provided as a voice prosthesis under subsection (a)(15).

''(3) A prosthetic device customized for a patient may be provided under this section only by a prosthetic practitioner who is qualified to customize the device, as determined under regulations prescribed by the Secretary of Defense in consultation with the administering Secretaries.''.

SEC. 707. DURABLE MEDICAL EQUIPMENT.

(a) ITEMS AUTHORIZED.—Section 1077 of title 10, United States Code, as amended by section 706, is further amended—

(1) in subsection (a)(12), by striking ''such as wheelchairs, iron lungs, and hospital beds,'' and inserting ''which''; and

(2) by adding at the end the following new subsection:

''(g)(1) Items that may be provided to a patient under subsection (a)(12) include the following:

''(A) Any durable medical equipment that can improve, restore, or maintain the function of a malformed, diseased, or injured body part, or can otherwise minimize or prevent the deterioration of the patient's function or condition.

''(B) Any durable medical equipment that can maximize the patient's function consistent with the patient's physiological or medical needs.

''(C) Wheelchairs.

''(D) Iron lungs,

''(E) Hospital beds.

''(2) In addition to the authority to provide durable medical equipment under subsection (a)(12), any customization of equipment owned by the patient that is durable medical equipment authorized to be provided to the patient under this section or section 1079(a)(5) of this title, and any accessory or item of supply for any such equipment, may be provided to the patient if the customization, accessory, or item of supply is essential for—

''(A) achieving therapeutic benefit for the patient;

''(B) making the equipment serviceable; or

''(C) otherwise assuring the proper functioning of the equipment.''.

(b) PROVISION OF ITEMS ON RENTAL BASIS.—Paragraph (5) of section 1079(a) of such title is amended to read as follows:

''(5) Durable equipment provided under this section may be provided on a rental basis.''.

SEC. 708. REHABILITATIVE THERAPY.

Section 1077(a) of title 10, United States Code, as amended by section 706(1), is further amended by inserting after paragraph (16) the following new paragraph:

''(17) Any rehabilitative therapy to improve, restore, or maintain function, or to

minimize or prevent deterioration of function, of a patient when prescribed by a physician.''.

SEC. 709. MENTAL HEALTH BENEFITS.

(a) REQUIREMENT FOR STUDY.—The Secretary of Defense shall carry out a study to determine the adequacy of the scope and availability of outpatient mental health benefits provided for members of the Armed Forces and covered beneficiaries under the TRICARE program.

(b) REPORT.—Not later than March 31, 2002, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study, including the conclusions and any recommendations for legislation that the Secretary considers appropriate.

SEC. 710. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle shall take effect on October 1, 2001.

Subtitle B—Other Matters

SEC. 711. REPEAL OF REQUIREMENT FOR PERIODIC SCREENINGS AND EXAMINATIONS AND RELATED CARE FOR MEMBERS OF ARMY RESERVE UNITS SCHEDULED FOR EARLY DEPLOYMENT.

Section 1074a of title 10, United States Code, is amended—

(1) by striking subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

SEC. 712. CLARIFICATION OF ELIGIBILITY FOR REIMBURSEMENT OF TRAVEL EXPENSES OF ADULT ACCOMPANYING PATIENT IN TRAVEL FOR SPECIALTY CARE.

Section 1074i of title 10, United States Code, is amended by inserting before the period at the end the following: ''and, when accompaniment by an adult is necessary, for a parent or guardian of the covered beneficiary or another member of the covered beneficiary's family who is at least 21 years of age''.

SEC. 713. TRICARE PROGRAM LIMITATIONS ON PAYMENT RATES FOR INSTITUTIONAL HEALTH CARE PROVIDERS AND ON BALANCE BILLING BY INSTITUTIONAL AND NONINSTITUTIONAL HEALTH CARE PROVIDERS.

(a) INSTITUTIONAL PROVIDERS.—Section 1079(j) of title 10, United States Code, is amended—

(1) in paragraph (2)(A)—

(A) by striking ''(A)''; and

(B) by striking ''may be determined under joint regulations'' and inserting ''shall be determined under joint regulations'';

(2) by redesignating subparagraph (B) of paragraph (2) as paragraph (4), and, in such paragraph, as so redesignated, by striking ''subparagraph (A),'' and inserting ''this subsection,''; and

(3) by inserting before paragraph (4), as redesignated by paragraph (2), the following new paragraph (3):

''(3) A contract for a plan covered by this section shall include a clause that prohibits each provider of services under the plan from billing any person covered by the plan for any balance of charges for services in excess of the amount paid for those services under the joint regulations referred to in paragraph (2), except for any unpaid amounts of deductibles or copayments that are payable directly to the provider by the person.''.

(b) NONINSTITUTIONAL PROVIDERS.—Section 1079(h)(4) of such title is amended—

(1) by inserting ''(A)'' after ''(4)''; and

(2) by adding at the end the following new subparagraph:

''(B) The regulations shall include a restriction that prohibits an individual health care professional (or other noninstitutional health care provider) from billing a beneficiary for services for more than the amount that is equal to—

''(i) the excess of the limiting charge (as defined in section 1848(g)(2) of the Social Security Act (42 U.S.C. 1395w–4(g)(2))) that would be applicable if the services had been provided by the professional (or other provider) as an individual health care professional (or other noninstitutional health care provider) on a nonassignment-related basis under part B of title XVIII of such Act over the amount that is payable by the United States for those services under this subsection, plus

''(ii) any unpaid amounts of deductibles or copayments that are payable directly to the professional (or other provider) by the beneficiary.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2001.

SEC. 714. TWO-YEAR EXTENSION OF HEALTH CARE MANAGEMENT DEMONSTRATION PROGRAM.

(a) EXTENSION.—Subsection (d) of section 733 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–191) is amended by striking ''December 31, 2001'' and inserting ''December 31, 2003''.

(b) REPORT.—Subsection (e) of that section is amended—

(1) by striking ''REPORTS.—'' and inserting ''REPORT.—''; and

(2) by striking ''March 15, 2002'' and inserting ''March 15, 2004''.

SEC. 715. STUDY OF HEALTH CARE COVERAGE OF MEMBERS OF THE SELECTED RESERVE.

(a) REQUIREMENT FOR STUDY.—The Comptroller General shall carry out a study of the needs of members of the Selected Reserve of the Ready Reserve of the Armed Forces and their families for health care benefits.

(b) REPORT.—Not later than March 1, 2002, the Comptroller General shall submit to Congress a report on the study under subsection (a). The report shall include the following matters:

(1) An analysis of how members of the Selected Reserve currently obtain coverage for health care benefits when not on active duty, together with statistics on enrollments in health care benefits plans, including—

(A) the percentage of members of the Selected Reserve who are not covered by an employer health benefits plan;

(B) the percentage of members of the Selected Reserve who are not covered by an individual health benefits plan; and

(C) the percentage of members of the Selected Reserve who are not covered by any health insurance or other health benefits plan.

(2) An assessment of the disruptions in health benefits coverage that a mobilization of members of the Selected Reserve has caused for the members and their families.

(3) An assessment of the cost and effectiveness of various options for preventing or reducing disruptions described in paragraph (2), including—

(A) providing health care benefits to all members of the Selected Reserve and their families through TRICARE, the Federal Employees Health Benefits Program, or otherwise;

(B) revising and extending the program of transitional medical and dental care that is provided under section 1074b of title 10, United States Code, for members of the Armed Forces upon release from active duty served in support of a contingency operation;

(C) requiring the health benefits plans of members of the Selected Reserve, including individual health benefits plans and group health benefits plans, to permit members of the Selected Reserve to elect to resume coverage under such health benefits plans upon release from active duty in support of a contingency operation;

(D) providing financial assistance for paying premiums or other subscription charges for continuation of coverage by private sector health insurance or other health benefits plans; and

(E) any other options that the Comptroller General determines advisable to consider.

SEC. 716. STUDY OF ADEQUACY AND QUALITY OF HEALTH CARE PROVIDED TO WOMEN UNDER THE DEFENSE HEALTH PROGRAM.

(a) REQUIREMENT FOR STUDY.—The Comptroller General shall carry out a study of the adequacy and quality of the health care provided to women under chapter 55 of title 10, United States Code.

(b) SPECIFIC CONSIDERATION.—The study shall include an intensive review of the availability and quality of reproductive health care services.

(c) REPORT.—The Comptroller General shall submit a report on the results of the study to Congress not later than April 1, 2002.

SEC. 717. PILOT PROGRAM FOR DEPARTMENT OF VETERANS AFFAIRS SUPPORT FOR DEPARTMENT OF DEFENSE IN THE PERFORMANCE OF SEPARATION PHYSICAL EXAMINATIONS.

(a) AUTHORITY.—The Secretary of Defense and the Secretary of Veterans Affairs may jointly carry out a pilot program for the performance of the physical examinations required in connection with the separation of members of the uniformed services. The requirements of this section shall apply to a pilot program, if any, that is carried out under the authority of this subsection.

(b) PERFORMANCE OF PHYSICAL EXAMINATIONS BY DEPARTMENT OF VETERANS AFFAIRS.—Under the pilot program, the Secretary of Veterans Affairs shall perform the physical examinations of members of the uniformed services separating from the uniformed services who are in one or more geographic areas designated for the pilot program by the Secretaries.

(c) REIMBURSEMENT.—The Secretary of Defense shall provide for reimbursing the Secretary of Veterans Affairs for the cost incurred by the Secretary of Veterans Affairs in performing, under the pilot program, the items of physical examination that are required by the Secretary concerned in connection with the separation of a member of a uniformed service. Reimbursements shall be paid out of funds available for the performance of separation physical examinations of members of that uniformed service in facilities of the uniformed services.

(d) AGREEMENT.—(1) The Secretary of Defense and the Secretary of Veterans Affairs shall enter into an agreement for carrying out a pilot program established under this section. The agreement shall specify the geographic area in which the pilot program is carried out and the means for making reimbursement payments.

(2) The other administering Secretaries shall also enter into the agreement to the extent that the Secretary of Defense determines necessary to apply the pilot program, including the requirement for reimbursement, to the uniformed services not under the jurisdiction of the Secretary of a military department.

(e) CONSULTATION REQUIREMENT.—In developing and carrying out the pilot program,

the Secretary of Defense shall consult with the other administering Secretaries.

(f) PERIOD OF PROGRAM.—Any pilot program established under this section shall begin not later than July 1, 2002, and terminate on December 31, 2005.

(g) REPORTS.—(1) Not later than January 31, 2004, the Secretary of Defense and the Secretary of Veterans Affairs shall jointly submit to Congress an interim report on the conduct of the pilot program.

(2) Not later than March 1, 2005, the Secretary of Defense and the Secretary of Veterans Affairs shall jointly submit to Congress a final report on the conduct of the pilot program.

(3) Each report under this subsection shall include the Secretaries' assessment, as of the date of such report, of the efficacy of the performance of separation physical examinations as provided for under the pilot program.

(h) DEFINITIONS.—In this section:

(1) The term ''administering Secretaries'' has the meaning given the term in section 1072(3) of title 10, United States Code.

(2) The term ''Secretary concerned'' has the meaning given the term in section 101(5) of title 37, United States Code.

SEC. 718. MODIFICATION OF PROHIBITION ON REQUIREMENT OF NONAVAILABILITY STATEMENT OR PREAUTHORIZATION.

(a) CLARIFICATION OF COVERED BENEFICIARIES.—Subsection (a) of section 721 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted in Public Law 106–398; 114 Stat. 1654A–184) is amended by striking ''covered beneficiary under chapter 55 of title 10, United States Code, who is enrolled in TRICARE Standard,'' and inserting ''covered beneficiary under TRICARE Standard pursuant to chapter 55 of title 10, United States Code,''.

(b) REPEAL OF REQUIREMENT FOR NOTIFICATION REGARDING HEALTH CARE RECEIVED FROM ANOTHER SOURCE.—Subsection (b) of such section is repealed.

(c) WAIVER AUTHORITY.—Such section, as so amended, is further amended by striking subsection (c) and inserting the following:

''(b) WAIVER AUTHORITY.—The Secretary may waive the prohibition in subsection (a) if—

''(1) the Secretary—

''(A) demonstrates that significant costs would be avoided by performing specific procedures at the affected military medical treatment facility or facilities;

''(B) determines that a specific procedure must be provided at the affected military medical treatment facility or facilities to ensure the proficiency levels of the practitioners at the facility or facilities; or

''(C) determines that the lack of nonavailability statement data would significantly interfere with TRICARE contract administration;

''(2) the Secretary provides notification of the Secretary's intent to grant a waiver under this subsection to covered beneficiaries who receive care at the military medical treatment facility or facilities that will be affected by the decision to grant a waiver under this subsection;

''(3) the Secretary notifies the Committees on Armed Services of the House of Representatives and the Senate of the Secretary's intent to grant a waiver under this subsection, the reason for the waiver, and the date that a nonavailability statement will be required; and

''(4) 60 days have elapsed since the date of the notification described in paragraph (3).''.

(d) DELAY OF EFFECTIVE DATE.—Subsection (d) of such section is amended—

(1) by striking ''take effect on October 1, 2001'' and inserting ''be effective beginning on the date that is two years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2002''; and

(2) by redesignating the subsection as subsection (c).

(e) REPORT.—Not later than March 1, 2002, the Secretary of Defense shall submit to the Committees on Armed Services of the House of Representatives and the Senate a report on the Secretary's plans for implementing section 721 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, as amended by this section.

SEC. 719. TRANSITIONAL HEALTH CARE TO MEMBERS SEPARATED FROM ACTIVE DUTY.

(a) PERMANENT AUTHORITY FOR INVOLUNTARILY SEPARATED MEMBERS AND MOBILIZED RESERVES.—Subsection (a) of section 1145 of title 10, United States Code, is amended—

(1) in paragraph (1), by striking ''paragraph (2), a member'' and all that follows through ''of the member),'' and inserting ''paragraph (3), a member of the armed forces who is separated from active duty as described in paragraph (2)'';

(2) by redesignating paragraph (2) as paragraph (3);

(3) by inserting after paragraph (1) the following new paragraph (2):

''(2) This subsection applies to the following members of the armed forces:

''(A) A member who is involuntarily separated from active duty.

''(B) A member of a reserve component who is separated from active duty to which called or ordered in support of a contingency operation if the active duty is active duty for a period of more than 30 days.

''(C) A member who is separated from active duty for which the member is involuntarily retained under section 12305 of this title in support of a contingency operation.

''(D) A member who is separated from active duty served pursuant to a voluntary agreement of the member to remain on active duty for a period of less than one year in support of a contingency operation.''; and

(4) in paragraph (3), as redesignated by paragraph (2), is amended by striking ''involuntary'' each place it appears.

(b) CONFORMING AMENDMENTS.—Such section 1145 is further amended—

(1) in subsection (c)(1), by striking ''during the period beginning on October 1, 1990, and ending on December 31, 2001''; and

(2) in subsection (e), by striking the first sentence.

(c) REPEAL OF SUPERSEDED AUTHORITY.—(1) Section 1074b of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 55 of such title is amended by striking the item relating to section 1074b.

(d) TRANSITION PROVISION.—Notwithstanding the repeal of section 1074b of title 10, United States Code, by subsection (c), the provisions of that section, as in effect before the date of the enactment of this Act, shall continue to apply to a member of the Armed Forces who is released from active duty in support of a contingency operation before that date.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Procurement Management and Administration

SEC. 801. MANAGEMENT OF PROCUREMENTS OF SERVICES.

(a) RESPONSIBILITY OF UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS.—Section 133(b) of title 10, United States Code, is amended—

(1) by striking ''and'' at the end of paragraph (4);

(2) by redesignating paragraph (5) as paragraph (6); and

(3) by inserting after paragraph (4) the following new paragraph (5):

''(5) managing the procurements of services for the Department of Defense; and''.

(b) REQUIREMENT FOR MANAGEMENT STRUCTURE.—(1) Chapter 137 of such title is amended by inserting after section 2328 the following new section:

''§ 2330. Procurements of services: management structure

''(a) REQUIREMENT FOR MANAGEMENT STRUCTURE.—The Under Secretary of Defense for Acquisition, Technology, and Logistics shall establish a structure for the management of procurements of services for the Department of Defense.

''(b) DELEGATION OF AUTHORITY.—(1) The management structure shall provide for a designated official in each Defense Agency, military department, and command to exercise the responsibility for the management of the procurements of services for the official's Defense Agency, military department, or command, respectively.

''(2) For the exercise of the responsibility under paragraph (1), a designated official shall report, and be accountable, to—

''(A) the Under Secretary of Defense for Acquisition, Technology, and Logistics; and

''(B) such other officials as the Under Secretary may prescribe for the management structure.

''(3) Paragraph (2) shall not affect the responsibility of a designated official for a military department who is not the Secretary of that military department to report, and be accountable, to the Secretary of the military department.

''(c) CONTRACTING RESPONSIBILITIES OF DESIGNATED OFFICIALS.—The responsibilities of an official designated under subsection (b) shall include, with respect to the procurements of services for the Defense Agency, military department, or command of that official, the following:

''(1) Ensuring that the services are procured by means of contracts or task orders that are in the best interests of the Department of Defense and are entered into or issued and managed in compliance with the applicable statutes, regulations, directives, and other requirements, regardless of whether the services are procured through a contract of the Department of Defense or through a contract entered into by an official of the United States outside the Department of Defense.

''(2) Establishing within the Department of Defense appropriate contract vehicles for use in the procurement of services so as to ensure that officials of the Department of Defense are accountable for the procurement of the services in accordance with the requirements of paragraph (1).

''(3) Analyzing data collected under section 2330a of this title on contracts that are entered into for the procurement of services.

''(4) Approving, in advance, any procurement of services that is to be made through the use of—

''(A) a contract or task order that is not a performance-based contract or task order; or

''(B) a contract entered into, or a task order issued, by an official of the United States outside the Department of Defense.

''(d) DEFINITION.—In this section, the term 'performance-based', with respect to a contract or a task order means that the contract or task– order, respectively, includes the use of performance work statements that set forth contract requirements in clear, specific, and objective terms with measurable outcomes.''.

(2) Not later than 180 days after the date of the enactment of this Act, the Under Secretary of Defense for Acquisition, Technology, and Logistics shall issue guidance for officials in the management structure established under section 2330 of title 10, United States Code (as added by paragraph (1)), regarding how to carry out their responsibilities under that section. The guidance shall include, at a minimum, the following:

(A) Specific dollar thresholds, approval levels, and criteria for advance approvals under subsection (c)(4) of such section 2330.

(B) A prohibition on the procurement of services through the use of a contract entered into, or a task order issued, by an official of the United States outside the Department of Defense that is not a performance-based contract or task order, unless an appropriate official in the management structure established under such section 2330 determines in writing that the use of that means for the procurement is justified on the basis of exceptional circumstances as being in the best interests of the Department of Defense.

(c) TRACKING OF PROCUREMENTS OF SERVICES.—Chapter 137 of title 10, United States Code, as amended by subsection (b), is further amended by inserting after section 2330 the following new section:

''§ 2330a. Procurements of services: tracking

''(a) DATA COLLECTION REQUIRED.—The Secretary of Defense shall establish a data collection system to provide management information with regard to each purchase of services by a military department or Defense Agency in excess of the simplified acquisition threshold, regardless of whether such a purchase is made in the form of a contract, task order, delivery order, military interdepartmental purchase request, or any other form of interagency agreement.

''(b) DATA TO BE COLLECTED.—The data required to be collected under subsection (a) includes the following:

''(1) The services purchased.

''(2) The total dollar amount of the purchase.

''(3) The form of contracting action used to make the purchase.

''(4) Whether the purchase was made through—

''(A) a performance-based contract, performance-based task order, or other performance-based arrangement that contains firm fixed prices for the specific tasks to be performed;

''(B) any other performance-based contract, performance-based task order, or performance-based arrangement; or

''(C) any contract, task order, or other arrangement that is not performance based.

''(5) In the case of a purchase made through an agency other than the Department of Defense—

''(A) the agency through which the purchase is made; and

''(B) the reasons for making the purchase through that agency.

''(6) The extent of competition provided in making the purchase (including the number of offerors).

''(7) whether the purchase was made from—

''(A) a small business concern;

''(B) a small business concern owned and controlled by socially and economically disadvantaged individuals; or

''(C) a small business concern owned and controlled by women.

''(c) COMPATIBILITY WITH DATA COLLECTION SYSTEM FOR INFORMATION TECHNOLOGY PURCHASES.—To the maximum extent practicable, a single data collection system shall be used to collect data under this section and information under section 2225 of this title.

''(d) DEFINITIONS.—In this section:

''(1) The term 'performance-based', with respect to a contract, task order, or arrangement, means that the contract, task order, or arrangement, respectively, includes the use of performance work statements that set forth contract requirements in clear, specific, and objective terms with measurable outcomes.

''(2) The definitions set forth in section 2225(f) of this title for the terms 'simplified acquisition threshold', 'small business concern', 'small business concern owned and controlled by socially and economically disadvantaged individuals', and 'small business concern owned and controlled by women' shall apply.''.

(d) REQUIREMENT FOR PROGRAM REVIEW STRUCTURE.—(1) Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall issue and implement a policy that applies to the procurement of services by the Department of Defense a program review structure that is similar to the one developed for and applied to the procurement of systems by the Department of Defense.

(2) The program review structure for the procurement of services shall, at a minimum, include the following:

(A) Standards for determining which procurements should be subject to review by either the senior procurement executive of a military department or the senior procurement executive of the Department of Defense under such section, including criteria based on dollar thresholds, program criticality, or other appropriate measures.

(B) Appropriate milestones at which those reviews should take place.

(C) A description of the specific matters that should be reviewed.

(e) COMPTROLLER GENERAL REVIEW.—Not later than 90 days after the date on which the Secretary issues the policy required by subsection (d) and the Under Secretary of Defense for Acquisition, Technology, and Logistics issues the guidance required by subsection (b)(2), the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives an assessment of the compliance with the requirements of this section and the amendments made by this section.

(f) DEFINITIONS.—In this section:

(1) The term ''senior procurement executive'' means the official designated as the senior procurement executive under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).

(2) The term ''performance-based'', with respect to a contract or a task order means that the contract or task order, respectively, includes the use of performance work statements that set forth contract requirements in clear, specific, and objective terms with measurable outcomes.

(g) CLERICAL AMENDMENTS.—(1) The heading for section 2331 of title 10, United States Code, is amended to read as follows:

''§ 2331. Procurements of services: contracts for professional and technical services''.

(2) The table of sections at the beginning of chapter 137 of such title is amended by striking the item relating to section 2331 and inserting the following new items:

''2330. Procurements of services: management structure.
''2330a. Procurements of services: tracking.
''2331. Procurements of services: contracts for professional and technical services.''.

SEC. 802. SAVINGS GOALS FOR PROCUREMENTS OF SERVICES.

(a) GOALS.—(1) It shall be an objective of the Department of Defense to achieve savings in expenditures for procurements of services through the use of—

(A) performance-based services contracting;

(B) competition for task orders under services contracts; and

(C) program review, spending analyses, and improved management of services contracts.

(2) In furtherance of that objective, the Department of Defense shall have goals to use improved management practices to achieve, over 10 fiscal years, reductions in the total amount that would otherwise be expended by the Department for the procurement of services (other than military construction) in a fiscal year by the amount equal to 10 percent of the total amount of the expenditures of the Department for fiscal year 2000 for procurement of services (other than military construction), as follows:

(A) By fiscal year 2002, a three percent reduction.

(B) By fiscal year 2003, a four percent reduction.

(C) By fiscal year 2004, a five percent reduction.

(D) By fiscal year 2011, a ten percent reduction.

(b) ANNUAL REPORT.—Not later than March 1, 2002, and annually thereafter through March 1, 2006, the Secretary of Defense shall submit to the congressional defense committees a report on the progress made toward meeting the objective and goals established in subsection (a). Each report shall include, at a minimum, the following information:

(1) A summary of the steps taken or planned to be taken in the fiscal year of the report to improve the management of procurements of services.

(2) A summary of the steps planned to be taken in the following fiscal year to improve the management of procurements of services.

(3) An estimate of the amount that will be expended by the Department of Defense for procurements of services in the fiscal year of the report.

(4) An estimate of the amount that will be expended by the Department of Defense for procurements of services in the following fiscal year.

(5) An estimate of the amount of savings that, as a result of improvement of the management practices used by the Department of Defense, will be achieved for the procurement of services by the Department in the fiscal year of the report and in the following fiscal year.

(c) REVIEW AND REPORT BY COMPTROLLER GENERAL.—The Comptroller General shall review each report submitted by the Secretary pursuant to subsection (b), and within 90 days after the date of the report, submit to Congress a report containing the Comptroller General's assessment of the extent to which the Department of Defense has taken steps necessary to achieve the objective and

goals established by subsection (a). In each report the Comptroller General shall, at a minimum, address—

(1) the accuracy and reliability of the estimates included in the Secretary's report; and

(2) the effectiveness of the improvements in management practices that have been taken, and those that are planned to be taken, in the Department of Defense to achieve savings in procurements of services by the Department.

SEC. 803. COMPETITION REQUIREMENT FOR PURCHASES PURSUANT TO MULTIPLE AWARD CONTRACTS.

(a) REGULATIONS REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall promulgate in the Department of Defense Supplement to the Federal Acquisition Regulation regulations requiring competition in the purchase of products and services by the Department of Defense pursuant to multiple award contracts.

(b) CONTENT OF REGULATIONS.—The regulations required by subsection (a) shall provide, at a minimum, that each individual procurement of products and services in excess of $50,000 that is made under a multiple award contract shall be made on a competitive basis unless a contracting officer of the Department of Defense—

(1) waives the requirement on the basis of a determination that one of the circumstances described in paragraphs (1) through (4) of section 2304(c) of title 10, United States Code, applies to such individual procurement; and

(2) justifies the determination in writing.

(c) REPORTING REQUIREMENT.—The Secretary shall submit to the congressional defense committees each year a report on the use of the waiver authority provided in the regulations prescribed under subsection (b). The report for a year shall include, at a minimum, for each military department and each Defense Agency, the following:

(1) The number of the waivers granted.

(2) The dollar value of the procurements for which the waivers were granted.

(3) The bases on which the waivers were granted.

(d) DEFINITIONS.—In this section:

(1) The term ''individual procurement'' means a task order, delivery order, or other purchase.

(2) The term ''multiple award contract'' means—

(A) a contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 2302(2)(C) of title 10, United States Code;

(B) a multiple award task order contract or delivery order contract that is entered into under the authority of sections 2304a through 2304d of title 10, United States Code, or sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

(C) any other indeterminate delivery, indeterminate quantity contract that is entered into by the head of a Federal agency with two or more sources pursuant to the same solicitation.

(3) The term ''competitive basis'', with respect to an individual procurement of products or services under a multiple award contract, means procedures that—

(A) require fair notice to be provided to all contractors offering such products or services under the multiple award contract of the intent to make that procurement; and

(B) afford all such contractors a fair opportunity to make an offer and have that offer fully and fairly considered by the official making the procurement.

(4) The term ''Defense Agency'' has the meaning given that term in section 101(a)(11) of title 10, United States Code.

(e) APPLICABILITY.—The regulations promulgated by the Secretary pursuant to subsection (a) shall take effect not later than 180 days after the date of the enactment of this Act and shall apply to all individual procurements that are made under multiple award contracts on or after the effective date, without regard to whether the multiple award contracts were entered into before, on, or after such effective date.

SEC. 804. RISK REDUCTION AT INITIATION OF MAJOR DEFENSE ACQUISITION PROGRAM.

(a) STANDARD FOR TECHNOLOGICAL MATURITY.—(1) Chapter 144 of title 10, United States Code, is amended by inserting after section 2431 the following new section:

''§ 2431a. Risk reduction at program initiation

''(a) REQUIREMENT FOR DEMONSTRATION OF CRITICAL TECHNOLOGIES.—Each critical technology that is to be used in production under a major defense acquisition program shall be successfully demonstrated in a relevant environment, as determined in writing by the Under Secretary of Defense for Acquisition, Technology, and Logistics.

''(b) PROHIBITION.—Neither of the following actions may be taken in a major defense acquisition program before the requirement of subsection (a) has been satisfied for the program:

''(1) Milestone B approval.

''(2) Initiation of the program without a Milestone B approval.

''(c) WAIVER.—The Under Secretary of Defense for Acquisition, Technology, and Logistics may waive the prohibition in subsection (b) with respect to a major defense acquisition program if the Milestone Decision Authority for the program certifies to the Under Secretary that exceptional circumstances justify proceeding with an action described in that subsection for the program before compliance with subsection (a).

''(d) ANNUAL REPORT ON WAIVERS.—(1) The Secretary of Defense shall submit to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives each year the justification for any waiver granted with respect to a major defense acquisition program under subsection (c) during the fiscal year covered by the report.

''(2) The report for a fiscal year shall be submitted with the submission of the weapons development and procurement schedules under section 2431 of this title and shall cover the fiscal year preceding the fiscal year in which submitted.

''(e) DEFINITIONS.—In this section:

''(1) The term 'Milestone B approval' means approval to begin integrated system development and demonstration.

''(2) The term 'Milestone Decision Authority' means the official of the Department of Defense who is designated in accordance with criteria prescribed by the Secretary of Defense to approve entry of a major defense acquisition program into the next phase of the acquisition process.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2431 the following:

''2431a. Risk reduction at program initiation.''.

(b) EFFECTIVE DATE AND APPLICABILITY.—(1) Section 2431a of title 10, United States Code (as added by subsection (a)), shall take effect on the date of the enactment of this Act and shall apply to—

(A) any major defense acquisition program that is initiated on or after that date without a Milestone B approval having been issued for the program; and

(B) any major defense acquisition program that is initiated more than 6 months after that date with a Milestone B approval having been issued for the program before the initiation of the program.

(2) In paragraph (1):

(A) The term ''major defense acquisition program'' has the meaning given the term in section 2430 of title 10, United States Code.

(B) The term ''Milestone B approval'' has the meaning given the term under section 2431a(d) of title 10, United States Code (as added by subsection (a)).

SEC. 805. FOLLOW-ON PRODUCTION CONTRACTS FOR PRODUCTS DEVELOPED PURSUANT TO PROTOTYPE PROJECTS.

Section 845 of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection (f):

''(f) FOLLOW-ON PRODUCTION CONTRACTS.—(1) A transaction entered into under this section for a prototype project that satisfies the conditions set forth in subsection (d)(1)(B)(i) may provide for the award of a follow-on production contract to the participants in the transaction for a specific number of units at specific target prices. The number of units specified in the transaction shall be determined on the basis of a balancing of the level of the investment made in the project by the participants other than the Federal Government with the interest of the Federal Government in having competition among sources in the acquisition of the product or products prototyped under the project.

''(2) A follow-on production contract provided for in a transaction under paragraph (1) may be awarded to the participants in the transaction without the use of competitive procedures, notwithstanding the requirements of section 2304 of title 10, United States Code, if—

''(A) competitive procedures were used for the selection of parties for participation in the transaction;

''(B) the participants in the transaction successfully completed the prototype project provided for in the transaction;

''(C) the number of units provided for in the follow-on production contract does not exceed the number of units specified in the transaction for such a follow-on production contract; and

''(D) the prices established in the follow-on production contract do not exceed the target prices specified in the transaction for such a follow-on production contract.''.

Subtitle B—Defense Acquisition and Support Workforce

SEC. 811. REPORT ON IMPLEMENTATION OF RECOMMENDATIONS OF THE ACQUISITION 2005 TASK FORCE.

(a) REQUIREMENT FOR REPORT.—Not later than March 1, 2002, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the extent of the implementation of the recommendations set forth in the final report of the Department of Defense Acquisition 2005 Task Force, entitled ''Shaping the Civilian Acquisition Workforce of the Future''.

(b) CONTENT OF REPORT.—The report shall include the following:

(1) For each recommendation in the final report that is being implemented or that the Secretary plans to implement—

(A) a summary of all actions that have been taken to implement the recommendation; and

(B) a schedule, with specific milestones, for completing the implementation of the recommendation.

(2) For each recommendation in the final report that the Secretary does not plan to implement—

(A) the reasons for the decision not to implement the recommendation; and

(B) a summary of any alternative actions the Secretary plans to take to address the purposes underlying the recommendation.

(3) A summary of any additional actions the Secretary plans to take to address concerns raised in the final report about the size and structure of the acquisition workforce of the Department of Defense.

(c) COMPTROLLER GENERAL REVIEW.—Not later than 60 days after the date on which the Secretary submits the report required by subsection (a), the Comptroller General shall—

(1) review the report; and

(2) submit to the committees referred to in subsection (a) the Comptroller General's assessment of the extent to which the report—

(A) complies with the requirements of this section; and

(B) addresses the concerns raised in the final report about the size and structure of the acquisition workforce of the Department of Defense.

SEC. 812. MORATORIUM ON REDUCTION OF THE DEFENSE ACQUISITION AND SUPPORT WORKFORCE.

(a) PROHIBITION.—Notwithstanding any other provision of law, the defense acquisition and support workforce may not be reduced, during fiscal years 2002, 2003, and 2004, below the level of that workforce as of September 30, 2001, determined on the basis of full-time equivalent positions.

(b) WAIVER AUTHORITY.—The Secretary of Defense may waive the prohibition in subsection (a) and reduce the level of the defense acquisition and support workforce upon submitting to Congress the Secretary's certification that the defense acquisition and support workforce, at the level to which reduced, will be able efficiently and effectively to perform the workloads that are required of that workforce consistent with the cost-effective management of the defense acquisition system to obtain best value equipment and with ensuring military readiness.

(c) DEFENSE ACQUISITION AND SUPPORT WORKFORCE DEFINED.—In this section, the term ''defense acquisition and support workforce'' means Armed Forces and civilian personnel who are assigned to, or are employed in, an organization of the Department of Defense that is—

(1) an acquisition organization specified in Department of Defense Instruction 5000.58, dated January 14, 1992; or

(2) an organization not so specified that has acquisition as its predominant mission, as determined by the Secretary of Defense.

SEC. 813. REVISION OF ACQUISITION WORKFORCE QUALIFICATION REQUIREMENTS.

(a) SPECIAL REQUIREMENTS FOR MEMBERS OF A CONTINGENCY CONTRACTING FORCE.—(1) Subchapter II of chapter 87 of title 10, United States Code, is amended by inserting after section 1724 the following new section:

''§ 1724a. Contingency contracting force: qualification requirements

''(a) CONTINGENCY CONTRACTING FORCE.—The Secretary of Defense may identify as a contingency contracting force the acquisition positions described in subsections (a) and (b) of section 1724 of this title that involve duties requiring the personnel in those positions to deploy to perform contracting functions in support of a contingency operation or other Department of Defense operation.

''(b) QUALIFICATION REQUIREMENTS.—The Secretary of Defense shall prescribe the qualification requirements for a person appointed to a position in any contingency contracting force identified under subsection (a). The requirements shall include requirements that the person—

''(1) either—

''(A) have completed the credits of study as described in section 1724(a)(3)(B) of this title;

''(B) have passed an examination considered by the Secretary of Defense to demonstrate that the person has skills, knowledge, or abilities comparable to that of a person who has completed the credits of study described in such section; or

''(C) through a combination of having completed some of the credits of study described in such section and having passed an examination, have demonstrated that the person has skills, knowledge, or abilities comparable to that of a person who has completed all of the credits of study described in such section; and

''(2) have satisfied such additional requirements for education and experience as the Secretary may prescribe.''.

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 1724 the following new item:

''1724a. Contingency contracting force: qualification requirements.''.

(b) EXCEPTIONS TO GENERALLY APPLICABLE QUALIFICATION REQUIREMENTS.—Subsection (c) of such section is amended to read as follows:

''(c) EXCEPTIONS.—(1) The requirements imposed under subsection (a) or (b) of this section shall not apply to a person for either of the following purposes:

''(A) In the case of an employee, to qualify to serve in the position in which the employee was serving on October 1, 1993, or in any other position in the same or lower grade and involving the same or lower level of responsibilities as the position in which the employee was serving on such date.

''(B) To qualify to serve in an acquisition position in any contingency contracting force identified under section 1724a of this title.

''(2) Subject to paragraph (3), the requirements imposed under subsection (a) or (b) shall not apply to a person who, before October 1, 2000, served—

''(A) as a contracting officer in an executive agency with authority to award or administer contracts in excess of the simplified acquisition threshold (referred to in section 2304(g) of this title); or

''(B) in a position in an executive agency either as an employee in the GS–1102 occupational series or as a member of the armed forces in a similar occupational specialty.

''(3) For the exception in subparagraph (A) or (B) of paragraph (2) to apply to an employee with respect to the requirements imposed under subsection (a) or (b), the employee must—

''(A) before October 1, 2000—

''(i) have received a baccalaureate degree as described in subparagraph (A) of subsection (a)(3);

''(ii) have completed credits of study as described in subparagraph (B) of subsection (a)(3);

''(iii) have passed an examination considered by the Secretary of Defense to demonstrate skills, knowledge, or abilities comparable to that of a person who has completed credits of study as described in subparagraph (B) of subsection (a)(3); or

''(iv) have been granted a waiver of the applicability of the requirements imposed under subsection (a) or (b), as the case may be; or

''(B) on October 1, 1991, had at least 10 years of experience in one or more acquisition positions in the Department of Defense, comparable positions in other government agencies or the private sector, or similar positions in which an individual obtains experience directly relevant to the field of contracting.''.

(c) CLARIFICATION OF APPLICABILITY OF WAIVER AUTHORITY TO MEMBERS OF THE ARMED FORCES.—Subsection (d) of such section is amended by striking ''employee or member of'' in the first sentence and inserting ''employee of, or a member of an armed force in,''.

(d) OFFICE OF PERSONNEL MANAGEMENT APPROVAL OF GENERALLY APPLICABLE DISCRETIONARY REQUIREMENTS.—Section 1725 of title 10, United States Code, is amended—

(1) in subsection (a), by striking ''section 1723 or under section 1724(a)(4) of this title'' in the first sentence and inserting ''section 1723, 1724(a)(4), or 1724a(b)(2)''; and

(2) in subsection (b), by striking ''subsection (a)(3) or (b) of section 1724 of this title'' in the first sentence and inserting ''subsection (a)(3), (b), or (c)(3)(A)(iii) of section 1724 of this title or under subparagraph (B) or (C) of section 1724a(b)(1) of this title''.

(e) TECHNICAL CORRECTIONS.—Sections 1724(a)(3)(B) and 1732(c)(2) of such title are amended by striking ''business finance'' and inserting ''business, finance''.

Subtitle C—Use of Preferred Sources

SEC. 821. APPLICABILITY OF COMPETITION REQUIREMENTS TO PURCHASES FROM A REQUIRED SOURCE.

(a) CONDITIONS FOR COMPETITION.—(1) Chapter 141 of title 10, United States Code, is amended by adding at the end the following:

''§ 2410n. Products of Federal Prison Industries: procedural requirements

''(a) MARKET RESEARCH BEFORE PURCHASE.—Before purchasing a product listed in the latest edition of the Federal Prison Industries catalog under section 4124(d) of title 18, the Secretary of Defense shall conduct market research to determine whether the Federal Prison Industries product is comparable in price, quality, and time of delivery to products available from the private sector.

''(b) LIMITED COMPETITION REQUIREMENT.—If the Secretary determines that a Federal Prison Industries product is not comparable in price, quality, and time of delivery to products available from the private sector, the Secretary shall use competitive procedures for the procurement of the product. In conducting such a competition, the Secretary shall consider a timely offer from Federal Prison Industries for award in accordance with the specifications and evaluation factors specified in the solicitation.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

''2410n. Products of Federal Prison Industries: procedural requirements.''.

(b) APPLICABILITY.—Section 2410n of title 10, United States Code (as added by subsection (a)), shall apply to purchases initiated on or after October 1, 2001.

SEC. 822. CONSOLIDATION OF CONTRACT REQUIREMENTS.

(a) AMENDMENT TO TITLE 10.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2381 the following new section:

''§ 2382. Consolidation of contract requirements: policy and restrictions

''(a) POLICY.—The Secretary of Defense shall require the Secretary of each military department, the head of each Defense Agency, and the head of each Department of Defense Field Activity to ensure that the decisions made by that official regarding consolidation of contract requirements of the department, agency, or activity as the case may be, are made with a view to providing small business concerns with appropriate opportunities to participate in Department of Defense procurements as prime contractors and appropriate opportunities to participate in such procurements as subcontractors.

''(b) LIMITATION ON USE OF ACQUISITION STRATEGIES INVOLVING CONSOLIDATION.—(1) An official of a military department, Defense Agency, or Department of Defense Field Activity may not execute an acquisition strategy that includes a consolidation of contract requirements of the military department, agency, or activity with a total value in excess of $5,000,000, unless the senior procurement executive concerned first—

''(A) conducts market research;

''(B) identifies any alternative contracting approaches that would involve a lesser degree of consolidation of contract requirements; and

''(C) determines that the consolidation is necessary and justified.

''(2) A senior procurement executive may determine that an acquisition strategy involving a consolidation of contract requirements is necessary and justified for the purposes of paragraph (1) if the benefits of the acquisition strategy substantially exceed the benefits of each of the possible alternative contracting approaches identified under subparagraph (B) of that paragraph. However, savings in administrative or personnel costs alone do not constitute, for such purposes, a sufficient justification for a consolidation of contract requirements in a procurement unless the total amount of the cost savings is expected to be substantial in relation to the total cost of the procurement.

''(3) Benefits considered for the purposes of paragraphs (1) and (2) may include cost and, regardless of whether quantifiable in dollar amounts—

''(A) quality;

''(B) acquisition cycle;

''(C) terms and conditions; and

''(D) any other benefit.

''(c) DEFINITIONS.—In this section:

''(1) The terms 'consolidation of contract requirements' and 'consolidation', with respect to contract requirements of a military department, Defense Agency, or Department of Defense Field Activity, mean a use of a solicitation to obtain offers for a single contract or a multiple award contract to satisfy two or more requirements of that department, agency, or activity for goods or services that have previously been provided to, or performed for, that department, agency, or activity under two or more separate contracts smaller in cost than the total cost of the contract for which the offers are solicited.

''(2) The term ''multiple award contract'' means—

''(A) a contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 2302(2)(C) of this title;

''(B) a multiple award task order contract or delivery order contract that is entered into under the authority of sections 2304a through 2304d of this title or sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

''(C) any other indeterminate delivery, indeterminate quantity contract that is entered into by the head of a Federal agency with two or more sources pursuant to the same solicitation.

''(3) The term 'senior procurement executive concerned' means—

''(A) with respect to a military department, the official designated under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)) as the senior procurement executive for the military department; or

''(B) with respect to a Defense Agency or a Department of Defense Field Activity, the official so designated for the Department of Defense.

''(4) The term 'small business concern' means a business concern that is determined by the Administrator of the Small Business Administration to be a small-business concern by application of the standards prescribed under section 3(a) of the Small Business Act (15 U.S.C. 632(a)).''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2381 the following new item:

''2382. Consolidation of contract requirements: policy and restrictions.''.

(b) DATA REVIEW.—(1) The Secretary of Defense shall revise the data collection systems of the Department of Defense to ensure that such systems are capable of identifying each procurement that involves a consolidation of contract requirements within the department with a total value in excess of $5,000,000.

(2) The Secretary shall ensure that appropriate officials of the Department of Defense periodically review the information collected pursuant to paragraph (1) in cooperation with the Small Business Administration—

(A) to determine the extent of the consolidation of contract requirements in the Department of Defense; and

(B) to assess the impact of the consolidation of contract requirements on the availability of opportunities for small business concerns to participate in Department of Defense procurements, both as prime contractors and as subcontractors.

(3) In this subsection:

(A) The term ''bundling of contract requirements'' has the meaning given that term in section 3(o)(2) of the Small Business Act (15 U.S.C. 632(o)(2)).

(B) The term ''consolidation of contract requirements'' has the meaning given that term in section 2382(c)(1) of title 10, United States Code, as added by subsection (a).

(c) EVALUATION OF BUNDLING EFFECTS.—Section 15(h)(2) of the Small Business Act (15 U.S.C. 644(h)(2)) is amended—

(1) in subparagraph (C), by inserting '', and whether contract bundling played a role in the failure,'' after ''agency goals''; and

(2) by adding at the end the following:

''(G) The number and dollar value of consolidations of contract requirements with a total value in excess of $5,000,000, including the number of such consolidations that were awarded to small business concerns as prime contractors.''.

(d) REPORTING REQUIREMENT.—Section 15(p) of the Small Business Act (15 U.S.C. 644(p)) is amended to read as follows:

''(p) REPORTING REQUIREMENT.—

''(1) IN GENERAL.—The Administrator shall conduct a study examining the best means to determine the accuracy of the market research required under subsection (e)(2) for each bundled contract, to determine if the anticipated benefits were realized, or if they were not realized, the reasons there for.

''(2) PROVISION OF INFORMATION.—A Federal agency shall provide to the appropriate procurement center representative a copy of market research required under subsection (e)(2) for consolidations of contract requirements with a total value in excess of $5,000,000, upon request.

''(3) REPORT.—Not later than 270 days after the date of enactment of the National Defense Authorization Act for Fiscal Year 2002, the Administrator shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives on the results of the study conducted under this subsection.''.

SEC. 823. CODIFICATION AND CONTINUATION OF MENTOR-PROTEGE PROGRAM AS PERMANENT PROGRAM.

(a) IN GENERAL.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2402 the following new section:

''§ 2403. Mentor-Protege Program

''(a) ESTABLISHMENT OF PROGRAM.—The Secretary of Defense shall carry out a program known as the 'Mentor-Protege Program'.

''(b) PURPOSE.—The purpose of the program is to provide incentives for major Department of Defense contractors to furnish eligible small business concerns (as defined in subsection (l)(2)) with assistance designed to enhance the capabilities of eligible small business concerns to perform as subcontractors and suppliers under Department of Defense contracts and other contracts and subcontracts in order to increase the participation of such business concerns as subcontractors and suppliers under Department of Defense contracts, other Federal Government contracts, and commercial contracts.

''(c) PROGRAM PARTICIPANTS.—(1) A business concern meeting the eligibility requirements set out in subsection (d) may enter into agreements under subsection (e) and furnish assistance to eligible small business concerns upon making application to the Secretary of Defense and being approved for participation in the program by the Secretary. A business concern participating in the program pursuant to such an approval shall be known, for the purposes of the program, as a 'mentor firm'.

''(2) An eligible small business concern may obtain assistance from a mentor firm upon entering into an agreement with the mentor firm as provided in subsection (e). An eligible small business concern may not be a party to more than one agreement to receive such assistance at any time. An eligible small business concern receiving such assistance shall be known, for the purposes of the program, as a 'protege firm'.

''(3) In entering into an agreement pursuant to subsection (e), a mentor firm may rely in good faith on a written representation of a business concern that such business concern is a small business concern described in subsection (l)(2)(A). The Administrator of the Small Business Administration shall determine the status of such business concern as such a small business concern in the event of a protest regarding the status of the business concern. If at any time the business concern is determined by the Administrator not to be such a small business concern, assistance furnished to the business concern by

the mentor firm after the date of the determination may not be considered assistance furnished under the program.

''(d) MENTOR FIRM ELIGIBILITY.—Subject to subsection (c)(1), a mentor firm eligible for award of Federal contracts may enter into an agreement with one or more protege firms under subsection (e) and provide assistance under the program pursuant to that agreement if—

''(1) during the fiscal year preceding the fiscal year in which the mentor firm enters into the agreement, the total amount of the Department of Defense contracts awarded such mentor firm and the subcontracts awarded such mentor firm under Department of Defense contracts was equal to or greater than $100,000,000; or

''(2) the mentor firm demonstrates the capability to assist in the development of protege firms, and is approved by the Secretary of Defense pursuant to criteria specified in the regulations prescribed pursuant to subsection (k).

''(e) MENTOR-PROTEGE AGREEMENT.—Before providing assistance to a protege firm under the program, a mentor firm shall enter into a mentor-protege agreement with the protege firm regarding the assistance to be provided by the mentor firm. The agreement shall include the following:

''(1) A developmental program for the protege firm, in such detail as may be reasonable, including—

''(A) factors to assess the protege firm's developmental progress under the program; and

''(B) the anticipated number and type of subcontracts to be awarded the protege firm.

''(2) A program participation term for any period of not more than three years, except that the term may be a period of up to five years if the Secretary of Defense determines in writing that unusual circumstances justify a program participation term in excess of three years.

''(3) Procedures for the protege firm to terminate the agreement voluntarily and for the mentor firm to terminate the agreement for cause.

''(f) FORMS OF ASSISTANCE.—A mentor firm may provide a protege firm the following:

''(1) Assistance, by using mentor firm personnel, in—

''(A) general business management, including organizational management, financial management, and personnel management, marketing, business development, and overall business planning;

''(B) engineering and technical matters such as production, inventory control, and quality assurance; and

''(C) any other assistance designed to develop the capabilities of the protege firm under the developmental program referred to in subsection (e).

''(2) Award of subcontracts on a noncompetitive basis to the protege firm under the Department of Defense or other contracts.

''(3) Payment of progress payments for performance of the protege firm under such a subcontract in amounts as provided for in the subcontract, but in no event may any such progress payment exceed 100 percent of the costs incurred by the protege firm for the performance.

''(4) Advance payments under such subcontracts.

''(5) Loans.

''(6) Cash in exchange for an ownership interest in the protege firm, not to exceed 10 percent of the total ownership interest.

''(7) Assistance obtained by the mentor firm for the protege firm from one or more of the following:

''(A) Small business development centers established pursuant to section 21 of the Small Business Act (15 U.S.C. 648).

''(B) Entities providing procurement technical assistance pursuant to chapter 142 of this title.

''(C) A historically Black college or university or a minority institution of higher education.

''(g) INCENTIVES FOR MENTOR FIRMS.—(1) The Secretary of Defense may provide to a mentor firm reimbursement for the total amount of any progress payment or advance payment made under the program by the mentor firm to a protege firm in connection with a Department of Defense contract awarded the mentor firm.

''(2)(A) The Secretary of Defense may provide to a mentor firm reimbursement for the costs of the assistance furnished to a protege firm pursuant to paragraphs (1) and (7) of subsection (f) as provided for in a line item in a Department of Defense contract under which the mentor firm is furnishing products or services to the Department, subject to a maximum amount of reimbursement specified in such contract. The preceding sentence does not apply in a case in which the Secretary of Defense determines in writing that unusual circumstances justify reimbursement using a separate contract.

''(B) The determinations made in annual performance reviews of a mentor firm's mentor-protege agreement under subsection (j)(2) shall be a major factor in the determinations of amounts of reimbursement, if any, that the mentor firm is eligible to receive in the remaining years of the program participation term under the agreement.

''(C) The total amount reimbursed under this paragraph to a mentor firm for costs of assistance furnished in a fiscal year to a protege firm may not exceed $1,000,000, except in a case in which the Secretary of Defense determines in writing that unusual circumstances justify a reimbursement of a higher amount.

''(3)(A) Costs incurred by a mentor firm in providing assistance to a protege firm that are not reimbursed pursuant to paragraph (2) shall be recognized as credit in lieu of subcontract awards for purposes of determining whether the mentor firm attains a subcontracting participation goal applicable to such mentor firm under a Department of Defense contract, under a contract with another executive agency, or under a divisional or company-wide subcontracting plan negotiated with the Department of Defense or another executive agency.

''(B) The amount of the credit given a mentor firm for any such unreimbursed costs shall be equal to—

''(i) four times the total amount of such costs attributable to assistance provided by entities described in subsection (f)(7);

''(ii) three times the total amount of such costs attributable to assistance furnished by the mentor firm's employees; and

''(iii) two times the total amount of any other such costs.

''(C) Under regulations prescribed pursuant to subsection (k), the Secretary of Defense shall adjust the amount of credit given a mentor firm pursuant to subparagraphs (A) and (B) if the Secretary determines that the firm's performance regarding the award of subcontracts to eligible small business concerns has declined without justifiable cause.

''(4) A mentor firm shall receive credit toward the attainment of a subcontracting participation goal applicable to such mentor firm for each subcontract for a product or service awarded under such contract by a mentor firm to a business concern that, except for its size, would be a small business concern owned and controlled by socially and economically disadvantaged individuals, but only if—

''(A) the size of such business concern is not more than two times the maximum size specified by the Administrator of the Small Business Administration for purposes of determining whether a business concern furnishing such product or service is a small business concern; and

''(B) the business concern formerly had a mentor-protege agreement with such mentor firm that was not terminated for cause.

''(h) RELATIONSHIP TO SMALL BUSINESS ACT.—(1) For purposes of the Small Business Act, no determination of affiliation or control (either direct or indirect) may be found between a protege firm and its mentor firm on the basis that the mentor firm has agreed to furnish (or has furnished) to its protege firm pursuant to a mentor-protege agreement any form of developmental assistance described in subsection (f).

''(2) Notwithstanding section 8 of the Small Business Act (15 U.S.C. 637), the Small Business Administration may not determine an eligible small business concern to be ineligible to receive any assistance authorized under the Small Business Act on the basis that such business concern has participated in the Mentor-Protege Program or has received assistance pursuant to any developmental assistance agreement authorized under such program.

''(3) The Small Business Administration may not require a firm that is entering into, or has entered into, an agreement under subsection (e) as a protege firm to submit the agreement, or any other document required by the Secretary of Defense in the administration of the Mentor-Protege Program, to the Small Business Administration for review, approval, or any other purpose.

''(i) PARTICIPATION IN MENTOR-PROTEGE PROGRAM NOT TO BE A CONDITION FOR AWARD OF A CONTRACT OR SUBCONTRACT.—A mentor firm may not require a business concern to enter into an agreement with the mentor firm pursuant to subsection (e) as a condition for being awarded a contract by the mentor firm, including a subcontract under a contract awarded to the mentor firm.

''(j) REPORTS AND REVIEWS.—(1) The mentor firm and protege firm under a mentor-protege agreement shall submit to the Secretary of Defense an annual report on the progress made by the protege firm in employment, revenues, and participation in Department of Defense contracts during the fiscal year covered by the report. The requirement for submission of an annual report applies with respect to each fiscal year covered by the program participation term under the agreement and each of the two fiscal years following the expiration of the program participation term. The Secretary shall prescribe the timing and form of the annual report.

''(2)(A) The Secretary shall conduct an annual performance review of each mentor-protege agreement that provides for reimbursement of costs. The Secretary shall determine on the basis of the review whether—

''(i) all costs reimbursed to the mentor firm under the agreement were reasonably incurred to furnish assistance to the protege firm in accordance with the requirements of this section and applicable regulations; and

''(ii) the mentor firm and protege firm accurately reported progress made by the protege firm in employment, revenues, and participation in Department of Defense contracts during the program participation term covered by the mentor-protege agreement and the two fiscal years following the expiration of the program participation term.

''(B) The Secretary shall act through the Commander of the Defense Contract Management Command in carrying out the reviews and making the determinations under subparagraph (A).

''(k) REGULATIONS AND POLICIES.—(1) The Secretary of Defense shall prescribe regulations to carry out the Mentor-Protege Program. The regulations shall include the following:

''(A) The requirements set forth in section 8(d) of the Small Business Act (15 U.S.C. 673(d)).

''(B) Procedures by which mentor firms may terminate participation in the program.

''(2) The Department of Defense policy regarding the Mentor-Protege Program shall be published and maintained as an appendix to the Department of Defense Supplement to the Federal Acquisition Regulation.

''(l) DEFINITIONS.—In this section:

''(1) The term 'small business concern' means a business concern that meets the requirements of section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and the regulations promulgated pursuant thereto.

''(2) The term 'eligible small business concern' is a small business concern that—

''(A) is either—

''(i) a disadvantaged small business concern; or

''(ii) a small business concern owned and controlled by women; and

''(B) is eligible for the award of Federal contracts.

''(3) The term 'disadvantaged small business concern' means—

''(A) a small business concern owned and controlled by socially and economically disadvantaged individuals, as defined in section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C));

''(B) a business entity owned and controlled by an Indian tribe as defined by section 8(a)(13) of the Small Business Act (15 U.S.C. 637(a)(13));

''(C) a business entity owned and controlled by a Native Hawaiian Organization as defined by section 8(a)(15) of the Small Business Act (15 U.S.C. 637(a)(15)); or

''(D) a qualified organization employing the severely disabled.

''(4) The term 'small business concern owned and controlled by women' has the meaning given such term in section 8(d)(3)(D) of the Small Business Act (15 U.S.C. 637(d)(3)(D)).

''(5) The term 'historically Black college and university' means any of the historically Black colleges and universities referred to in section 2323 of this title.

''(6) The term 'minority institution of higher education' means an institution of higher education with a student body that reflects the composition specified in paragraphs (3), (4), and (5) of section 312(b) of the Higher Education Act of 1965 (20 U.S.C. 1058(b)), as in effect on September 30, 1992.

''(7) The term 'subcontracting participation goal', with respect to a Department of Defense contract, means a goal for the extent of the participation by eligible small business concerns in the subcontracts awarded under such contract, as established pursuant to section 2323 of this title and section 8(d) of the Small Business Act (15 U.S.C. 637(d)).

''(8) The term 'qualified organization employing the severely disabled' means a business entity operated on a for-profit or nonprofit basis that—

''(A) uses rehabilitative engineering to provide employment opportunities for severely disabled individuals and integrates severely disabled individuals into its workforce;

''(B) employs severely disabled individuals at a rate that averages not less than 20 percent of its total workforce;

''(C) employs each severely disabled individual in its workforce generally on the basis of 40 hours per week; and

''(D) pays not less than the minimum wage prescribed pursuant to section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) to those employees who are severely disabled individuals.

''(9) The term 'severely disabled individual' means an individual who has a physical or mental disability which constitutes a substantial handicap to employment and which, in accordance with criteria prescribed by the Committee for Purchase From People Who Are Blind or Severely Disabled established by the first section of the Javits-Wagner-O'Day Act (41 U.S.C. 46), is of such a nature that the individual is otherwise prevented from engaging in normal competitive employment.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2402 the following new item:

''2403. Mentor-Protege Program.''.

(b) REPEAL OF SUPERSEDED LAW.—Section 831 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note) is repealed.

(c) CONTINUATION OF TEMPORARY REPORTING REQUIREMENT.—(1) Not later than six months after the end of each of fiscal years 2001 through 2004, the Secretary of Defense shall submit to Congress an annual report on the Mentor-Protege Program for that fiscal year.

(2) The annual report for a fiscal year shall include, at a minimum, the following:

(A) The number of mentor-protege agreements that were entered into during the fiscal year.

(B) The number of mentor-protege agreements that were in effect during the fiscal year.

(C) The total amount reimbursed during the fiscal year to mentor firms pursuant to section 2403(g) of title 10, United States Code (as added by subsection (a)), or section 831(g) of the National Defense Authorization Act for fiscal year 1991 (as in effect on the day before the date of the enactment of this Act).

(D) Each mentor-protege agreement, if any, that was approved during the fiscal year in accordance with section 2403(e)(2) of title 10, United States Code (as added by subsection (a)), or section 831(e)(2) of the National Defense Authorization Act for Fiscal Year 1991 (as in effect on the day before the date of the enactment of this Act) to provide a program participation term in excess of three years, together with the justification for the approval.

(E) Each reimbursement of a mentor firm in excess of the limitation in subsection (g)(2)(C) of section 2403 of title 10, United States Code (as added by subsection (a)), or subsection (g)(2)(C) of section 831 of the National Defense Authorization Act for Fiscal Year 1991 (as in effect on the day before the date of the enactment of this Act) that was made during the fiscal year pursuant to an approval granted in accordance with that subsection, together with the justification for the approval.

(F) Trends in the progress made in employment, revenues, and participation in Department of Defense contracts by the protege firms participating in the program during the fiscal year and the protege firms that completed or otherwise terminated participation in the program during the preceding two fiscal years.

(d) CONTINUATION OF REQUIREMENT FOR GAO STUDY AND REPORT.—Nothing in this section shall be construed as modifying the requirements of section 811(d)(3) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 709).

(e) SAVINGS PROVISIONS.—(1) All orders, determinations, rules, regulations, contracts, privileges, and other administrative actions that—

(A) have been issued, made, granted, or allowed to become effective under the pilot Mentor-Protege Program under section 831 of the National Defense Authorization Act for Fiscal Year 1991, as in effect on the day before the date of the enactment of this Act, including any such action taken by a court of competent jurisdiction, and

(B) are in effect at the end of such day, or were final before the date of the enactment of this Act and are to become effective on or after that date,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the Secretary of Defense or a court of competent jurisdiction or by operation of law.

(2) This section and the amendments made by this section shall not affect any proceedings, including notices of proposed rulemaking, that are pending before the Department of Defense as of the date of the enactment of this Act, with respect to the administration of the pilot Mentor-Protege Program under section 831 of the National Defense Authorization Act for Fiscal Year 1991, as in effect on the day before that date, but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this section had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this section shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(3) The amendment made by subsection (a)(1), and the repeal of section 831 of the National Defense Authorization Act for Fiscal Year 1991 by subsection (b), shall not be construed as modifying or otherwise affecting the requirement in section 811(f)(2) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 709).

SEC. 824. HUBZONE SMALL BUSINESS CONCERNS.

Section 3(p) of the Small Business Act (15 U.S.C. 632(p)) is amended—

(1) by redesignating paragraphs (4) through (7) as paragraphs (5) through (8), respectively; and

(2) by inserting after paragraph (3) the following:

''(4) RULE OF CONSTRUCTION RELATING TO CITIZENSHIP.—

''(A) IN GENERAL.—A small business concern described in subparagraph (B) meets the United States citizenship requirement of paragraph (3)(A) if, at the time of application by the concern to become a qualified HUBZone small business concern for purposes of any contract and at such times as the Administrator shall require, no non-citizen has filed a disclosure under section 13(d)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(d)(1)) as the beneficial owner of more than 10 percent of the outstanding shares of that small business concern.

''(B) CONCERNS DESCRIBED.—A small business concern is described in this subparagraph if the small business concern—

''(i) has a class of securities registered under section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 781); and

''(ii) files reports with the Securities and Exchange Commission as a small business issuer.''.

''(C) NON-CITIZENS.—In this paragraph, the term 'non-citizen' means

''(i) an individual that is not a United States citizen; and

''(ii) any other person that is not organized under the laws of any State or the United States.''.

Subtitle D—Amendments to General Contracting Authorities, Procedures, and Related Matters

SEC. 831. AMENDMENTS TO CONFORM WITH ADMINISTRATIVE CHANGES IN ACQUISITION PHASE AND MILESTONE TERMINOLOGY AND TO MAKE RELATED ADJUSTMENTS IN CERTAIN REQUIREMENTS APPLICABLE AT MILESTONE TRANSITION POINTS.

(a) ACQUISITION PHASE TERMINOLOGY.—The following provisions of title 10, United States Code, are amended by striking ''engineering and manufacturing development'' each place it appears and inserting ''system development and demonstration'': sections 2366(c) and 2434(a), and subsections (b)(3)(A)(i), (c)(3)(A), and (h)(1) of section 2432.

(b) MILESTONE TRANSITION POINTS.—(1) Section 811(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–211), is amended by striking ''Milestone I approval, Milestone II approval, or Milestone III approval (or the equivalent) of a major automated information system'' and inserting ''approval of a major automated information system at Milestone B or C or for full rate production, or an equivalent approval,''.

(2) Department of Defense Directive 5000.1, as revised in accordance with subsection (b) of section 811 of such Act, shall be further revised as necessary to comply with subsection (c) of such section, as amended by paragraph (1), within 60 days after the date of the enactment of this Act.

(c) ADJUSTMENTS TO REQUIREMENT FOR DETERMINATION OF QUANTITY FOR LOW-RATE INITIAL PRODUCTION.—Section 2400(a) of title 10, United States Code, is amended—

(1) by striking ''milestone II'' each place it appears in paragraphs (1)(A), (2), (4) and (5) and inserting ''milestone B''; and

(2) in paragraph (2), by striking ''engineering and manufacturing development'' and inserting ''system development and demonstration''.

(d) ADJUSTMENTS TO REQUIREMENTS FOR BASELINE DESCRIPTION AND THE RELATED LIMITATION.—Section 2435 of title 10, United States Code, is amended—

(1) in subsection (b), by striking ''engineering and manufacturing development'' and inserting ''system development and demonstration''; and

(2) in subsection (c)—

(A) in paragraph (1), by striking ''demonstration and validation'' and inserting ''system development and demonstration'';

(B) in paragraph (2), by striking ''engineering and manufacturing development'' and inserting ''production and deployment''; and

(C) in paragraph (3), by striking ''production and deployment'' and inserting ''full rate production''.

SEC. 832. INAPPLICABILITY OF LIMITATION TO SMALL PURCHASES OF MINIATURE OR INSTRUMENT BALL OR ROLLER BEARINGS UNDER CERTAIN CIRCUMSTANCES.

Section 2534(g)(2) of title 10, United States Code, is amended—

(1) by striking ''contracts'' and inserting ''a contract'';

(2) by striking the period at the end and inserting ''unless the head of the contracting activity determines that—''; and

(3) by adding at the end the following:

''(A) the amount of the purchase does not exceed $25,000;

''(B) the precision level of the ball or roller bearings to be procured under the contract is rated lower than the rating known as Annual Bearing Engineering Committee (ABEC) 5 or Roller Bearing Engineering Committee (RBEC) 5, or an equivalent of such rating;

''(C) at least two manufacturers in the national technology and industrial base that are capable of producing the ball or roller bearings have not responded to a request for quotation issued by the contracting activity for that contract; and

''(D) no bearing to be procured under the contract has a basic outside diameter (exclusive of flange diameters) in excess of 30 millimeters.''.

SEC. 833. INSENSITIVE MUNITIONS PROGRAM.

(a) REQUIREMENT FOR PROGRAM.—Chapter 141 of title 10, United States Code, is amended by inserting after section 2404 the following new section 2405:

''§ 2405. Insensitive munitions program

''(a) REQUIREMENT FOR PROGRAM.—The Secretary of Defense shall carry out a program to ensure, to the extent practicable, that munitions under development or in procurement are safe throughout development and fielding when subjected to unplanned stimuli.

''(b) CONTENT OF PROGRAM.—The program shall include safety criteria, safety procedures, and requirements to conform to those criteria and procedures.

''(c) REPORTING REQUIREMENT.—At the same time that the budget for a fiscal year is submitted to Congress under section 1105(a) of title 31, the Secretary shall submit to Congress a report on the insensitive munitions program. The report shall include the following matters:

''(1) The waivers of requirements referred to in subsection (b) that have been granted under the program during the fiscal year preceding fiscal year in which the report is submitted, together with a discussion of the justifications for the waivers.

''(2) Identification of the funding proposed for the program in that budget, together with an explanation of the proposed funding.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2404 the following new item:

''2405. Insensitive munitions program.''.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Organization and Management

SEC. 901. DEPUTY UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS.

(a) ESTABLISHMENT OF POSITION.—(1) Chapter 4 of title 10, United States Code, is amended by inserting after section 136 the following new section:

''§ 136a. Deputy Under Secretary of Defense for Personnel and Readiness

''(a) There is a Deputy Under Secretary of Defense for Personnel and Readiness, appointed from civilian life by the President, by and with the advice and consent of the Senate.

''(b) The Deputy Under Secretary of Defense for Personnel and Readiness shall assist the Under Secretary of Defense for Personnel and Readiness in the performance of the duties of that position. The Deputy Under Secretary of Defense for Personnel and Readiness shall act for, and exercise the powers of, the Under Secretary when the Under Secretary is absent or disabled.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 136 the following new item:

''136a. Deputy Under Secretary of Defense for Personnel and Readiness.''.

(b) EXECUTIVE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by inserting after ''Deputy Under Secretary of Defense for Policy.'' the following:

''Deputy Under Secretary of Defense for Personnel and Readiness.''.

(c) REDUCTION IN NUMBER OF ASSISTANT SECRETARIES OF DEFENSE.—(1) Section 138(a) of title 10, United States Code, is amended by striking ''nine'' and inserting ''eight''.

(2) Section 5315 of title 5, United States Code, is amended by striking ''Assistant Secretaries of Defense (9).'' and inserting the following:

''Assistant Secretaries of Defense (8).''.

SEC. 902. RESPONSIBILITY OF UNDER SECRETARY OF THE AIR FORCE FOR ACQUISITION OF SPACE LAUNCH VEHICLES AND SERVICES.

Section 8015(b) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)''; and

(2) by adding at the end the following new paragraph:

''(2) The Under Secretary shall be responsible for planning and contracting for, and for managing, the acquisition of space launch vehicles and space launch services for the Department of Defense and the National Reconnaissance Office.''.

SEC. 903. SENSE OF CONGRESS REGARDING THE SELECTION OF OFFICERS FOR ASSIGNMENT AS THE COMMANDER IN CHIEF, UNITED STATES TRANSPORTATION COMMAND.

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

(1) The Goldwater-Nichols Department of Defense Reorganization Act of 1986 envisioned that an officer would be assigned to serve as the commander of a combatant command on the basis of being the best qualified officer for the assignment rather than the best qualified officer of the armed force that has historically supplied an officer to serve in that assignment.

(2) In order to provide for greater competition among the Armed Forces for selection of officers for assignment as the commanders of the combatant commands and assignment to certain other joint positions in the grade of general or admiral, Congress provided

temporary relief from the limitation on the number of officers serving on active duty in the grade of general or admiral in section 405 of the National Defense Authorization Act for Fiscal Year 1995 and thereafter extended that relief until September 30, 2003, but has also required that the Secretary of Defense be furnished the name of at least one officer from each of the Armed Forces for consideration for appointment to each such position.

(3) Most of the positions of commanders of the combatant commands have been filled successively by officers of more than one of the Armed Forces since the enactment of the Goldwater-Nichols Department of Defense Reorganization Act of 1986.

(4) However, general officers of the Air Force with only limited experience in the transportation services have usually filled the position of Commander in Chief of the United States Transportation Command.

(5) The United States Transportation Command and its component commands could benefit from the appointment of an officer selected from the two armed forces that are the primary users of their transportation resources, namely the Army and the Marine Corps.

(b) SENSE OF CONGRESS.— In light of the findings set forth in subsection (a), it is the sense of Congress that the Secretary of Defense should, when considering officers for recommendation to the President for appointment as the Commander in Chief, United States Transportation Command, give careful consideration to recommending an officer of the Army or the Marine Corps.

SEC. 904. ORGANIZATIONAL REALIGNMENT FOR NAVY DIRECTOR FOR EXPEDITIONARY WARFARE.

Section 5038(a) of title 10, United States Code, is amended by striking ''Office of the Deputy Chief of Naval Operations for Resources, Warfare Requirements, and Assessments'' and inserting ''Office of the Deputy Chief of Naval Operations for Warfare Requirements and Programs''.

SEC. 905. REVISED REQUIREMENTS FOR CONTENT OF ANNUAL REPORT ON JOINT WARFIGHTING EXPERIMENTATION.

Section 485(b) of title 10, United States Code, is amended—

(1) by inserting before the period at the end of paragraph (1) the following: '', together with a specific assessment of whether there is a need for a major force program for funding joint warfighting experimentation and for funding the development and acquisition of any technology the value of which has been empirically demonstrated through such experimentation''; and

(2) in paragraph (4)(E)—

(A) by inserting ''(by lease or by purchase)'' after ''acquire''; and

(B) by inserting ''(including any prototype)'' after ''or equipment''.

SEC. 906. SUSPENSION OF REORGANIZATION OF ENGINEERING AND TECHNICAL AUTHORITY POLICY WITHIN THE NAVAL SEA SYSTEMS COMMAND.

(a) SUSPENSION.—During the period specified in subsection (b), the Secretary of the Navy may not commence or continue any change in engineering or technical authority policy for the Naval Sea Systems Command or its subsidiary activities.

(b) DURATION.—Subsection (a) applies during the period beginning on the date of enactment of this Act and ending 60 days after the date on which the Secretary submits to the congressional defense committees a report that sets forth in detail the Navy's plans and justification for the reorganization of engineering and technical authority policy within the Naval Sea Systems Command.

SEC. 907. CONFORMING AMENDMENTS RELATING TO CHANGE OF NAME OF AIR MOBILITY COMMAND.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended—

(1) by striking ''Military Airlift Command'' in sections 2554(d) and 2555(a) and inserting ''Air Mobility Command''; and

(2) in section 8074, by striking subsection (c).

(b) TITLE 37, UNITED STATES CODE.—Sections 430(c) and 432(b) of title 37, United States Code, are amended by striking ''Military Airlift Command'' and inserting ''Air Mobility Command''.

Subtitle B—Organization and Management of Space Activities

SEC 911. ESTABLISHMENT OF POSITION OF UNDER SECRETARY OF DEFENSE FOR SPACE, INTELLIGENCE, AND INFORMATION.

(a) AUTHORITY OF SECRETARY OF DEFENSE TO ESTABLISH POSITION.—Upon the direction of the President, the Secretary of Defense may, subject to subsection (b), establish in the Office of the Secretary of Defense the position of Under Secretary of Defense for Space, Intelligence, and Information. If the position is so established, the Under Secretary of Defense for Space, Intelligence, and Information shall perform duties and exercise powers as set forth under section 137 of title 10, United States Code, as amended by subsection (d).

(b) DEADLINE FOR EXERCISE OF AUTHORITY.—The Secretary may not exercise the authority in subsection (a) after December 31, 2003.

(c) NOTICE OF EXERCISE OF AUTHORITY.—If the authority in subsection (a) is exercised, the Secretary shall immediately notify Congress of the establishment of the position of Under Secretary of Defense for Space, Intelligence, and Information, together with the date on which the position is established.

(d) NATURE OF POSITION.—

(1) IN GENERAL.—Effective as of the date provided for in paragraph (7), chapter 4 of title 10, United States Code, is amended—

(A) by redesignating section 137 as section 139a and by transferring such section (as so redesignated) within such chapter so as to appear after section 139; and

(B) by inserting after section 136 the following new section 137:

''§ 137. Under Secretary of Defense for Space, Intelligence, and Information

''(a) There is an Under Secretary of Defense for Space, Intelligence, and Information, appointed from civilian life by the President, by and with the advice and consent of the Senate.

''(b) Subject to the authority, direction, and control of the Secretary of Defense, the Under Secretary of Defense for Space, Intelligence, and Information shall perform such duties and exercise such powers relating to the space, intelligence, and information programs and activities of the Department of Defense as the Secretary of Defense may prescribe. The duties and powers prescribed for the Under Secretary shall include the following:

''(1) In coordination with the Under Secretary of Defense for Policy, the establishment of policy on space.

''(2) In coordination with the Under Secretary of Defense for Acquisition, Technology, and Logistics, the acquisition of space systems.

''(3) The deployment and use of space assets.

''(4) The oversight of research, development, acquisition, launch, and operation of space, intelligence, and information assets.

''(5) The coordination of military intelligence activities within the Department.

''(6) The coordination of intelligence activities of the Department and the intelligence community in order to meet the long-term intelligence requirements of the United States.

''(7) The coordination of space activities of the Department with commercial and civilian space activities.

''(c) The Secretary of Defense shall designate the Under Secretary of Defense for Space, Intelligence, and Information as the Chief Information Officer of the Department of Defense under section 3506(a)(2)(B) of title 44.

''(d) The Under Secretary of Defense for Space, Intelligence, and Information takes precedence in the Department of Defense after the Under Secretary of Defense for Personnel and Readiness.''.

(2) ADDITIONAL ASSISTANT SECRETARY OF DEFENSE.—Section 138(a) of that title is amended by striking ''nine Assistant Secretaries of Defense'' and inserting ''ten Assistant Secretaries of Defense''.

(3) DUTIES OF ASSISTANT SECRETARIES OF DEFENSE FOR SPACE, INTELLIGENCE, AND INFORMATION.—Section 138(b) of that title is amended by adding at the end the following new paragraph:

''(7) Two of the Assistant Secretaries shall have as their principal duties supervision of activities relating to space, intelligence, and information. The Assistant Secretaries shall each report to the Under Secretary of Defense for Space, Intelligence, and Information in the performance of such duties.''.

(4) CONFORMING AMENDMENTS.—Section 131(b) of that title is amended—

(A) by redesignating paragraphs (6) through (11) as paragraphs (7) through (12), respectively; and

(B) by inserting after paragraph (5) the following new paragraph (6):

''(6) The Under Secretary of Defense for Space, Intelligence, and Information.''.

(5) PAY LEVELS.—(A) Section 5314 of title 5, United States Code, is amended by inserting after ''Under Secretary of Defense for Personnel and Readiness'' the following:

''Under Secretary of Defense for Space, Intelligence, and Information.''.

(B) Section 5315 of title 5, United States Code, is amended in the item relating to Assistant Secretaries of Defense by striking ''(9)'' and inserting ''(10)''.

(6) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 4 of title 10, United States Code, is amended—

(A) by striking the item relating to section 137 and inserting the following new item:

''137. Under Secretary of Defense for Space, Intelligence, and Information.''; and

(B) by inserting after the item relating to section 139 the following new item:

''139a. Director of Defense Research and Engineering.''.

(7) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as of the date specified in the notification provided by the Secretary of Defense to Congress under subsection (c) of the exercise of the authority in subsection (a).

(e) REPORT.—(1) Not later than 30 days before an exercise of the authority provided in subsection (a), the President shall submit to Congress a report on the proposed organization of the office of the Under Secretary of Defense for Space, Intelligence, and Information.

(2) If the Secretary of Defense has not exercised the authority granted in subsection (a)

on the date that is one year after the date of the enactment of this Act, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives on that date a report describing the actions taken by the Secretary to address the problems in the management and organization of the Department of Defense for space activities that are identified by the Commission To Assess United States National Security Space Management and Organization in the report of the Commission submitted under section 1623 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 815).

SEC. 912. RESPONSIBILITY FOR SPACE PROGRAMS.

(a) IN GENERAL.—Part IV of subtitle A of title 10, United States Code, is amended by inserting after chapter 134 the following new chapter:

"CHAPTER 135—SPACE PROGRAMS

''Sec.
''2271. Responsibility for space programs.

"§ 2271. Responsibility for space programs

''(a) RESPONSIBILITY OF SECRETARY OF AIR FORCE AS EXECUTIVE AGENT.—The Secretary of the Air Force shall be the executive agent of the Department of Defense for functions of the Department designated by the Secretary of Defense with respect to the following:

''(1) Planning for the acquisition programs, projects, and activities of the Department that relate to space.

''(2) Efficient execution of the programs, projects, and activities.

''(b) RESPONSIBILITY OF UNDER SECRETARY OF AIR FORCE AS ACQUISITION EXECUTIVE.—The Under Secretary of the Air Force shall be the acquisition executive of the Department of the Air Force for the programs, projects, and activities referred to in subsection (a).

''(c) RESPONSIBILITY OF UNDER SECRETARY OF AIR FORCE AS DIRECTOR OF NRO.—The Under Secretary of the Air Force shall act as the Director of the National Reconnaissance Office.

''(d) COORDINATION OF DUTIES OF UNDER SECRETARY OF AIR FORCE.—In carrying out duties under subsections (b) and (c), the Under Secretary of the Air Force shall coordinate the space programs, projects, and activities of the Department of Defense and the programs, projects, and activities of the National Reconnaissance Office.

''(e) SPACE CAREER FIELD.—(1) The Under Secretary of the Air Force shall establish and implement policies and procedures to develop a cadre of technically competent officers with the capability to develop space doctrine, concepts of space operations, and space systems for the Department of the Air Force.

''(2) The Secretary of the Air Force shall assign to the commander of Air Force Space Command primary responsibility for—

''(A) establishing and implementing education and training programs for space programs, projects, and activities of the Department of the Air Force; and

''(B) management of the space career field under paragraph (1).

''(f) JOINT PROGRAM MANAGEMENT.—The Under Secretary of the Air Force shall take appropriate actions to ensure that, to maximum extent practicable, Army, Navy, Marine Corps, and Air Force personnel are assigned, on a joint duty assignment basis, as follows:

''(1) To carry out the space development and acquisition programs of the Department of Defense; and

''(2) To the Office of the National Security Space Architect.''.

(b) CLERICAL AMENDMENT.—The tables of chapters at the beginning of such subtitle and at the beginning of part IV of such subtitle are amended by inserting after the item relating to chapter 134 the following new item:

"135. Space Programs ..... 2271".

SEC. 913. MAJOR FORCE PROGRAM CATEGORY FOR SPACE PROGRAMS.

(a) REQUIREMENT.—The Secretary of Defense shall create a major force program category for space programs for purposes of the future-years defense program under section 221 of title 10, United States Code.

(b) COMMENCEMENT.—The category created under subsection (a) shall be included in each future-years defense program submitted to Congress under section 221 of title 10, United States Code, in fiscal years after fiscal year 2002.

SEC. 914. ASSESSMENT OF IMPLEMENTATION OF RECOMMENDATIONS OF COMMISSION TO ASSESS UNITED STATES NATIONAL SECURITY SPACE MANAGEMENT AND ORGANIZATION.

(a) COMPTROLLER GENERAL ASSESSMENT.—The Comptroller General shall carry out an assessment of the progress made by the Department of Defense in implementing the recommendations of the Commission To Assess United States National Security Space Management and Organization as contained in the report of the Commission submitted under section 1623 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 815).

(b) REPORTS.—Not later than February 15 of each of 2002 and 2003, the Comptroller General shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the assessment carried out under subsection (a). Each report shall set forth the results of the assessment as of the date of such report.

SEC. 915. GRADE OF COMMANDER OF AIR FORCE SPACE COMMAND.

(a) IN GENERAL.—Chapter 845 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 8584. Commander of Air Force Space Command

''(a) GRADE.—The officer serving as commander of the Air Force Space Command shall, while so serving, have the grade of general.

''(b) LIMITATION ON CONCURRENT COMMAND ASSIGNMENTS.—The officer serving as commander of the Air Force Space Command may not, while so serving, serve as commander-in-chief of the United States Space Command (or any successor combatant command with responsibility for space) or as commander of the United States element of the North American Air Defense Command.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''8584. Commander of Air Force Space Command.''.

SEC. 916. SENSE OF CONGRESS REGARDING GRADE OF OFFICER ASSIGNED AS COMMANDER OF UNITED STATES SPACE COMMAND.

It is the sense of Congress that the Secretary of Defense should assign the best qualified officer of the Army, Marine Corps, or Air Force with the grade of general, or of the Navy with the grade of admiral, to the position of Commander of the United States Space Command.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2002 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. REDUCTION IN AUTHORIZATIONS OF APPROPRIATIONS FOR DEPARTMENT OF DEFENSE FOR MANAGEMENT EFFICIENCIES.

Notwithstanding any other provision of this Act, the total amount authorized to be appropriated for the Department of Defense by divisions A and B of this Act is hereby reduced by $1,630,000,000, to reflect savings to be achieved through implementation of the provisions of title VIII and other management efficiencies and business process reforms.

SEC. 1003. AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2001.

Amounts authorized to be appropriated to the Department of Defense for fiscal year 2001 in the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or both, in title I of the Supplemental Appropriations Act, 2001 (Public Law 107–20).

SEC. 1004. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2002.

(a) FISCAL YEAR 2002 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2002 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2001, of funds appropriated for fiscal years before fiscal year 2002 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $708,000 for the Civil Budget.

(2) Of the amount provided in section 301(1), $175,849,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term ''common-funded budgets of NATO'' means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term ''fiscal year 1998 baseline limitation'' means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1005. CLARIFICATION OF APPLICABILITY OF INTEREST PENALTIES FOR LATE PAYMENT OF INTERIM PAYMENTS DUE UNDER CONTRACTS FOR SERVICES.

Section 1010(d) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–251) is amended by inserting before the period at the end of the first sentence the following: '', and shall apply with respect to interim payments that are due on or after such date under contracts entered into before, on, or after that date''.

SEC. 1006. RELIABILITY OF DEPARTMENT OF DEFENSE FINANCIAL STATEMENTS.

(a) ANNUAL REPORT ON RELIABILITY.—(1) Not later than July 1 of each year, the Secretary of Defense shall submit to the recipients referred to in paragraph (3) a report on the reliability of the Department of Defense financial statements, including the financial statements of each component of the department that is required to prepare a financial statement under section 3515(c) of title 31, United States Code.

(2) The annual report shall contain the following:

(A) A conclusion regarding whether the policies and procedures of the Department of Defense, and the systems used within the Department of Defense, for the preparation of financial statements allow the achievement of reliability in the financial statements.

(B) For each of the financial statements prepared for the Department of Defense for the fiscal year in which the report is submitted, a conclusion regarding the expected reliability of the financial statement (evaluated on the basis of Office of Management and Budget guidance on financial statements), together with a discussion of the major deficiencies to be expected in the statement.

(C) A summary of the specific sections of the annual Financial Management Improvement Plan of the Department of Defense, current as of the date of the report, that—

(i) detail the priorities, milestones, and measures of success that apply to the preparation of the financial statements;

(ii) detail the planned improvements in the process for the preparation of financial statements that are to be implemented within 12 months after the date on which the plan is issued; and

(iii) provide an estimate of when each financial statement will convey reliable information.

(3) The annual report shall be submitted to the following:

(A) The Committee on Armed Services and the Committee on Governmental Affairs of the Senate.

(B) The Committee on Armed Services and the Committee on Government Reform of the House of Representatives.

(C) The Director of the Office of Management and Budget.

(D) The Secretary of the Treasury.

(E) The Comptroller General of the United States.

(4) The Secretary of Defense shall make a copy of the annual report available to the Inspector General of the Department of Defense.

(b) MINIMIZATION OF USE OF RESOURCES FOR UNRELIABLE FINANCIAL STATEMENTS.—(1) With respect to each financial statement for a fiscal year that the Secretary of Defense assesses as being expected to be unreliable in the annual report under subsection (a), the Under Secretary of Defense (Comptroller) or the Assistant Secretary (Financial Management and Comptroller) of the military department concerned shall take appropriate actions to minimize the resources, including contractor support, that are used to develop, compile, and report the financial statement.

(2)(A) With the annual budget justifications for the Department of Defense submitted to Congress each year, the Under Secretary of Defense (Comptroller) shall submit, with respect to the fiscal year in which submitted, the preceding fiscal year, and the following fiscal year, the following information:

(i) An estimate of the resources that the Department of Defense is saving or expects to save as a result of actions taken and to be taken under paragraph (1) with respect to the preparation of financial statements.

(ii) A discussion of how the resources saved as estimated under clause (i) have been redirected or are to be redirected from the preparation of financial statements to the improvement of systems underlying financial management within the Department of Defense and to the improvement of financial management policies, procedures, and internal controls within the Department of Defense.

(B) The Assistant Secretaries (Financial Management and Comptroller) of the Army, Navy, and Air Force shall provide the Under Secretary of Defense (Comptroller) with the information necessary for making the estimate required by subparagraph (A)(i).

(c) INFORMATION TO AUDITORS.—Not later than October 31 of each year, the Under Secretary of Defense (Comptroller) and the Assistant Secretaries (Financial Management and Comptroller) of the Army, Navy, and Air Force shall each provide to the auditors of the financial statement of that official's department for the fiscal year ending during the preceding month the official's preliminary management representation, in writing, regarding the expected reliability of the financial statement. The representation shall be consistent with guidance issued by the Director of the Office of Management and Budget and shall include the basis for the reliability assessment stated in the representation.

(d) LIMITATION ON INSPECTOR GENERAL AUDITS.—(1) On each financial statement that an official asserts is unreliable under subsection (b) or (c), the Inspector General of the Department of Defense shall only perform the audit procedures required by generally accepted government auditing standards consistent with any representation made by management.

(2)(A) With the annual budget justifications for the Department of Defense submitted to Congress each year, the Under Secretary of Defense (Comptroller) shall submit, with respect to the fiscal year in which submitted, the preceding fiscal year, and the following fiscal year, information which the Inspector General shall report to the Under Secretary, as follows:

(i) An estimate of the resources that the Inspector General is saving or expects to save as a result of actions taken and to be taken under paragraph (1) with respect to the auditing of financial statements.

(ii) A discussion of how the resources saved as estimated under clause (i) have been redirected or are to be redirected from the auditing of financial statements to the oversight and improvement of systems underlying financial management within the Department of Defense and to the oversight and improvement of financial management policies, procedures, and internal controls within the Department of Defense.

(e) PERIOD OF APPLICABILITY.—(1) Except as provided in paragraph (2), the requirements of this section shall apply with respect to financial statements for fiscal years after fiscal year 2000 and before fiscal year 2006 and to the auditing of those financial statements.

(2) If the Secretary of Defense certifies to the Inspector General of the Department of Defense that the financial statement for the Department of Defense, or a financial statement for a component of the Department of Defense, for a fiscal year is reliable, this section shall not apply with respect to that financial statement or to any successive financial statement for the department or that component, as the case may be, for any later fiscal year.

SEC. 1007. FINANCIAL MANAGEMENT MODERNIZATION EXECUTIVE COMMITTEE AND FINANCIAL FEEDER SYSTEMS COMPLIANCE PROCESS.

(a) ESTABLISHMENT OF FINANCIAL MANAGEMENT MODERNIZATION EXECUTIVE COMMITTEE.—(1) The Secretary of Defense shall establish a Financial Management Modernization Executive Committee.

(2) The Committee shall be composed of the Under Secretary of Defense (Comptroller), the Under Secretary of Defense (Acquisition, Technology, and Logistics), the Under Secretary of Defense (Personnel and Readiness), the chief information officer of the Department of Defense, and other key managers of the Department of Defense (including key managers in Defense Agencies and military departments) who are designated by the Secretary.

(3) The Under Secretary of Defense (Comptroller) shall be the Chairman of the Committee.

(4) The Committee shall be accountable to the Senior Executive Council composed of

the Secretary of Defense, the Deputy Secretary of Defense, the Under Secretary of Defense for Acquisition, Technology, and Logistics, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force.

(b) DUTIES.—The Financial Management Modernization Executive Committee shall have the following duties:

(1) To establish a financial and feeder systems compliance process that ensures that each critical accounting, financial management, and feeder system of the Department of Defense is compliant with applicable Federal financial management and reporting requirements.

(2) To develop a management plan for the implementation of the financial and feeder systems compliance process.

(3) To supervise and monitor the actions that are necessary to implement the management plan, as approved by the Secretary of Defense.

(4) To ensure that a Department of Defense financial management enterprise architecture is development and maintained in accordance with—

(A) the overall business process transformation strategy of the Department; and

(B) the Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance Architecture Framework of the Department.

(5) To ensure that investments in existing or proposed financial management systems for the Department comply with the overall business practice transformation strategy of the Department and the financial management enterprise architecture developed under paragraph (4).

(6) To provide an annual accounting of all financial and feeder system investment technology projects to ensure that such projects are being implemented at acceptable cost and within a reasonable schedule, and are contributing to tangible, observable improvements in mission performance.

(c) MANAGEMENT PLAN FOR IMPLEMENTATION OF FINANCIAL FEEDER SYSTEMS COMPLIANCE PROCESS.—The management plan developed under subsection (b)(2) shall include among its principal elements at least the following elements:

(1) A requirement to establish and maintain a complete inventory of all budgetary, accounting, finance, and feeder systems that support the transformed business processes of the Department and produce financial statements.

(2) A phased process for improving systems that provides for mapping financial data flow from sources to cognizant Department business functions (as part of the overall business process transformation strategy of the Department) and financial statements before other actions are initiated.

(3) Periodic submittal to the Secretary of Defense, the Deputy Secretary of Defense, the Senior Executive Council, or any combination thereof, of reports on the progress being made in achieving financial management transformation goals and milestone included in the annual financial management improvement plan in 2002 in accordance with subsection (e).

(4) Documentation of the completion of each phase—Awareness, Evaluation, Renovation, Validation, and Compliance—of improvements made to each accounting, finance, and feeder system.

(5) Independent audit by the Inspector General of the Department, the audit agencies of the military department, private sector firms contracted to conduct validation audits, or any combination thereof, at the validation phase for each accounting, finance, and feeder system.

(d) ANNUAL FINANCIAL MANAGEMENT IMPROVEMENT PLAN.—(1) Subsection (a) of section 2222 of title 10, United States Code, is amended to read as follows:

''(a) ANNUAL PLAN REQUIRED.—The Secretary of Defense shall submit to Congress an annual strategic plan for the improvement of financial management within the Department of Defense. The plan shall be submitted not later than September 30 each year.''.

(2)(A) The section heading of such section is amended to read as follows:

''§ 2222. Annual financial management improvement plan''.

(B) The table of sections at the beginning of chapter 131 of such title is amended by striking the item relating to section 2222 and inserting the following new item:

''2222. Annual financial management improvement plan.''.

(e) ADDITIONAL ELEMENTS FOR FINANCIAL MANAGEMENT IMPROVEMENT PLAN IN 2002.—In the annual financial management improvement plan submitted under section 2222 of title 10, United States Code (as amended by subsection (d)), in 2002, the Secretary shall include the following:

(1) Measurable annual performance goals for improvement of the financial management of the Department.

(2) Performance milestones for initiatives under the plan for transforming the financial management operations of the Department and for implementing a financial management architecture for the Department.

(3) An assessment of the anticipated annual cost of any plans for transforming the financial management operations of the Department and for implementing a financial management architecture for the Department.

(4) A discussion of the following:

(A) The roles and responsibilities of appropriate Department officials to ensure the supervision and monitoring of the compliance of each accounting, finance, and feeder system of the Department with the business practice transformation strategy of the Department, the financial management architecture of the Department, and applicable Federal financial management systems and reporting requirements.

(B) A summary of the actions taken by the Financial Management Modernization Executive Committee to ensure that such systems comply with the business practice transformation strategy of the Department, the financial management architecture of the Department, and applicable Federal financial management systems and reporting requirements.

(f) ADDITIONAL ELEMENTS FOR FINANCIAL MANAGEMENT IMPROVEMENT PLAN AFTER 2002.—In each annual financial management improvement plan submitted under section 2222 of title 10, United States Code (as amended by subsection (d)), after 2002, the Secretary shall include the following:

(1) A description of the actions to be taken in the fiscal year beginning in the year in which the plan is submitted to implement the goals and milestones included in the financial management improvement plan in 2002 under paragraphs (1) and (2) of subsection (e).

(2) An estimate of the amount expended in the fiscal year ending in the year in which the plan is submitted to implement the financial management improvement plan in such preceding calendar year, set forth by system.

(3) If an element of the financial management improvement plan submitted in the fiscal year ending in the year in which the plan is submitted was not implemented, a justification for the lack of implementation of such element.

SEC. 1008. COMBATING TERRORISM READINESS INITIATIVES FUND FOR COMBATANT COMMANDS.

(a) FUNDING FOR INITIATIVES.—Chapter 6 of title 10, United States Code, is amended by inserting after section 166a the following new section:

''§ 166b. Combatant commands: funding for combating terrorism readiness initiatives

''(a) COMBATING TERRORISM READINESS INITIATIVES FUND.—From funds made available in any fiscal year for the budget account in the Department of Defense known as the 'Combating Terrorism Readiness Initiatives Fund', the Chairman of the Joint Chiefs of Staff may provide funds to the commander of a combatant command, upon the request of the commander, or, with respect to a geographic area or areas not within the area of responsibility of a commander of a combatant command, to an officer designated by the Chairman of the Joint Chiefs of Staff for such purpose. The Chairman may provide such funds for initiating any activity named in subsection (b) and for maintaining and sustaining the activity for the fiscal year in which initiated and one additional fiscal year.

''(b) AUTHORIZED ACTIVITIES.—Activities for which funds may be provided under subsection (a) are the following:

''(1) Procurement and maintenance of physical security equipment.

''(2) Improvement of physical security sites.

''(3) Under extraordinary circumstances—

''(A) physical security management planning;

''(B) procurement and support of security forces and security technicians;

''(C) security reviews and investigations and vulnerability assessments; and

''(D) any other activity relating to physical security.

''(c) PRIORITY.—The Chairman of the Joint Chiefs of Staff, in considering requests for funds in the Combating Terrorism Readiness Initiatives Fund, should give priority consideration to emergency or emergent unforeseen high-priority requirements for combating terrorism.

''(d) RELATIONSHIP TO OTHER FUNDING.—Any amount provided by the Chairman of the Joint Chiefs of Staff for a fiscal year out of the Combating Terrorism Readiness Initiatives Fund for an activity referred to in subsection (b) shall be in addition to amounts otherwise available for that activity for that fiscal year.

''(e) LIMITATION.—Funds may not be provided under this section for any activity that has been denied authorization by Congress.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 166a the following new item:

''166b. Combatant commands: funding for combating terrorism readiness initiatives.''.

SEC. 1009. AUTHORIZATION OF ADDITIONAL FUNDS.

(a) Authorization.—$1,300,000,000 is hereby authorized, in addition to the funds authorized elsewhere in division A of this Act, for whichever of the following purposes the President determines to be in the national security interests of the United States—

(1) research, development, test and evaluation for ballistic missile defense; and

(2) activities for combating terrorism.

SEC. 1010. AUTHORIZATION OF 2001 EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT FOR RECOVERY FROM AND RESPONSE TO TERRORIST ATTACKS ON THE UNITED STATES.

(a) AUTHORIZATION.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2001 in the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398) are hereby adjusted by the amounts of appropriations made available to the Department of Defense pursuant to the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States.

(b) QUARTERLY REPORT.—(1) Promptly after the end of each quarter of a fiscal year, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the use of funds made available to the Department of Defense pursuant to the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States.

(2) The first report under paragraph (1) shall be submitted not later than January 2, 2002.

(c) PROPOSED ALLOCATION AND PLAN.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than 15 days after the date on which the Director of the Office of Management and Budget submits to the Committees on Appropriations of the Senate and House of Representatives the proposed allocation and plan required by the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, a proposed allocation and plan for the use of the funds made available to the Department of Defense pursuant to that Act.

Subtitle B—Strategic Forces

SEC. 1011. REPEAL OF LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.

Section 1302 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1948) is repealed.

SEC. 1012. BOMBER FORCE STRUCTURE.

(a) LIMITATION.—None of the funds available to the Department of Defense for fiscal year 2002 may be obligated or expended for retiring or dismantling any of the 93 B–1B Lancer bombers in service as of June 1, 2001, or for transferring or reassigning any of those aircraft from the unit or facility to which assigned as of that date, until 30 days after the latest of the following:

(1) The date on which the President transmits to Congress the national security strategy report required in 2001 pursuant to section 108(a)(1) of the National Security Act of 1947 (50 U.S.C. 404a(a)(1)).

(2) The date on which the Secretary of Defense submits to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives the Quadrennial Defense Review (QDR) under section 118 of title 10, United States Code, that is required to be submitted under that section not later than September 30, 2001.

(3) The date on which the Secretary of Defense submits to the committees referred to in paragraph (2) a report that sets forth—

(A) the changes in national security considerations from those applicable to the air force bomber studies conducted during 1992, 1995, and 1999 that warrant changes in the current configuration of the bomber fleet;

(B) the role of manned bomber aircraft appropriate to meet the requirements of the national security strategy referred to in paragraph (1);

(C) the amount and type of bomber force structure in the United States Air Force appropriate to meet the requirements of the national security strategy referred to in paragraph (1);

(D) the results of a comparative analysis of the cost of basing, maintaining, operating, and upgrading the B–1B Lancer bomber fleet in the active force of the Air Force with the cost of basing, maintaining, operating, and upgrading the B–1B Lancer bomber fleet in a mix of active and reserve component forces of the Air Force; and

(E) the plans of the Department of Defense for assigning new missions to the National Guard units that currently fly B–1 aircraft and for the transition of those units and their facilities from the current B–1 mission to such new missions.

(4) The date on which the Secretary of Defense submits to Congress the report on the results of the Revised Nuclear Posture Review conducted under section 1042 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–262), as amended by section 1013 of this Act.

(b) GAO STUDY AND REPORT.—The Comptroller General of the United States shall conduct a study on the matters specified in subsection (a)(3). The Comptroller General shall submit to Congress a report containing the results of the study not later than January 31, 2002.

(c) AMOUNT AND TYPE OF BOMBER FORCE STRUCTURE DEFINED.—In this section, the term ''amount and type of bomber force structure'' means the required numbers of B–2 aircraft, B–52 aircraft, and B–1 aircraft consistent with the requirements of the national security strategy referred to in subsection (a)(1).

SEC. 1013. ADDITIONAL ELEMENT FOR REVISED NUCLEAR POSTURE REVIEW.

Section 1041(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–262) is amended by adding at the end the following new paragraph:

''(7) The possibility of deactivating or dealerting nuclear warheads or delivery systems immediately, or immediately after a decision to retire any specific warhead, class of warheads, or delivery system or systems.''.

Subtitle C—Reporting Requirements

SEC. 1021. INFORMATION AND RECOMMENDATIONS ON CONGRESSIONAL REPORTING REQUIREMENTS APPLICABLE TO THE DEPARTMENT OF DEFENSE.

(a) COMPILATION OF REPORTING REQUIREMENTS.—The Secretary of Defense shall compile a list of all provisions of law in effect on the date of the enactment of this Act that require or request the President, with respect to the national defense functions of the Federal Government, or any officer or employee of the Department of Defense, to submit a report, notification, or study to Congress or any committee of Congress. The preceding sentence does not apply to a provision of law that requires or requests only one report, notification, or study.

(b) SUBMITTAL OF COMPILATION.—(1) The Secretary shall submit the list compiled under subsection (a) to Congress not later than 60 days after the date of the enactment of this Act.

(2) In submitting the list, the Secretary shall specify for each provision of law compiled in the list—

(A) the date of the enactment of such provision of law and a current citation in law for such provision of law; and

(B) the Secretary's assessment of the continuing utility of any report, notification, or study arising under such provision of law, both for the executive branch and for Congress.

(3) The Secretary may also include with the list any recommendations that the Secretary considers appropriate for the consolidation of reports, notifications, and studies under the provisions of law described in subsection (a), together with a proposal for legislation to implement such recommendations.

SEC. 1022. REPORT ON COMBATING TERRORISM.

(a) REQUIREMENT FOR REPORT.—The Secretary of Defense shall submit to Congress a report on the Department of Defense policies, plans, and procedures for combating terrorism.

(b) CONTENT.—(1) The Secretary shall identify and explain in the report the Department of Defense structure, strategy, roles, relationships, and responsibilities for combating terrorism.

(2) The report shall also include a discussion of the following matters:

(A) The policies, plans, and procedures relating to how the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict and the Joint Task Force–Civil Support of the Joint Forces Command are to perform, and coordinate the performance of, their functions for combating terrorism with—

(i) the various teams in the Department of Defense that have responsibilities to respond to acts or threats of terrorism, including—

(I) the weapons of mass destruction civil support teams when operating as the National Guard under the command of the Governor of a State, the Governor of Puerto Rico, or the Commanding General of the District of Columbia National Guard, as the case may be; and

(II) the weapons of mass destruction civil support teams when operating as the Army National Guard of the United States or the Air National Guard of the United States under the command of the President;

(ii) the Army's Director of Military Support;

(iii) the various teams in other departments and agencies of the Federal Government that have responsibilities to respond to acts or threats of terrorism;

(iv) the organizations outside the Federal Government, including any private sector entities, that are to function as first responders to acts or threats of terrorism; and

(v) the units and organizations of the reserve components of the Armed Forces that have missions relating to combating terrorism.

(B) Any preparedness plans to combat terrorism that are developed for installations of the Department of Defense by the commanders of the installations and the integration of those plans with the plans of the teams and other organizations described in subparagraph (A).

(C) The policies, plans, and procedures for using and coordinating the Joint Staff's integrated vulnerability assessment teams inside the United States and outside the United States.

(D) The missions of Fort Leonard Wood and other installations for training units, weapons of mass destruction civil support teams and other teams, and individuals in combating terrorism.

(3) The report shall also include the Secretary's views on the appropriate number and missions of the Department of Defense teams referred to in paragraph (2)(A)(i).

(c) TIME FOR SUBMITTAL.—The Secretary shall submit the report under this section not later than 180 days after the date of the enactment of this Act.

SEC. 1023. REVISED REQUIREMENT FOR CHAIRMAN OF THE JOINT CHIEFS OF STAFF TO ADVISE SECRETARY OF DEFENSE ON THE ASSIGNMENT OF ROLES AND MISSIONS TO THE ARMED FORCES.

(a) ASSESSMENT DURING DEFENSE QUADRENNIAL REVIEW.—Subsection 118(e) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' after ''(e) CJCS REVIEW.—''; and

(2) by adding at the end the following new paragraph:

''(2) The Chairman shall include in the assessment submitted under paragraph (1), the Chairman's assessment of the assignment of functions (or roles and missions) to the armed forces together with any recommendations for changes in assignment that the Chairman considers necessary to achieve the maximum efficiency of the armed forces. In making the assessment, the Chairman should consider (among other matters) the following:

''(A) Unnecessary duplication of effort among the armed forces.

''(B) Changes in technology that can be applied effectively to warfare.''.

(b) REPEAL OF REQUIREMENT FOR TRIENNIAL REPORT ON ASSIGNMENT OF ROLES AND MISSIONS.—Section 153 of such title is amended by striking subsection (b).

(c) CONFORMING AMENDMENT.—Subsection (a) of such section 153 is amended by striking ''(a) PLANNING; ADVICE; POLICY FORMULATION.—''.

SEC. 1024. REVISION OF DEADLINE FOR ANNUAL REPORT ON COMMERCIAL AND INDUSTRIAL ACTIVITIES.

Section 2461(g) of title 10, United States Code, is amended by striking ''February 1'' and inserting ''June 30''.

SEC. 1025. PRODUCTION AND ACQUISITION OF VACCINES FOR DEFENSE AGAINST BIOLOGICAL WARFARE AGENTS.

(a) GOVERNMENT FACILITY.—(1) Subject to the availability of funds appropriated and authorized to be appropriated for such purposes, the Secretary of Defense may—

(A) design, construct, and operate on an installation of the Department of Defense a facility for the production of vaccines described in subsection (b)(1);

(B) qualify and validate the facility for the production of vaccines in accordance with the requirements of the Food and Drug Administration; and

(C) contract with a private sector source for the production of vaccines in that facility.

(2) The Secretary shall use competitive procedures under chapter 137 of title 10, United States Code, to enter into contracts to carry out subparagraphs (A) and (C) of paragraph (1).

(b) PLAN.—(1) The Secretary of Defense shall develop a long-range plan to provide for the production and acquisition of vaccines to meet the requirements of the Department of Defense to prevent or mitigate the physiological effects of exposure to biological warfare agents.

(2) The plan shall include the following:

(A) An evaluation of the need for one or more vaccine production facilities that are specifically dedicated to meeting the requirements of the Department of Defense and other national interests.

(B) An evaluation of the alternative options for the means of production of the vaccines, including—

(i) use of public facilities, private facilities, or a combination of public and private facilities; and

(ii) management and operation of the facilities by the Federal Government, one or more private persons, or a combination of the Federal Government and one or more private persons.

(C) The means for producing the vaccines that the Secretary determines most appropriate.

(3) The Secretary shall ensure that the plan is consistent with the requirement for safe and effective vaccines approved by the Food and Drug Administration.

(4) In preparing the plan, the Secretary shall—

(A) consider and, as the Secretary determines appropriate, include the information compiled and the analyses developed in meeting the reporting requirements set forth in sections 217 and 218 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–36 and 1654A–37); and

(B) consult with the heads of other appropriate departments and agencies of the Federal Government.

(c) REPORT.—Not later than February 1, 2002, the Secretary of Defense shall submit to the congressional defense committees a report on the plan for the production of vaccines required by subsection (b). The report shall include, at a minimum, the plan and the following matters:

(1) A description of the policies and requirements of the Department of Defense regarding acquisition and use of the vaccines.

(2) The estimated schedule for the acquisition of the vaccines in accordance with the plan.

(3) A discussion of the options considered for production of the vaccines under subsection (b)(2)(B).

(4) The Secretary's recommendations for the most appropriate course of action to meet the requirements described in subsection (b)(1), together with the justification for the recommendations and the long-term cost of implementing the recommendations.

SEC. 1026. EXTENSION OF TIMES FOR COMMISSION ON THE FUTURE OF THE UNITED STATES AEROSPACE INDUSTRY TO REPORT AND TO TERMINATE.

(a) SUBMITTAL OF REPORT.—Subsection (d) of section 1092 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–302) is amended by striking ''Not later than March 1, 2002,'' and inserting ''Not later than one year after the date of its first meeting,''.

(b) TERMINATION.—Subsection (g) of such section is amended by striking ''30 days'' and inserting ''60 days''.

SEC. 1027. COMPTROLLER GENERAL STUDY AND REPORT ON INTERCONNECTIVITY OF NATIONAL GUARD DISTRIBUTIVE TRAINING TECHNOLOGY PROJECT NETWORKS AND RELATED PUBLIC AND PRIVATE NETWORKS.

(a) STUDY REQUIRED.—The Comptroller General of the United States shall conduct a study of the interconnectivity between the voice, data, and video networks of the National Guard Distributive Training Technology Project (DTTP) and other Department of Defense, Federal, State, and private voice, data, and video networks, including the networks of the distance learning project of the Army known as Classroom XXI, networks of public and private institutions of higher education, and networks of the Federal Emergency Management Agency and other Federal, State, and local emergency preparedness and response agencies.

(b) PURPOSES.—The purposes of the study under subsection (a) are as follows:

(1) To identify existing capabilities, and future requirements, for transmission of voice, data, and video for purposes of operational support of disaster response, homeland defense, command and control of premobilization forces, training of military personnel, training of first responders, and shared use of the networks of the Distributive Training Technology Project by government and members of the networks.

(2) To identify appropriate connections between the networks of the Distributive Training Technology Project and networks of the Federal Emergency Management Agency, State emergency management agencies, and other Federal and State agencies having disaster response functions.

(3) To identify requirements for connectivity between the networks of the Distributive Training Technology Project and other Department of Defense, Federal, State, and private networks referred to in subsection (a) in the event of a significant disruption of providers of public services.

(4) To identify means of protecting the networks of the Distributive Training Technology Project from outside intrusion, including an assessment of the manner in which so protecting the networks facilitates the mission of the National Guard and homeland defense.

(5) To identify impediments to interconnectivity between the networks of the Distributive Training Technology Project and such other networks.

(6) To identify means of improving interconnectivity between the networks of the Distributive Training Technology Project and such other networks.

(c) PARTICULAR MATTERS.—In conducting the study, the Comptroller General shall consider, in particular, the following:

(1) Whether, and to what extent, national security concerns impede interconnectivity between the networks of the Distributive Training Technology Project and other Department of Defense, Federal, State, and private networks referred to in subsection (a).

(2) Whether, and to what extent, limitations on the technological capabilities of the Department of Defense impede interconnectivity between the networks of the Distributive Training Technology Project and such other networks.

(3) Whether, and to what extent, other concerns or limitations impede interconnectivity between the networks of the Distributive Training Technology Project and such other networks.

(4) Whether, and to what extent, any national security, technological, or other concerns justify limitations on interconnectivity between the networks of the Distributive Training Technology Project and such other networks.

(5) Potential improvements in National Guard or other Department technologies in order to improve interconnectivity between the networks of the Distributive Training Technology Project and such other networks.

(d) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study conducted under subsection (a). The report shall describe the results of the study, and include any recommendations that the Comptroller General considers appropriate in light of the study.

Subtitle D—Armed Forces Retirement Home

SEC. 1041. AMENDMENT OF ARMED FORCES RETIREMENT HOME ACT OF 1991.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Armed Forces Retirement Home Act of 1991 (title XV of Public Law 101–510; 24 U.S.C. 401 et seq.).

SEC. 1042. DEFINITIONS.

Section 1502 (24 U.S.C. 401) is amended—

(1) by striking paragraphs (1), (2), (3), (4), and (5), and inserting the following:

''(1) The term 'Retirement Home' includes the institutions established under section 1511, as follows:

''(A) The Armed Forces Retirement Home—Washington.

''(B) The Armed Forces Retirement Home—Gulfport.

''(2) The term 'Local Board' means a Local Board of Trustees established under section 1516.

''(3) The terms 'Armed Forces Retirement Home Trust Fund' and 'Fund' mean the Armed Forces Retirement Home Trust Fund established under section 1519(a).'';

(2) by redesignating paragraphs (6), (7), and (8) as paragraphs (4), (5), and (6); and

(3) in paragraph (5), as so redesignated—

(A) in subparagraph (C), by striking '', Manpower and Personnel'' and inserting ''for Personnel''; and

(B) in subparagraph (D), by striking ''with responsibility for personnel matters'' and inserting ''for Manpower and Reserve Affairs''.

SEC. 1043. REVISION OF AUTHORITY ESTABLISHING THE ARMED FORCES RETIREMENT HOME.

Section 1511 (24 U.S.C. 411) is amended to read as follows:

''SEC. 1511. ESTABLISHMENT OF THE ARMED FORCES RETIREMENT HOME.

''(a) INDEPENDENT ESTABLISHMENT.—The Armed Forces Retirement Home is an independent establishment in the executive branch.

''(b) PURPOSE.—The purpose of the Retirement Home is to provide, through the Armed Forces Retirement Home—Washington and the Armed Forces Retirement Home—Gulfport, residences and related services for certain retired and former members of the Armed Forces.

''(c) FACILITIES.—(1) Each facility of the Retirement Home referred to in paragraph (2) is a separate establishment of the Retirement Home.

''(2) The United States Soldiers' and Airmen's Home is hereby redesignated as the Armed Forces Retirement Home—Washington. The Naval Home is hereby redesignated as the Armed Forces Retirement Home—Gulfport.

''(d) OPERATION.—(1) The Chief Operating Officer of the Armed Forces Retirement Home is the head of the Retirement Home. The Chief Operating Officer is subject to the authority, direction, and control of the Secretary of Defense.

''(2) Each facility of the Retirement Home shall be maintained as a separate establishment of the Retirement Home for administrative purposes and shall be under the authority, direction, and control of the Director of that facility. The Director of each facility of the Retirement Home is subject to the authority, direction, and control of the Chief Operating Officer.

''(e) PROPERTY AND FACILITIES.—(1) The Retirement Home shall include such property and facilities as may be acquired under paragraph (2) or accepted under section 1515(f) for inclusion in the Retirement Home.

''(2) The Secretary of Defense may acquire, for the benefit of the Retirement Home, property and facilities for inclusion in the Retirement Home.

''(3) The Secretary of Defense may dispose of any property of the Retirement Home, by sale, lease, or otherwise, that the Secretary determines is excess to the needs of the Retirement Home. The proceeds from such a disposal of property shall be deposited in the Armed Forces Retirement Home Trust Fund. No such disposal of real property shall be effective earlier than 120 days after the date on which the Secretary transmits a notification of the proposed disposal to the Committees on Armed Services of the Senate and the House of Representatives.

''(f) DEPARTMENT OF DEFENSE SUPPORT.—The Secretary of Defense may make available from the Department of Defense to the Retirement Home, on a nonreimbursable basis, administrative support and office services, legal and policy planning assistance, access to investigative facilities of the Inspector General of the Department of Defense and of the military departments, and any other support necessary to enable the Retirement Home to carry out its functions under this title.

''(g) ACCREDITATION.—The Chief Operating Officer shall endeavor to secure for each facility of the Retirement Home accreditation by a nationally recognized civilian accrediting organization, such as the Continuing Care Accreditation Commission and the Joint Commission for Accreditation of Health Organizations.

''(h) ANNUAL REPORT.—The Secretary of Defense shall transmit to Congress an annual report on the financial and other affairs of the Retirement Home for each fiscal year.''.

SEC. 1044. CHIEF OPERATING OFFICER.

(a) ESTABLISHMENT AND AUTHORITY OF POSITION.—Section 1515 (24 U.S.C. 415) is amended to read as follows:

''SEC. 1515. CHIEF OPERATING OFFICER.

''(a) APPOINTMENT.—(1) The Secretary of Defense shall appoint the Chief Operating Officer of the Retirement Home. The Secretary of Defense may make the appointment without regard to the provisions of title 5, United States Code, governing appointments in the civil service.

''(2) The Chief Operating Officer shall serve at the pleasure of the Secretary of Defense.

''(3) The Secretary of Defense shall evaluate the performance of the Chief Operating Officer at least once each year.

''(b) QUALIFICATIONS.—To qualify for appointment as the Chief Operating Officer, a person shall—

''(1) be a continuing care retirement community professional;

''(2) have appropriate leadership and management skills; and

''(3) have experience and expertise in the operation and management of retirement homes and in the provision of long-term medical care for older persons.

''(c) RESPONSIBILITIES.—(1) The Chief Operating Officer shall be responsible to the Secretary of Defense for the overall direction, operation, and management of the Retirement Home and shall report to the Secretary on those matters.

''(2) The Chief Operating Officer shall supervise the operation and administration of the Armed Forces Retirement Home—Washington and the Armed Forces Retirement Home—Gulfport, including the Local Boards of those facilities.

''(3) The Chief Operating Officer shall perform the following duties:

''(A) Issue, and ensure compliance with, appropriate rules for the operation of the Retirement Home.

''(B) Periodically visit, and inspect the operation of, the facilities of the Retirement Home.

''(C) Periodically examine and audit the accounts of the Retirement Home.

''(D) Establish any advisory body or bodies that the Chief Operating Officer considers to be necessary.

''(d) COMPENSATION.—(1) The Secretary of Defense may prescribe the pay of the Chief Operating Officer without regard to the provisions of title 5, United States Code, governing classification and pay, except that the basic pay, including locality pay, of the Chief Operating Officer may not exceed the limitations established in section 5307 of such title.

''(2) In addition to basic pay and any locality pay prescribed for the Chief Operating Officer, the Secretary may award the Chief Operating Officer, not more than once each year, a bonus based on the performance of the Chief Operating Officer for the year. The Secretary shall prescribe the amount of any such bonus.

''(e) ADMINISTRATIVE STAFF.—(1) The Chief Operating Officer may, subject to the approval of the Secretary of Defense, appoint a staff to assist in the performance of the Chief Operating Officer's duties in the overall administration of the Retirement Home.

''(2) The Chief Operating Officer shall prescribe the rates of pay applicable to the members of the staff appointed under paragraph (1), without regard to the provisions of title 5, United States Code, regarding classification and pay, except that—

''(A) a staff member who is a member of the Armed Forces on active duty or who is a full-time officer or employee of the United States may not receive additional pay by reason of service on the administrative staff; and

''(B) the limitations in section 5373 of title 5, United States Code, relating to pay set by administrative action, shall apply to the rates of pay prescribed under this paragraph.

''(f) ACCEPTANCE OF GIFTS.—(1) The Chief Operating Officer may accept gifts of money, property, and facilities on behalf of the Retirement Home.

''(2) Monies received as gifts, or realized from the disposition of property and facilities received as gifts, shall be deposited in the Armed Forces Retirement Home Trust Fund.''.

(b) TRANSFER OF AUTHORITIES.—(1) The following provisions are amended by striking ''Retirement Home Board'' each place it appears and inserting ''Chief Operating Officer'':

(A) Section 1512 (24 U.S.C. 412), relating to eligibility and acceptance for residence in the Armed Forces Retirement Home.

(B) Section 1513(a) (24 U.S.C. 412(a)), relating to services provided to residents of the Armed Forces Retirement Home.

(C) Section 1518(c) (24 U.S.C. 418(c)), relating to inspection of the Armed Forces Retirement Home.

(2) Section 1519(c) (24 U.S.C. 419(c)), relating to authority to invest funds in the Armed Forces Retirement Home Trust Fund, is amended by striking ''Director'' and inserting ''Chief Operating Officer''.

(3) Section 1521(a) (24 U.S.C. 421(a)), relating to payment of residents for services, is amended by striking ''Chairman of the Armed Forces Retirement Board'' and inserting ''Chief Operating Officer''.

(4) Section 1522 (24 U.S.C. 422), relating to authority to accept certain uncompensated services, is amended—

(A) in subsection (a)—

(i) by striking ''Chairman of the Retirement Home Board or the Director of each establishment'' and inserting ''Chief Operating Officer or the Director of a facility''; and

(ii) by striking ''unless'' and all that follows through ''Retirement Home Board'';

(B) in subsection (b)(1)—

(i) by striking ''Chairman of the Retirement Home Board or the Director of the establishment'' and inserting ''Chief Operating Officer or the Director of a facility''; and

(ii) by inserting ''offering the services'' after ''notify the person'';

(C) in subsection (b)(2), by striking ''Chairman'' and inserting ''Chief Operating Officer'';

(D) in subsection (c), by striking ''Chairman of the Retirement Home Board or the Director of an establishment'' and inserting ''Chief Operating Officer or the Director of a facility''; and

(E) in subsection (e)—

(i) by striking ''Chairman of the Retirement Board or the Director of the establishment'' in the first sentence and inserting ''Chief Operating Officer or the Director of a facility''; and

(ii) by striking ''Chairman'' in the second sentence and inserting ''Chief Operating Officer''.

(5) Section 1523(b) (24 U.S.C. 423(b)), relating to preservation of historic buildings and grounds at the Armed Forces Retirement Home—Washington, is amended by striking ''Chairman of the Retirement Home Board'' and inserting ''Chief Operating Officer''.

SEC. 1045. RESIDENTS OF RETIREMENT HOME.

(a) REPEAL OF REQUIREMENT OF RESIDENT TO REAPPLY AFTER SUBSTANTIAL ABSENCE.—Subsection (e) of section 1512 (24 U.S.C. 412) is repealed.

(b) FEES PAID BY RESIDENTS.—Section 1514 (24 U.S.C. 414) is amended to read as follows:

''SEC. 1514. FEES PAID BY RESIDENTS.

''(a) MONTHLY FEES.—The Director of each facility of the Retirement Home shall collect a monthly fee from each resident of that facility.

''(b) DEPOSIT OF FEES.—The Directors shall deposit fees collected under subsection (a) in the Armed Forces Retirement Home Trust Fund.

''(c) FIXING FEES.—(1) The Chief Operating Officer, with the approval of the Secretary of Defense, shall from time to time prescribe the fees required by subsection (a). Changes to such fees shall be based on the financial needs of the Retirement Home and the ability of the residents to pay. A change of a fee may not take effect until 120 days after the Secretary of Defense transmits a notification of the change to the Committees on Armed Services of the Senate and the House of Representatives.

''(2) The fee shall be fixed as a percentage of the monthly income and monthly payments (including Federal payments) received by a resident. The fee shall be subject to a limitation on maximum monthly amount. The percentage shall be the same for each facility of the Retirement Home. The Secretary of Defense may make any adjustment in a percentage or limitation on maximum amount that the Secretary determines appropriate.

''(d) TRANSITIONAL FEE STRUCTURES.—(1) Until different fees are prescribed and take effect under subsection (c), the percentages and limitations on maximum monthly amount that are applicable to fees charged residents of the Retirement Home are (subject to any adjustment that the Secretary of Defense determines appropriate) as follows:

''(A) For months beginning before January 1, 2002—

''(i) for a permanent health care resident, 65 percent (without limitation on maximum monthly amount); and

''(ii) for a resident who is not a permanent health care resident, 40 percent (without limitation on maximum monthly amount).

''(B) For months beginning after December 31, 2001—

''(i) for an independent living resident, 35 percent, but not to exceed $1,000 each month;

''(ii) for an assisted living resident, 40 percent, but not to exceed $1,500 each month; and

''(iii) for a long-term care resident, 65 percent, but not to exceed $2,500 each month.

''(2) Notwithstanding the limitations on maximum monthly amount prescribed under subsection (c) or set forth in paragraph (1)(B), until an independent living resident or assisted living resident of the Armed Forces Retirement Home—Gulfport occupies a renovated room at that facility, as determined by the Secretary of Defense, the limitation on maximum monthly amount applicable to the resident for months beginning after December 31, 2001, shall be—

''(A) in the case of an independent living resident, $800; and

''(B) in the case of an assisted living resident, $1,300.

SEC. 1046. LOCAL BOARDS OF TRUSTEES.

Section 1516 (24 U.S.C. 416) is amended to read as follows:

''SEC. 1516. LOCAL BOARDS OF TRUSTEES.

''(a) ESTABLISHMENT.—Each facility of the Retirement Home shall have a Local Board of Trustees.

''(b) DUTIES.—The Local Board for a facility shall serve in an advisory capacity to the Director of the facility and to the Chief Operating Officer.

''(c) COMPOSITION.—(1) The Local Board for a facility shall consist of at least 11 members who (except as otherwise specifically provided) shall be appointed by the Secretary of Defense in consultation with each of the Secretaries of the military departments concerned. At least one member of the Local Board shall have a perspective that is oriented toward the Retirement Home overall. The Local Board for a facility shall consist of the following members:

''(A) One member who is a civilian expert in nursing home or retirement home administration and financing from the geographical area of the facility.

''(B) One member who is a civilian expert in gerontology from the geographical area of the facility.

''(C) One member who is a service expert in financial management.

''(D) One representative of the Department of Veterans Affairs regional office nearest in proximity to the facility, who shall be designated by the Secretary of Veterans Affairs.

''(E) One representative of the resident advisory committee or council of the facility, who shall be a nonvoting member.

''(F) One enlisted representative of the Services' Retiree Advisory Council.

''(G) The senior noncommissioned officer of one of the Armed Forces.

''(H) One senior representative of the military hospital nearest in proximity to the facility.

''(I) One senior judge advocate from one of the Armed Forces.

''(J) The Director of the facility, who shall be a nonvoting member.

''(K) One senior representative of one of the chief personnel officers of the Armed Forces.

''(L) Other members designated by the Secretary of Defense (if the Local Board is to have more than 11 members).

''(2) The Secretary of Defense shall designate one member of a Local Board to serve as the chairman of the Local Board at the pleasure of the Secretary of Defense.

''(d) TERMS.—(1) Except as provided in subsections (e), (f), and (g), the term of office of a member of a Local Board shall be five years.

''(2) Unless earlier terminated by the Secretary of Defense, a person may continue to serve as a member of the Local Board after the expiration of the member's term until a successor is appointed or designated, as the case may be.

''(e) EARLY EXPIRATION OF TERM.—A member of a Local Board who is a member of the Armed Forces or an employee of the United States serves as a member of the Local Board only for as long as the member is assigned to or serving in a position for which the duties include the duty to serve as a member of the Local Board.

''(f) VACANCIES.—(1) A vacancy in the membership of a Local Board shall be filled in the manner in which the original appointment or designation was made, as the case may be.

''(2) A member appointed or designated to fill a vacancy occurring before the end of the term of the predecessor of the member shall be appointed or designated, as the case may be, for the remainder of the term for which the predecessor was appointed.

''(3) A vacancy in a Local Board shall not affect its authority to perform its duties.

''(g) EARLY TERMINATION.—The Secretary of Defense may terminate the appointment of a member of a Local Board before the expiration of the member's term for any reason that the Secretary determines appropriate.

''(h) COMPENSATION.—(1) Except as provided in paragraph (2), a member of a Local Board shall—

''(A) be provided a stipend consistent with the daily government consultant fee for each day on which the member is engaged in the performance of services for the Local Board; and

''(B) while away from home or regular place of business in the performance of services for the Local Board, be allowed travel expenses (including per diem in lieu of subsistence) in the same manner as a person employed intermittently in Government under sections 5701 through 5707 of title 5, United States Code.

''(2) A member of a Local Board who is a member of the Armed Forces on active duty or a full-time officer or employee of the United States shall receive no additional pay by reason of serving a member of a Local Board.''.

SEC. 1047. DIRECTORS, DEPUTY DIRECTORS, AND STAFF OF FACILITIES.

Section 1517 (24 U.S.C. 417) is amended to read as follows:

''SEC. 1517. DIRECTORS, DEPUTY DIRECTORS, AND STAFF OF FACILITIES.

''(a) APPOINTMENT.—The Secretary of Defense shall appoint a Director and a Deputy

Director for each facility of the Retirement Home.

''(b) DIRECTOR.—The Director of a facility shall—

''(1) be a member of the Armed Forces serving on active duty in a grade above lieutenant colonel or commander;

''(2) have appropriate leadership and management skills; and

''(3) be required to pursue a course of study to receive certification as a retirement facilities director by an appropriate civilian certifying organization, if the Director is not so certified at the time of appointment.

''(c) DUTIES OF DIRECTOR.—(1) The Director of a facility shall be responsible for the day-to-day operation of the facility, including the acceptance of applicants to be residents of that facility.

''(2) The Director of a facility shall keep accurate and complete records of the facility.

''(d) DEPUTY DIRECTOR.—(1) The Deputy Director of a facility shall—

''(A) be a civilian with experience as a continuing care retirement community professional or a member of the Armed Forces serving on active duty in a grade above major or lieutenant commander; and

''(B) have appropriate leadership and management skills.

''(2) The Deputy Director of a facility shall—

''(A) be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service; and

''(B) serve at the pleasure of the Secretary of Defense, without regard to the provisions of title 5, United States Code.

''(e) DUTIES OF DEPUTY DIRECTOR.—The Deputy Director of a facility shall, under the authority, direction, and control of the Director of the facility, perform such duties as the Director may assign.

''(f) STAFF.—(1) The Director of a facility may, subject to the approval of the Chief Operating Officer, appoint and prescribe the pay of such principal staff as the Director considers appropriate to assist the Director in operating the facility.

''(2) The principal staff of a facility shall include persons with experience and expertise in the operation and management of retirement homes and in the provision of long-term medical care for older persons.

''(3) The Director of a facility may exercise the authority under paragraph (1) without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, classification, and pay, except that the limitations in section 5373 of such title (relating to pay set by administrative action) shall apply to the rates of pay prescribed under this paragraph.

''(g) ANNUAL EVALUATION OF DIRECTORS.—(1) The Chief Operating Officer shall evaluate the performance of each of the Directors of the facilities of the Retirement Home each year.

''(2) The Chief Operating Officer shall submit to the Secretary of Defense any recommendations regarding a Director that the Chief Operating Officer determines appropriate taking into consideration the annual evaluation.''.

SEC. 1048. DISPOSITION OF EFFECTS OF DECEASED PERSONS AND UNCLAIMED PROPERTY.

(a) LEGAL REPRESENTATION FOR RETIREMENT HOME.—Subsection (b)(2)(A) of section 1520 (24 U.S.C. 420) is amended by inserting ''who is a full-time officer or employee of the United States or a member of the Armed Forces on active duty'' after ''may designate an attorney''.

(b) CORRECTION OF REFERENCE.—Subsection (b)(1)(B) of such section is amended by inserting ''Armed Forces'' before ''Retirement Home Trust Fund''.

SEC. 1049. TRANSITIONAL PROVISIONS.

Part B is amended by striking sections 1531, 1532, and 1533 and inserting the following:

''SEC. 1531. TEMPORARY CONTINUATION OF ARMED FORCES RETIREMENT HOME BOARD.

''Until the Secretary of Defense appoints the first Chief Operating Officer after the enactment of the National Defense Authorization Act for Fiscal Year 2002, the Armed Forces Retirement Home Board, as constituted on the day before the date of the enactment of that Act, shall continue to serve and shall perform the duties of the Chief Operating Officer.

''SEC. 1532. TEMPORARY CONTINUATION OF DIRECTOR OF THE ARMED FORCES RETIREMENT HOME—WASHINGTON.

''The person serving as the Director of the Armed Forces Retirement Home—Washington on the day before the enactment of the National Defense Authorization Act for Fiscal Year 2002 may continue to serve as the Director of that facility until April 2, 2002.

''SEC. 1533. TEMPORARY CONTINUATION OF INCUMBENT DEPUTY DIRECTORS.

''A person serving as the Deputy Director of a facility of the Retirement Home on the day before the enactment of the National Defense Authorization Act for Fiscal Year 2002 may continue to serve, at the pleasure of the Secretary of Defense, as the Deputy Director until the date on which a Deputy Director is appointed for that facility under section 1517, except that the service in that position may not continue under this section after December 31, 2004.''.

SEC. 1050. CONFORMING AND CLERICAL AMENDMENTS AND REPEALS OF OBSOLETE PROVISIONS.

(a) CONFORMING AMENDMENTS.—(1) Section 1513(b) (24 U.S.C. 413(b)), relating to services provided to residents of the Armed Forces Retirement Home, is amended by striking ''maintained as a separate establishment'' in the second sentence.

(2) The heading for section 1519 (24 U.S.C. 419) is amended to read as follows:

''SEC. 1519. ARMED FORCES RETIREMENT HOME TRUST FUND.''.

(3) Section 1520 (24 U.S.C. 420), relating to disposition of effects of deceased persons and unclaimed property, is amended—

(A) in subsection (a), by striking ''each facility that is maintained as a separate establishment'' and inserting ''a facility'';

(B) in subsection (b)(2)(A), by striking ''maintained as a separate establishment''; and

(C) in subsection (e), by striking ''Directors'' and inserting ''Director of the facility''.

(4)(A) Section 1523 (24 U.S.C. 423), relating to preservation of historic buildings and grounds at the Armed Forces Retirement Home—Washington, is amended by striking ''United States Soldiers' and Airmen's Home'' each place it appears and inserting ''Armed Forces Retirement Home—Washington''.

(B) The heading for such section is amended to read as follows:

''SEC. 1523. PRESERVATION OF HISTORIC BUILDINGS AND GROUNDS AT THE ARMED FORCES RETIREMENT HOME—WASHINGTON.''.

(5) Section 1524 (24 U.S.C. 424), relating to conditional supervisory control of the Retirement Home Board, is repealed.

(b) REPEAL OF OBSOLETE PROVISIONS.—The following provisions are repealed:

(1) Section 1512(f) (24 U.S.C. 412(f)), relating to the applicability of certain eligibility requirements.

(2) Section 1519(d) (24 U.S.C. 419(d)), relating to transitional accounts in the Armed Forces Retirement Home Trust Fund.

(3) Part C, relating to effective date and authorization of appropriations.

(c) ADDITION OF TABLE OF CONTENTS.—Title XV of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1722) is amended by inserting after the heading for such title the following:

''Sec. 1501. Short title.
''Sec. 1502. Definitions.

''PART A—ESTABLISHMENT AND OPERATION OF RETIREMENT HOME

''Sec. 1511. Establishment of the Armed Forces Retirement Home.
''Sec. 1512. Residents of Retirement Home.
''Sec. 1513. Services provided residents.
''Sec. 1514. Fees paid by residents.
''Sec. 1515. Chief Operating Officer.
''Sec. 1516. Local Boards of Trustees.
''Sec. 1517. Directors, Deputy Directors, and staff of facilities.
''Sec. 1518. Inspection of Retirement Home.
''Sec. 1519. Armed Forces Retirement Home Trust Fund.
''Sec. 1520. Disposition of effects of deceased persons; unclaimed property.
''Sec. 1521. Payment of residents for services.
''Sec. 1522. Authority to accept certain uncompensated services.
''Sec. 1523. Preservation of historic buildings and grounds at the Armed Forces Retirement Home—Washington.

''PART B—TRANSITIONAL PROVISIONS

''Sec. 1531. Temporary Continuation of Armed Forces Retirement Home Board.
''Sec. 1532. Temporary Continuation of Director of the Armed Forces Retirement Home—Washington.
''Sec. 1533. Temporary Continuation of Incumbent Deputy Directors.''.

SEC. 1051. AMENDMENTS OF OTHER LAWS.

(a) EMPLOYEE PERFORMANCE APPRAISALS.—Section 4301(2) of title 5, United States Code, is amended—

(1) by striking ''or'' at the end of subparagraph (G);

(2) by striking ''and'' at the end of subparagraph (H) and inserting ''or''; and

(3) by inserting at the end the following new subparagraph:

''(I) the Chief Operating Officer and the Deputy Directors of the Armed Forces Retirement Home; and''.

(b) EXCLUSION OF CERTAIN OFFICERS FROM CERTAIN LIMITATIONS APPLICABLE TO GENERAL AND FLAG OFFICERS ON ACTIVE DUTY.—(1) Section 525 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e) An officer while serving as a Director of the Armed Forces Retirement Home, if serving in the grade of major general or rear admiral, is in addition to the number that would otherwise be permitted for that officer's armed force for that grade under subsection (a).''.

(2)(A) Section 526 of such title is amended by adding at the end the following new subsection:

''(e) EXCLUSION OF DIRECTORS OF ARMED FORCES RETIREMENT HOME.—The limitations of this section do not apply to a general or flag officer while the officer is assigned as the Director of a facility of the Armed Forces Retirement Home.''.

(B) Subsection (d) of such section is amended by inserting ''RESERVE COMPONENT'' after ''EXCLUSION OF CERTAIN''.

(3) Section 688(e)(2) of such title is amended by adding at the end the following new subparagraph:

''(D) A general officer or flag officer assigned as the Director of a facility of the Armed Forces Retirement Home for the period of active duty to which ordered.''.

(4) Section 690 of title 10, United States Code, is amended—

(A) in subsection (a)—

(i) by striking the second sentence and inserting the following: ''The following officers are not counted for the purposes of this subsection:''; and

(ii) by adding at the end the following:

''(1) A retired officer ordered to active duty for a period of 60 days or less.

''(2) A general or flag officer who is assigned as the Director of a facility of the Armed Forces Retirement Home for the period of active duty to which ordered.''; and

(B) in subsection (b), by adding at the end of paragraph (2) the following new subparagraph:

''(E) A general officer or flag officer assigned as the Director of a facility of the Armed Forces Retirement Home for the period of active duty to which ordered.''.

Subtitle E—Other Matters

SEC. 1061. REQUIREMENT TO CONDUCT CERTAIN PREVIOUSLY AUTHORIZED EDUCATIONAL PROGRAMS FOR CHILDREN AND YOUTH.

(a) NATIONAL GUARD CHALLENGE PROGRAM.—Section 509(a) of title 32, United States Code, is amended by striking ''The Secretary of Defense may'' and inserting ''The Secretary of Defense shall''.

(b) STARBASE PROGRAM.—Section 2193b(a) of title 10, United States Code, is amended by striking ''The Secretary of Defense may'' and inserting ''The Secretary of Defense shall''.

SEC. 1062. AUTHORITY TO ENSURE DEMILITARIZATION OF SIGNIFICANT MILITARY EQUIPMENT FORMERLY OWNED BY THE DEPARTMENT OF DEFENSE.

(a) PROHIBITION.—It is unlawful for any person to possess significant military equipment formerly owned by the Department of Defense unless—

(1) the military equipment has been demilitarized in accordance with standards prescribed by the Secretary of Defense;

(2) the person is in possession of the military equipment for the purpose of demilitarizing the equipment pursuant to a Federal Government contract; or

(3) the person is specifically authorized by law or regulation to possess the military equipment.

(b) REFERRAL TO ATTORNEY GENERAL.—The Secretary of Defense shall notify the Attorney General of any potential violation of subsection (a) of which the Secretary becomes aware.

(c) AUTHORITY TO REQUIRE DEMILITARIZATION.—(1) The Attorney General may require any person who, in violation of subsection (a), is in possession of significant military equipment formerly owned by the Department of Defense—

(A) to demilitarize the equipment;

(B) to have the equipment demilitarized by a third party; or

(C) to return the equipment to the Federal Government for demilitarization.

(2) When the demilitarization of significant military equipment is carried out pursuant to subparagraph (A) or (B) of paragraph (1), an officer or employee of the United States designated by the Attorney General shall have the right to confirm, by inspection or other means authorized by the Attorney General, that the equipment has been demilitarized.

(3) If significant military equipment is not demilitarized or returned to the Federal Government for demilitarization as required under paragraph (1) within a reasonable period after the Attorney General notifies the person in possession of the equipment of the requirement to do so, the Attorney General may request that a court of the United States issue a warrant authorizing the seizure of the military equipment in the same manner as is provided for a search warrant. If the court determines that there is probable cause to believe that the person is in possession of significant military equipment in violation of subsection (a), the court shall issue a warrant authorizing the seizure of such equipment.

(d) DEMILITARIZATION OF EQUIPMENT.—(1) The Attorney General shall transfer any military equipment returned to the Federal Government or seized pursuant to subsection (c) to the Department of Defense for demilitarization.

(2) If the person in possession of significant military equipment obtained the equipment in accordance with any other provision of law, the Secretary of Defense shall bear all costs of transportation and demilitarization of the equipment and shall either—

(A) return the equipment to the person upon completion of the demilitarization; or

(B) reimburse the person for the cost incurred by that person to acquire the equipment if the Secretary determines that the cost to demilitarize and return the property to the person would be prohibitive.

(e) ESTABLISHMENT OF DEMILITARIZATION STANDARDS.—(1) The Secretary of Defense shall prescribe regulations regarding the demilitarization of military equipment.

(2) The regulations shall be designed to ensure that—

(A) the equipment, after demilitarization, does not constitute a significant risk to public safety and does not have—

(i) a significant capability for use as a weapon; or

(ii) a uniquely military capability; and

(B) any person from whom private property is taken for public use under this section receives just compensation for the taking of the property.

(3) The regulations shall, at a minimum, define—

(A) the classes of significant military equipment requiring demilitarization before disposal; and

(B) what constitutes demilitarization for each class of significant military equipment.

(f) DEFINITION OF SIGNIFICANT MILITARY EQUIPMENT.—In this section, the term ''significant military equipment'' means equipment that has a capability described in clause (i) or (ii) of subsection (e)(2) and—

(1) is a defense article listed on the United States Munitions List maintained under section 38 of the Arms Export Control Act (22 U.S.C. 2778) that is designated on that list as significant military equipment; or

(2) is designated by the Secretary of Defense under the regulations prescribed under subsection (e) as being equipment that it is necessary in the interest of public safety to demilitarize before disposal by the United States.

SEC. 1063. CONVEYANCES OF EQUIPMENT AND RELATED MATERIALS LOANED TO STATE AND LOCAL GOVERNMENTS AS ASSISTANCE FOR EMERGENCY RESPONSE TO A USE OR THREATENED USE OF A WEAPON OF MASS DESTRUCTION.

Section 1412(e) of the Defense Against Weapons of Mass Destruction Act of 1996 (title XIV of Public Law 104–201; 110 Stat. 2718; 50 U.S.C. 2312(e)) is amended by adding at the end the following new paragraph:

''(5) A conveyance of ownership of United States property to a State or local government, without cost and without regard to subsection (f) and title II of the Federal Property and Administrative Services Act of 1949 (or any other provision of law relating to the disposal of property of the United States), if the property is equipment, or equipment and related materials, that is in the possession of the State or local government on the date of the enactment of the National Defense Authorization Act for Fiscal Year 2002 pursuant to a loan of the property as assistance under this section.''.

SEC. 1064. AUTHORITY TO PAY GRATUITY TO MEMBERS OF THE ARMED FORCES AND CIVILIAN EMPLOYEES OF THE UNITED STATES FOR SLAVE LABOR PERFORMED FOR JAPAN DURING WORLD WAR II.

(a) PAYMENT OF GRATUITY AUTHORIZED.—The Secretary of Veterans Affairs may pay a gratuity to a covered veteran or civilian internee, or to the surviving spouse of a covered veteran or civilian internee, in the amount of $20,000.

(b) COVERED VETERAN OR CIVILIAN INTERNEE DEFINED.—In this section, the term ''covered veteran or civilian internee'' means any individual who—

(1) was a member of the Armed Forces, a civilian employee of the United States, or an employee of a contractor of the United States during World War II;

(2) served in or with United States combat forces during World War II;

(3) was captured and held as a prisoner of war or prisoner by Japan in the course of such service; and

(4) was required by the Imperial Government of Japan, or one or more Japanese corporations, to perform slave labor during World War II.

(c) RELATIONSHIP TO OTHER PAYMENTS.—Any amount paid a person under this section for activity described in subsection (b) is in addition to any other amount paid such person for such activity under any other provision of law.

SEC. 1065. RETENTION OF TRAVEL PROMOTIONAL ITEMS.

(a) IN GENERAL.—To the extent provided in subsection (b), a Federal employee, member of the foreign service, member of a uniformed service, any family member or dependent of such an employee or member, or other individual traveling at Government expense who receives a promotional item (including frequent flyer miles, upgrades, or access to carrier clubs or facilities) as a result of using travel or transportation services procured by the United States or accepted under section 1353 of title 31, United States Code, may retain the promotional item for personal use if the promotional item is obtained under the same terms as those offered to the general public and at no additional cost to the Government.

(b) APPLICABILITY TO EXECUTIVE BRANCH ONLY.—Subsection (a)—

(1) applies only to travel that is at the expense of the executive branch; and

(2) does not apply to travel by any officer, employee, or other official of the Government outside the executive branch.

(c) CONFORMING AMENDMENT.—Section 6008 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 5 U.S.C. 5702 note) is amended by adding at the end the following new subsection:

''(d) INAPPLICABILITY TO EXECUTIVE BRANCH.—The guidelines issued under subsection (a) and the requirement under subsection (b) shall not apply to any agency of the executive branch or to any Federal employee or other personnel in the executive branch.''.

(d) APPLICABILITY.—This section shall apply with respect to promotional items received before, on, or after the date of enactment of this Act.

SEC. 1066. RADIATION EXPOSURE COMPENSATION ACT MANDATORY APPROPRIATIONS.

Section 3(e) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended to read as follows:

''(e) APPROPRIATION.—

''(1) IN GENERAL.—Subject to the limits in paragraph (2), there are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year 2002, and each fiscal year thereafter through 2011, such sums as may be necessary to the Fund for the purpose of making payments to eligible beneficiaries under this Act.

''(2) LIMITATION.—Amounts appropriated pursuant to paragraph (1) may not exceed—

''(A) in fiscal year 2002, $172,000,000;

''(B) in fiscal year 2003, $143,000,000;

''(C) in fiscal year 2004, $107,000,000;

''(D) in fiscal year 2005, $65,000,000;

''(E) in fiscal year 2006, $47,000,000;

''(F) in fiscal year 2007, $29,000,000;

''(G) in fiscal year 2008, $29,000,000;

''(H) in fiscal year 2009, $23,000,000;

''(I) in fiscal year 2010, $23,000,000; and

''(J) in fiscal year 2011, $17,000,000.''.

SEC. 1067. LEASING OF NAVY SHIPS FOR UNIVERSITY NATIONAL OCEANOGRAPHIC LABORATORY SYSTEM.

Subsection (g) of section 2667 of title 10, United States Code (section 1061, National Defense Authorization Act, 1998, P.L. 105–85) is amended by adding a new paragraph at the end as follows:

''(3) The requirements of paragraph (1) shall not apply to renewals or extensions of a lease with a selected institution for operation of a ship within the University National Oceanographic Laboratory System, if—

''(A) use of the ship is restricted to federally supported research programs and non-Federal uses under specific conditions with approval by the Secretary of the Navy;

''(B) because of the anticipated value to the Navy of the oceanographic research and training that will result from the ship's operation, no monetary lease payments are required from the lessee under the initial lease or under any renewals or extensions; and

''(C) the lessee is required to maintain the ship in a good state of repair readiness, and efficient operating conditions, conform to all applicable regulatory requirements, and assume full responsibility for the safety of the ship, its crew, and scientific personnel aboard.''.

SEC. 1068. SMALL BUSINESS PROCUREMENT COMPETITION.

(a) DEFINITION OF COVERED CONTRACTS.—Section 15(e)(4) of the Small Business Act (15 U.S.C. 644(e)(4)) is amended—

(1) by inserting after ''bundled contract'' the following: '', the aggregate dollar value of which is anticipated to be less than $5,000,000, or any contract, whether or not the contract is a bundled contract, the aggregate dollar value of which is anticipated to be $5,000,000 or more'';

(2) by striking ''In the'' and inserting the following:

''(A) IN GENERAL.—In the''; and

(3) by adding at the end the following:

''(B) CONTRACTING GOALS.—

''(i) IN GENERAL.—A contract award under this paragraph to a team that is comprised entirely of small business concerns shall be counted toward the small business contracting goals of the contracting agency, as required by this Act.

''(ii) PREPONDERANCE TEST.—The ownership of the small business that conducts the preponderance of the work in a contract awarded to a team described in clause (i) shall determine the category or type of award for purposes of meeting the contracting goals of the contracting agency.''.

(b) PROPORTIONATE WORK REQUIREMENTS FOR BUNDLED CONTRACTS.—

(1) SECTION 8.—Section 8(a)(14)(A) of the Small Business Act (15 U.S.C. 637(a)(14)(A)) is amended—

(A) in clause (i), by striking ''and'' at the end;

(B) in clause (ii), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(iii) notwithstanding clauses (i) and (ii), in the case of a bundled contract—

''(I) the concern will perform work for at least 33 percent of the aggregate dollar value of the anticipated award;

''(II) no other concern will perform a greater proportion of the work on that contract; and

''(III) no other concern that is not a small business concern will perform work on the contract.''.

(2) QUALIFIED HUBZONE SMALL BUSINESS CONCERNS.—Section 3(p)(5)(A)(i)(III) of the Small Business Act (15 U.S.C. 632(p)(5)(A)(i)(III)) is amended—

(A) in item (bb), by striking ''and'' at the end;

(B) by redesignating item (cc) as item (dd); and

(C) by inserting after item (bb) the following:

''(cc) notwithstanding items (aa) and (bb), in the case of a bundled contract, the concern will perform work for at least 33 percent of the aggregate dollar value of the anticipated award, no other concern will perform a greater proportion of the work on that contract, and no other concern that is not a small business concern will perform work on the contract; and''.

(3) SECTION 15.—Section 15(o)(1) of the Small Business Act (15 U.S.C. 644(o)(1)) is amended—

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

(B) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(C) notwithstanding subparagraphs (A) and (B), in the case of a bundled contract—

''(i) the concern will perform work for at least 33 percent of the aggregate dollar value of the anticipated award;

''(ii) no other concern will perform a greater proportion of the work on that contract; and

''(iii) no other concern that is not a small business concern will perform work on the contract.''.

(c) SMALL BUSINESS PROCUREMENT COMPETITION PILOT PROGRAM.—

(1) DEFINITIONS.—In this subsection—

(A) the term ''Administrator'' means the Administrator of the Small Business Administration;

(B) the term ''Federal agency'' has the same meaning as in section 3 of the Small Business Act (15 U.S.C. 632);

(C) the term ''Program'' means the Small Business Procurement Competition Program established under paragraph (2);

(D) the term ''small business concern'' has the same meaning as in section 3 of the Small Business Act (15 U.S.C. 632); and

(E) the term ''small business-only joint ventures'' means a team described in section 15(e)(4) of the Small Business Act (15 U.S.C. 644(e)(4)) comprised of only small business concerns.

(2) ESTABLISHMENT OF PROGRAM.—The Administrator shall establish in the Small Business Administration a pilot program to be known as the ''Small Business Procurement Competition Program''.

(3) PURPOSES OF PROGRAM.—The purposes of the Program are—

(A) to encourage small business-only joint ventures to compete for contract awards to fulfill the procurement needs of Federal agencies;

(B) to facilitate the formation of joint ventures for procurement purposes among small business concerns;

(C) to engage in outreach to small business-only joint ventures for Federal agency procurement purposes; and

(D) to engage in outreach to the Director of the Office of Small and Disadvantaged Business Utilization and the procurement officer within each Federal agency.

(4) OUTREACH.—Under the Program, the Administrator shall establish procedures to conduct outreach to small business concerns interested in forming small business-only joint ventures for the purpose of fulfilling procurement needs of Federal agencies, subject to the rules of the Administrator, in consultation with the heads of those Federal agencies.

(5) REGULATORY AUTHORITY.—The Administrator shall promulgate such regulations as may be necessary to carry out this subsection.

(6) SMALL BUSINESS ADMINISTRATION DATABASE.—The Administrator shall establish and maintain a permanent database that identifies small business concerns interested in forming small business-only joint ventures, and shall make the database available to each Federal agency and to small business concerns in electronic form to facilitate the formation of small business-only joint ventures.

(7) TERMINATION OF PROGRAM.—The Program (other than the database established under paragraph (6)) shall terminate 3 years after the date of enactment of this Act.

(8) REPORT TO CONGRESS.—Not later than 60 days before the date of termination of the Program, the Administrator shall submit a report to Congress on the results of the Program, together with any recommendations for improvements to the Program and its potential for use Governmentwide.

(9) RELATIONSHIP TO OTHER LAWS.—Nothing in this subsection waives or modifies the applicability of any other provision of law to procurements of any Federal agency in which small business-only joint ventures may participate under the Program.

SEC. 1069. CHEMICAL AND BIOLOGICAL PROTECTIVE EQUIPMENT FOR MILITARY AND CIVILIAN PERSONNEL OF THE DEPARTMENT OF DEFENSE.

(a) REPORT REQUIRED.—(1) Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the requirements of the Department of Defense, including the reserve components, for chemical and biological protective equipment.

(2) The report shall set forth the following:

(A) A description of any current shortfalls in requirements for chemical and biological protective equipment, whether for individuals or units, for military personnel.

(B) A plan for providing appropriate chemical and biological protective equipment for all military personnel and for all civilian personnel of the Department of Defense.

(C) An assessment of the costs associated with carrying out the plan under subparagraph (B).

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense should consider utilizing funds available to the Secretary for chemical and biological defense programs, including funds available for such program under this Act and funds available for such programs under the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, to provide an appropriate level of protection from chemical and biological attack, including protective equipment, for all military personnel and for all civilian personnel of the Department of Defense who are not currently protected from chemical or biological attack.

SEC. 1070. AUTHORIZATION OF THE SALE OF GOODS AND SERVICES BY THE NAVAL MAGAZINE, INDIAN ISLAND.

The Secretary of the Navy may sell to a person outside the Department of Defense articles and services provided by the Naval Magazine, Indian Island facility that are not available from any United States commercial source: *Provided,* That a sale pursuant to this section shall conform to the requirements of section 2563 (c) and (d) of title 10, United States Code: *Provided further,* That the proceeds from the sales of articles and services under this section shall be credited to operation and maintenance funds of the Navy, that are current when the proceeds are received.

SEC. 1071. ASSISTANCE FOR FIREFIGHTERS.

Section 33(e) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2229(e)) is amended by striking paragraph (2) and inserting the following new paragraphs:

''(2) $600,000,000 for fiscal year 2002.

''(3) $800,000,000 for fiscal year 2003.

''(4) $1,000,000,000 for fiscal year 2004.''.

SEC. 1072. PLAN TO ENSURE EMBARKATION OF CIVILIAN GUESTS DOES NOT INTERFERE WITH OPERATIONAL READINESS AND SAFE OPERATION OF NAVY VESSELS.

(a) PLAN.—The Secretary of the Navy shall, not later than February 1, 2002, submit to Congress a plan to ensure that the embarkation of selected civilian guests does not interfere with the operational readiness and safe operation of Navy vessels. The plan shall include, at a minimum—

(1) procedures to ensure that guest embarkations are conducted only within the framework of regularly scheduled operations and that underway operations are not conducted solely to accommodate nonofficial civilian guests,

(2) guidelines for the maximum number of guests that can be embarked on the various classes of Navy vessels,

(3) guidelines and procedures for supervising civilians operating or controlling any equipment on Navy vessels,

(4) guidelines to ensure that proper standard operating procedures are not hindered by activities related to hosting civilians,

(5) any other guidelines or procedures the Secretary shall consider necessary or appropriate.

(b) DEFINITION.—For the purposes of this section, civilian guests are defined as civilians invited to embark on Navy ships solely for the purpose of furthering public awareness of the Navy and its mission. It does not include civilians conducting official business.

SEC. 1073. MODERNIZING AND ENHANCING MISSILE WING HELICOPTER SUPPORT—STUDY AND PLAN.

(a) REPORT AND RECOMMENDATIONS.—With the submission of the fiscal year 2003 budget request, the Secretary of Defense shall provide to the congressional defense committees a report and the Secretary's recommendations on options for providing the helicopter support missions for the ICBM wings at Minot AFB, North Dakota; Malmstrom AFB, Montana; and F.E. Warren AFB, Wyoming, for as long as these missions are required.

(b) OPTIONS.—Options to be reviewed include—

(1) the Air Force's current plan for replacement or modernization of UH–1N helicopters currently flown by the Air Force at the missile wings;

(2) replacement of the UH–1N helicopters currently flown by the Air Force with UH–60 Black Hawk helicopters, the UH–1Y, or another platform;

(3) replacement of UH–1N helicopters with UH–60 helicopters and transition of the mission to the Army National Guard, as detailed in a November 2000 Air Force Space Command/Army National Guard plan, ''ARNG Helicopter Support to Air Force Space Command'';

(4) replacement of UH–1N helicopters with UH–60 helicopters or another platform, and establishment of composite units combining active duty Air Force and Army National Guard personnel; and

(5) other options as the Secretary deems appropriate.

(c) FACTORS.—Factors to be considered in this analysis include—

(1) any implications of transferring the helicopter support missions on the command and control of and responsibility for missile field force protection;

(2) current and future operational requirements, and the capabilities of the UH–1N, the UH–60 or other aircraft to meet them;

(3) cost, with particular attention to opportunities to realize efficiencies over the long run;

(4) implications for personnel training and retention; and

(5) evaluation of the assumptions used in the plan specified in subsection (b)(3).

(d) CONSIDERATION.—The Secretary shall consider carefully the views of the Secretary of the Army, Secretary of the Air Force, Commander in Chief of the United States Strategic Command, and the Chief of the National Guard Bureau.

SEC. 1074. SENSE OF THE SENATE THAT THE SECRETARY OF THE TREASURY SHOULD IMMEDIATELY ISSUE SAVINGS BONDS, TO BE DESIGNATED AS "UNITY BONDS", IN RESPONSE TO THE TERRORIST ATTACKS AGAINST THE UNITED STATES ON SEPTEMBER 11, 2001.

(a) FINDINGS.—The Senate finds that—

(1) a national tragedy occurred on September 11, 2001, whereby enemies of freedom and democracy attacked the United States of America and injured or killed thousands of innocent victims;

(2) the perpetrators of these reprehensible attacks destroyed brick and mortar buildings, but the American spirit and the American people have become stronger as they have united in defense of their country;

(3) the American people have responded with incredible acts of heroism, kindness, and generosity;

(4) the outpouring of volunteers, blood donors, and contributions of food and money demonstrates that America will unite to provide relief to the victims of these cowardly terrorist acts;

(5) the American people stand together to resist all attempts to steal their freedom; and

(6) united, Americans will be victorious over their enemies, whether known or unknown.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the Secretary of the Treasury should—

(A) immediately issue savings bonds, to be designated as ''Unity Bonds''; and

(B) report quarterly to Congress on the revenue raised from the sale of Unity Bonds; and

(2) the proceeds from the sale of Unity Bonds should be directed to the purposes of rebuilding America and fighting the war on terrorism.

SEC. 1075. PERSONNEL PAY AND QUALIFICATIONS AUTHORITY FOR DEPARTMENT OF DEFENSE PENTAGON RESERVATION CIVILIAN LAW ENFORCEMENT AND SECURITY FORCE.

Section 2674(b) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' before the text in the first paragraph of that subsection;

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

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

''(2) For positions whose permanent duty station is the Pentagon Reservation, the Secretary, in his sole and exclusive discretion, may without regard to the pay provisions of title 5, fix the rates of basic pay for such positions occupied by civilian law enforcement and security personnel appointed under the authority of this section so as to place such personnel on a comparable basis with other similar Federal law enforcement and security organizations within the vicinity of the Pentagon Reservation, not to exceed basic pay for personnel performing similar duties in the Uniformed Division of the Secret Service or the Park Police.

SEC. 1076. WAIVER OF VEHICLE WEIGHT LIMITS DURING PERIODS OF NATIONAL EMERGENCY.

Section 127 of title 23, United States Code, is amended by adding at the end the following:

''(h) WAIVER FOR A ROUTE IN STATE OF MAINE DURING PERIODS OF NATIONAL EMERGENCY.—

''(1) IN GENERAL.—Notwithstanding any other provision of this section, the Secretary, in consultation with the Secretary of Defense, may waive or limit the application of any vehicle weight limit established under this section with respect to the portion of Interstate Route 95 in the State of Maine between Augusta and Bangor for the purpose of making bulk shipments of jet fuel to the Air National Guard Base at Bangor International Airport during a period of national emergency in order to respond to the effects of the national emergency.

''(2) APPLICABILITY.—Emergency limits established under paragraph (1) shall preempt any inconsistent State vehicle weight limits.''.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL POLICY

Subtitle A—Intelligence Personnel

SEC. 1101. AUTHORITY TO INCREASE MAXIMUM NUMBER OF POSITIONS IN THE DEFENSE INTELLIGENCE SENIOR EXECUTIVE SERVICE.

Section 1606(a) of title 10, United States Code, is amended by striking ''517.'' and inserting the following: ''517, except that the Secretary may increase such maximum number by one position for each Senior Intelligence Service position in the Central Intelligence Agency that is permanently eliminated by the Director of Central Intelligence after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2002. In no event may the number of positions in the Defense Intelligence Senior Executive Service exceed 544.''.

SEC. 1102. CONTINUED APPLICABILITY OF CERTAIN CIVIL SERVICE PROTECTIONS FOR EMPLOYEES INTEGRATED INTO THE NATIONAL IMAGERY AND MAPPING AGENCY FROM THE DEFENSE MAPPING AGENCY.

Section 1612(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(4)(A) If not otherwise applicable to an employee described in subparagraph (B), subchapters II and IV of chapter 75 of title 5 shall continue to apply to the employee for as long as the employee serves on and after October 1, 1996, without a break in service, as an employee of the Department of Defense in any position, or successively in two or more positions, in the National Imagery and Mapping Agency.

''(B) This paragraph applies to a person who—

''(i) on September 30, 1996, was employed as an employee of the Department of Defense in a position in the Defense Mapping Agency to whom subchapters II and IV of title 5 applied; and

''(ii) on October 1, 1996, became an employee of the National Imagery and Mapping Agency under paragraph 1601(a) of this title.''.

Subtitle B—Matters Relating to Retirement

SEC. 1111. FEDERAL EMPLOYMENT RETIREMENT CREDIT FOR NONAPPROPRIATED FUND INSTRUMENTALITY SERVICE.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—(1) Section 8332(b) of title 5, United States Code, is amended—

(A) by striking ''and'' at the end of paragraph (15);

(B) by striking the period at the end of paragraph (16) and inserting ''; and'';

(C) by inserting after paragraph (16) the following new paragraph:

''(17) service performed by any individual as an employee of a nonappropriated fund instrumentality of the Department of Defense or the Coast Guard described in section 2105(c) of this title that is not covered by paragraph (16), if the individual elects (in accordance with regulations prescribed by the Office) at the time of separation from service to have such service credited under this paragraph.'';

(D) in the last sentence, by inserting ''or (17)'' after ''service of the type described in paragraph (16)''; and

(E) by inserting after the last sentence the following: ''Service credited under paragraph (17) may not also be credited under any other retirement system provided for employees of a nonappropriated fund instrumentality.''.

(2) Section 8334 of such title is amended by adding at the end the following new subsection:

''(o) Notwithstanding subsection (c), no deposit may be made with respect to service credited under section 8332(b)(17) of this title.''.

(3) Section 8339 of such title is amended by adding at the end the following new subsection:

''(u) The annuity of an employee retiring under this subchapter with service credited under section 8332(b)(17) of this title shall be reduced to the maximum amount necessary to ensure that the present value of the annuity payable to the employee is actuarially equivalent to the present value of the annuity that would be payable to the employee under this subchapter if it were computed on the basis of service that does not include service credited under section 8332(b)(17) of this title. The amount of the reduction shall be computed under regulations prescribed by the Office of Personnel Management for the administration of this subsection.''.

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—(1) Section 8411 of such title is amended—

(A) in subsection (b)—

(i) by striking ''and'' at the end of paragraph (4);

(ii) by striking the period at the end of paragraph (5) and inserting ''; and''; and

(iii) by inserting after paragraph (5) the following new paragraph:

''(6) service performed by any individual as an employee of a nonappropriated fund instrumentality of the Department of Defense or the Coast Guard described in section 2105(c) of this title, if the individual elects (in accordance with regulations prescribed by the Office) at the time of separation from service to have such service credited under this paragraph.''; and

(B) by adding at the end the following new subsection:

''(k)(1) The Office of Personnel Management shall accept, for the purposes if this chapter, the certification of the head of a nonappropriated fund instrumentality of the United States concerning service of the type described in subsection (b)(6) that was performed for such nonappropriated fund instrumentality.

''(2) Service credited under subsection (b)(6) may not also be credited under any other retirement system provided for employees of a nonappropriated fund instrumentality.''.

(2)(A) Section 8422 of such title is amended by adding at the end the following new subsection:

''(g) No deposit may be made with respect to service credited under section 8411(b)(6) of this title.''.

(B) The heading for such section is amended to read as follows:

''§ 8422. Deductions from pay; contributions for other service''.

(C) The item relating to such section in the table of contents at the beginning of chapter 84 of title 5, United States Code, is amended to read as follows:

''8422. Deductions from pay; contributions for other service.''.

(3) Section 8415 of such title is amended by adding at the end the following new subsection:

''(j) The annuity of an employee retiring under this chapter with service credited under section 8411(b)(6) of this title shall be reduced to the maximum amount necessary to ensure that the present value of the annuity payable to the employee under this subchapter is actuarially equivalent to the present value of the annuity that would be payable to the employee under this subchapter if it were computed on the basis of service that does not include service credited under section 8411(b)(6) of this title. The amount of the reduction shall be computed under regulations prescribed by the Office of Personnel Management for the administration of this subsection.''.

(c) APPLICABILITY.—The amendments made by this section shall apply only to separations from service as an employee of the United States on or after the date of the enactment of this Act.

SEC. 1112. IMPROVED PORTABILITY OF RETIREMENT COVERAGE FOR EMPLOYEES MOVING BETWEEN CIVIL SERVICE EMPLOYMENT AND EMPLOYMENT BY NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8347(q) of title 5, United States Code, is amended—

(1) in paragraph (1)—

(A) by inserting ''and'' at the end of subparagraph (A);

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B); and

(2) in paragraph (2)(B)—

(A) by striking ''vested''; and

(B) by striking '', as the term'' and all that follows through ''such system''.

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Section 8461(n) of such title is amended—

(1) in paragraph (1)—

(A) by inserting ''and'' at the end of subparagraph (A);

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B); and

(2) in paragraph (2)(B)—

(A) by striking ''vested''; and

(B) by striking '', as the term'' and all that follows through ''such system''.

SEC. 1113. REPEAL OF LIMITATIONS ON EXERCISE OF VOLUNTARY SEPARATION INCENTIVE PAY AUTHORITY AND VOLUNTARY EARLY RETIREMENT AUTHORITY.

Section 1153(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–323) is amended—

(1) in paragraph (1), by striking ''Subject to paragraph (2), the'' and inserting ''The'';

(2) by striking paragraph (2); and

(3) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively.

Subtitle C—Other Matters

SEC. 1121. HOUSING ALLOWANCE FOR THE CHAPLAIN FOR THE CORPS OF CADETS AT THE UNITED STATES MILITARY ACADEMY.

Section 4337 of title 10, United States Code, is amended by striking the second sentence and inserting the following: ''The chaplain is entitled to a housing allowance equal to the basic allowance for housing that is applicable for an officer in pay grade O–5 at the Academy under section 403 of title 37, and to fuel and light for quarters in kind.''.

SEC. 1122. STUDY OF ADEQUACY OF COMPENSATION PROVIDED FOR TEACHERS IN THE DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOLS.

(a) REQUIREMENT FOR STUDY.—The Comptroller General shall carry out a study of the adequacy of the pay and other elements of the compensation provided for teachers in the defense dependents' education system established under the Defense Dependents' Education Act of 1978 (20 U.S.C. 921 et seq.).

(b) SPECIFIC CONSIDERATIONS.—In carrying out the study, the Comptroller General shall consider the following issues:

(1) Whether the compensation is adequate for recruiting and retaining high quality teachers.

(2) Whether any revision of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 901 et seq) or the regulations under that Act is advisable to address any problems identified with respect to the recruitment and retention of high quality teachers or for other purposes.

(c) REPORT.—The Comptroller General shall submit a report on the results of the study to Congress not later than March 1, 2002. The report shall include the following:

(1) The Comptroller General's conclusions on the issues considered.

(2) Any recommendations for actions that the Comptroller General considers appropriate.

SEC. 1123. PILOT PROGRAM FOR PAYMENT OF RETRAINING EXPENSES INCURRED BY EMPLOYERS OF PERSONS INVOLUNTARILY SEPARATED FROM EMPLOYMENT BY THE DEPARTMENT OF DEFENSE.

(a) AUTHORITY.—The Secretary of Defense may carry out a pilot program in accordance with this section to facilitate the reemployment of employees of the Department of Defense who are being separated as described in subsection (b) by providing employers outside the Federal Government with retraining incentive payments to encourage those employers to hire, train, and retain such employees.

(b) COVERED EMPLOYEES.—A retraining incentive payment may be made under subsection (c) with respect to a person who—

(1) has been involuntarily separated from employment by the United States due to—

(A) a reduction in force (within the meaning of chapter 35 of title 5, United States Code); or

(B) a relocation resulting from a transfer of function (within the meaning of section 3503 of title 5, United States Code), realignment, or change of duty station; and

(2) when separated—

(A) was employed without time limitation in a position in the Department of Defense;

(B) had been employed in such position or any combination of positions in the Department of Defense for a continuous period of at least one year;

(C) was not a reemployed annuitant under subchapter III of chapter 83 of title 5, United States Code, chapter 84 of such title, or another retirement system for employees of the Federal Government;

(D) was not eligible for an immediate annuity under subchapter III of chapter 83 of title 5, United States Code, or subchapter II of chapter 84 of such title; and

(E) was not eligible for disability retirement under any of the retirement systems referred to in subparagraph (C).

(c) RETRAINING INCENTIVE.—(1) Under the pilot program, the Secretary may pay a retraining incentive to any person outside the Federal Government that, pursuant to an agreement entered into under subsection (d), employs a former employee of the United States referred to in subsection (b).

(2) For employment of a former employee that is continuous for one year, the amount of any retraining incentive paid to the employer under paragraph (1) shall be the lesser of—

(A) the amount equal to the total cost incurred by the employer for any necessary training provided to the former employee in connection with the employment by that employer, as determined by the Secretary taking into consideration a certification by the employer under subsection (d); or

(B) $10,000.

(3) For employment of a former employee that terminates within one year after the employment begins, the amount of any retraining incentive paid to the employer under paragraph (1) shall be equal to the amount that bears the same ratio to the amount computed under paragraph (2) as the period of continuous employment of the employee by that employer bears to one year.

(4) The cost of the training of a former employee of the United States for which a retraining incentive is paid to an employer under this subsection may include any cost incurred by the employer for training that commenced for the former employee after the former employee, while still employed by the Department of Defense, received a notice of the separation from employment by the United States.

(5) Not more than one retraining incentive may be paid with respect to a former employee under this subsection.

(d) EMPLOYER AGREEMENT.—Under the pilot program, the Secretary shall enter into an agreement with an employer outside the Federal Government that provides for the employer—

(1) to employ a person described in subsection (b) for at least one year for a salary or rate of pay that is mutually agreeable to the employer and such person; and

(2) to certify to the Secretary the cost incurred by the employer for any necessary training provided to such person in connection with the employment of the person by that employer.

(e) NECESSARY TRAINING.—For the purposes of this section, the necessity of training provided a former employee of the Department of Defense shall be determined under regulations prescribed by the Secretary of Defense for the administration of this section.

(f) TERMINATION OF PILOT PROGRAM.—No retraining incentive may be paid under this section for training commenced after September 30, 2005.

SEC. 1124. PARTICIPATION OF PERSONNEL IN TECHNICAL STANDARDS DEVELOPMENT ACTIVITIES.

Subsection (d) of section 12 of the National Technology Transfer and Advancement Act of 1995 (109 Stat. 783; 15 U.S.C. 272 note) is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph (4):

''(4) EXPENSES OF GOVERNMENT PERSONNEL.—Section 5946 of title 5, United States Code, shall not apply with respect to any activity of an employee of a Federal agency or department that is determined by the head of that agency or department as being an activity undertaken in carrying out this subsection.''.

SEC. 1125. AUTHORITY TO EXEMPT CERTAIN HEALTH CARE PROFESSIONALS FROM EXAMINATION FOR APPOINTMENT IN THE COMPETITIVE CIVIL SERVICE.

(a) AUTHORITY TO EXEMPT.—Chapter 81 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1599d. Appointment in competitive civil service of certain health care professionals: exemption from examination

''(a) AUTHORITY TO EXEMPT.—The Secretary of Defense may appoint in the competitive civil service without regard to the provisions of subchapter I of chapter 33 of title 5 (other than sections 3303, 3321, and 3328 of such title) an individual who has a recognized degree or certificate from an accredited institution in a covered health-care profession or occupation.

''(b) COVERED HEALTH-CARE PROFESSION OR OCCUPATION.—For purposes of subsection (a), a covered health-care profession or occupation is any of the following:

''(1) Physician.
''(2) Dentist.
''(3) Podiatrist.
''(4) Optometrist.
''(5) Pharmacist.
''(6) Nurse.
''(7) Physician assistant.
''(8) Audiologist.
''(9) Expanded-function dental auxiliary.
''(10) Dental hygienist.

''(c) PREFERENCES IN HIRING.—In using the authority provided by this section, the Secretary shall apply the principles of preference for the hiring of veterans and other persons established in subchapter I of chapter 33 of title 5.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''1599d. Appointment in competitive civil service of certain health care professionals: exemption from examination.''.

SEC. 1126. PROFESSIONAL CREDENTIALS.

(a) IN GENERAL.—Chapter 57 of title 5, United States Code, as amended by this Act, is amended by adding at the end the following:

''§ 5758. Expenses for credentials

''(a) An agency may use appropriated or other available funds to pay for—

''(1) employee credentials, including professional accreditation, State-imposed and professional licenses, and professional certifications; and

''(2) examinations to obtain such credentials.

''(b) No authority under subsection (a) may be exercised on behalf of any employee occupying or seeking to qualify for appointment to any position which is excepted from the competitive service because of its confidential, policy-determining, policy-making, or policy-advocating character.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 57 of title 5, United States Code, is amended by adding at the end the following:

''5758. Expenses for credentials.''.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Cooperative Threat Reduction With States of the Former Soviet Union

SEC. 1201. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2002 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term ''fiscal year 2002 Cooperative Threat Reduction funds'' means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative

Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1202. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the $403,000,000 authorized to be appropriated to the Department of Defense for fiscal year 2002 in section 301(23) for Cooperative Threat Reduction programs, not more than the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $133,405,000.

(2) For strategic nuclear arms elimination in Ukraine, $51,500,000.

(3) For weapons of mass destruction infrastructure elimination in Ukraine, $6,024,000.

(4) For weapons of mass destruction infrastructure elimination in Kazakhstan, $6,000,000.

(5) For weapons transportation security in Russia, $9,500,000.

(6) For weapons storage security in Russia, $56,000,000.

(7) For implementation of a cooperative program with the Government of Russia to eliminate the production of weapons grade plutonium at Russian reactors, $41,700,000.

(8) For biological weapons proliferation prevention activities in the former Soviet Union, $17,000,000.

(9) For chemical weapons destruction in Russia, $50,000,000.

(10) For activities designated as Other Assessments/Administrative Support, $13,221,000.

(11) For defense and military contacts, $18,650,000.

(b) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2002 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (11) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2002 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(c) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—(1) Subject to paragraph (2), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2002 for a purpose listed in any of the paragraphs in subsection (a) in excess of the amount specifically authorized for such purpose.

(2) An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) The Secretary may not, under the authority provided in paragraph (1), obligate amounts for the purposes stated in paragraph (7), (10) or (11) of subsection (a) in excess of 115 percent of the amount specifically authorized for such purposes.

SEC. 1203. CHEMICAL WEAPONS DESTRUCTION.

Section 1305 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 794; 22 U.S.C. 5952 note) is amended—

(1) by inserting ''(a) LIMITATION.—'' before ''No fiscal year'';

(2) in subsection (a), as so designated, by inserting before the period at the end the following: ''until the Secretary of Defense submits to Congress a certification that there has been—

''(1) full and accurate disclosure by Russia of the size of its existing chemical weapons stockpile;

''(2) a demonstrated annual commitment by Russia to allocate at least $25,000,000 to chemical weapons elimination;

''(3) development by Russia of a practical plan for destroying its stockpile of nerve agents;

''(4) enactment of a law by Russia that provides for the elimination of all nerve agents at a single site;

''(5) an agreement by Russia to destroy or convert its chemical weapons production facilities at Volgograd and Novocheboksark; and

''(6) a demonstrated commitment from the international community to fund and build infrastructure needed to support and operate the facility.''; and

(3) by adding at the end the following new subsection:

''(b) OMISSION OF CERTAIN INFORMATION.—The Secretary may omit from the certification under subsection (a) the matter specified in paragraph (1) of that subsection, and the certification with the matter so omitted shall be effective for purposes of that subsection, if the Secretary includes with the certification notice to Congress of a determination by the Secretary that it is not in the national security interests of the United States for the matter specified in that paragraph to be included in the certification, together with a justification of the determination.''.

SEC. 1204. MANAGEMENT OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) AUTHORITY OVER MANAGEMENT.—The Secretary of Defense shall have authority, direction, and control over the management of Cooperative Threat Reduction programs and the funds for such programs.

(b) IMPLEMENTING AGENT.—The Defense Threat Reduction Agency shall be the implementing agent of the Department of Defense for the functions of the Department relating to Cooperative Threat Reduction programs.

(c) SPECIFICATION OF FUNDS IN DEPARTMENT OF DEFENSE BUDGET.—The budget justification materials submitted to Congress in support of the budget of the Department of Defense for each fiscal year (as submitted with the budget of the President under section 1105(a) of title 31, United States Code) shall include amounts, if any, requested for such fiscal year for Cooperative Threat Reduction programs.

SEC. 1205. ADDITIONAL MATTER IN ANNUAL REPORT ON ACTIVITIES AND ASSISTANCE UNDER COOPERATIVE THREAT REDUCTION PROGRAMS.

Section 1308(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (at enacted by Public Law 106–398; 114 Stat. 1654A–341) is amended by adding at the end of the following new paragraph:

''(6) A description of the amount of the financial commitment from the international community, and from Russia, for the chemical weapons destruction facility located at Shchuch'ye, Russia, for the fiscal year beginning in the year in which the report is submitted.''.

Subtitle B—Other Matters

SEC. 1211. SUPPORT OF UNITED NATIONS-SPONSORED EFFORTS TO INSPECT AND MONITOR IRAQI WEAPONS ACTIVITIES.

(a) LIMITATION ON AMOUNT OF ASSISTANCE IN FISCAL YEAR 2002—The total amount of the assistance for fiscal year 2002 that is provided by the Secretary of Defense under section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) as activities of the Department of Defense in support of activities under that Act may not exceed $15,000,000.

(b) EXTENSION OF AUTHORITY TO PROVIDE ASSISTANCE.—Subsection (f) of section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) is amended by striking ''2001'' and inserting ''2002''.

SEC. 1212. COOPERATIVE RESEARCH AND DEVELOPMENT PROJECTS WITH NATO AND OTHER COUNTRIES.

(a) ELIGIBILITY OF FRIENDLY FOREIGN COUNTRIES.—Section 2350a of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting ''(1)'' after ''(a) AUTHORITY TO ENGAGE IN COOPERATIVE R&D PROJECTS.—'';

(B) by striking ''major allies of the United States or NATO organizations'' and inserting ''countries or organizations referred to in paragraph (2)''; and

(C) by adding at the end the following new paragraph:

''(2) The countries and organizations with which the Secretary may enter into a memorandum of agreement (or other formal agreement) under paragraph (1) are as follows:

''(A) The North Atlantic Treaty Organization.

''(B) A NATO organization.

''(C) A member nation of the North Atlantic Treaty Organization.

''(D) A major non-NATO ally.

''(E) Any other friendly foreign country.'';

(2) in subsection (b), by striking ''its major non-NATO allies'' and inserting ''a country or organization referred to in subsection (a)(2)'';

(3) in subsection (d)—

(A) in paragraph (1), by striking ''the major allies of the United States'' and inserting ''countries and organizations referred to in subsection (a)(2)''; and

(B) in paragraph (2)—

(i) by striking ''major ally of the United States'' and inserting ''country or organization referred to in subsection (a)(2)''; and

(ii) by striking ''ally's'' and inserting ''country's or organization's'';

(4) in subsection (e)(2)—

(A) in subparagraph (A), by striking ''one or more of the major allies of the United States'' and inserting ''any country or organization referred to in subsection (a)(2)'';

(B) in subparagraph (B), by striking ''major allies of the United States or NATO organizations'' and inserting ''countries and organizations referred to in subsection (a)(2)'';

(C) in subparagraph (C), by striking ''major allies of the United States'' and inserting ''countries and organizations referred to in subsection (a)(2)''; and

(D) in subparagraph (D), by striking ''major allies of the United States'' and inserting ''countries and organizations referred to in subsection (a)(2)'';

(5) paragraphs (1)(A) and (4)(A) of subsection (g), by striking ''major allies of the United States and other friendly foreign

countries'' and inserting ''countries referred to in subsection (a)(2)''; and

(6) in subsection (i)—

(A) in paragraph (1), by striking ''major allies of the United States or NATO organizations'' and inserting ''countries and organizations referred to in subsection (a)(2)'';

(B) by striking paragraph (2); and

(C) by redesignating paragraph (4) as paragraph (2), and by transferring that paragraph, as so redesignated, within that subsection and inserting the paragraph after paragraph (1).

(b) DELEGATION OF AUTHORITY TO DETERMINE ELIGIBILITY OF PROJECTS.—Subsection (b)(2) of such section is amended by striking ''or the Under Secretary of Defense for Acquisition and Technology'' and inserting ''and to one other official of the Department of Defense''.

(c) REVISION OF REQUIREMENT FOR ANNUAL REPORT ON ELIGIBLE COUNTRIES.—Subsection (f)(2) of such section is amended to read as follows:

''(2) Not later than January 1 of each year, the Secretary of Defense shall submit to the Committees on Armed Services and on Foreign Relations of the Senate and to the Committees on Armed Services and on International Relations of the House of Representatives a report specifying—

''(A) the countries that are eligible to participate in a cooperative project agreement under this section; and

''(B) the criteria used to determine the eligibility of such countries.''.

(d) CONFORMING AMENDMENTS.—(1) The heading of such section is amended to read as follows:

''§ 2350a. Cooperative research and development agreements: NATO and foreign countries''.

(2) The item relating to such section in the table of sections at the beginning of subchapter II of chapter 138 of title 10, United States Code, is amended to read as follows:

''2350a. Cooperative research and development agreements: NATO and foreign countries.''.

SEC. 1213. INTERNATIONAL COOPERATIVE AGREEMENTS ON USE OF RANGES AND OTHER FACILITIES FOR TESTING OF DEFENSE EQUIPMENT.

(a) AUTHORITY.—Chapter 138 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2350l. Cooperative use of ranges and other facilities for testing of defense equipment: agreements with foreign countries and international organizations

''(a) AUTHORITY.—The Secretary of Defense, with the concurrence of the Secretary of State, may enter into a memorandum of understanding (or other formal agreement) with a foreign country or international organization to provide reciprocal access by the United States and such country or organization to each other's ranges and other facilities for testing of defense equipment.

''(b) PAYMENT OF COSTS.—A memorandum or other agreement entered into under subsection (a) shall include provisions for charging a user of a range or other facility for test and evaluation services furnished by the officers, employees, or governmental agencies of the supplying country or international organization under the memorandum or other agreement. The provisions for charging a user shall conform to the following pricing principles:

''(1) The user shall be charged the amount equal to the direct costs incurred by the country or international organization to supply the services.

''(2) The user may also be charged indirect costs of the use of the range or other facility, but only to the extent specified in the memorandum or other agreement.

''(c) RETENTION OF FUNDS COLLECTED BY THE UNITED STATES.—Amounts collected from the user of a range or other facility of the United States under a memorandum of understanding or other formal agreement entered into under subsection (a) shall be credited to the appropriation from which the costs incurred by the United States in providing support for the use of the range or other facility by that user were paid.

''(d) DELEGATION OF AUTHORITY.—The Secretary of Defense may delegate only to the Deputy Secretary of Defense and to one other official of the Department of Defense authority to determine the appropriateness of the amount of indirect costs charged the United States under a memorandum or other agreement entered into under subsection (a).

''(e) DEFINITIONS.—In this section:

''(1) The term 'direct cost', with respect to testing and evaluation under a memorandum or other agreement entered into under subsection (a)—

''(A) means any item of cost that—

''(i) is easily and readily identified to a specific unit of work or output within the range or other facility where the testing and evaluation occurred under the memorandum or other agreement; and

''(ii) would not have been incurred if the testing and evaluation had not taken place; and

''(B) may include costs of labor, materials, facilities, utilities, equipment, supplies, and any other resources of the range or other facility that are consumed or damaged in connection with—

''(i) the conduct of the test and evaluation; or

''(ii) the maintenance of the range or other facility for the use of the country or international organization under the memorandum or other agreement.

''(2) The term 'indirect cost', with respect to testing and evaluation under a memorandum or other agreement entered into under subsection (a)—

''(A) means any item of cost that cannot readily be identified directly to a specific unit of work or output; and

''(B) may include general and administrative expenses for such activities as supporting base operations, manufacturing, supervision, procurement of office supplies, and utilities that are accumulated costs allocated among several users.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2350l. Cooperative use of ranges and other facilities for testing of defense equipment: agreements with foreign countries and international organizations.''.

SEC. 1214. CLARIFICATION OF AUTHORITY TO FURNISH NUCLEAR TEST MONITORING EQUIPMENT TO FOREIGN GOVERNMENTS.

(a) REDESIGNATION OF EXISTING AUTHORITY.—(1) Section 2555 of title 10, United States Code, as added by section 1203 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–324), is redesignated as section 2565 of that title.

(2) The table of sections at the beginning of chapter 152 of that title is amended by striking the item relating to section 2555, as so added, and inserting the following new item:

''2565. Nuclear test monitoring equipment: furnishing to foreign governments.''.

(b) CLARIFICATION OF AUTHORITY.—Section 2565 of that title, as so redesignated by subsection (a), is further amended—

(1) in subsection (a)—

(A) by striking ''CONVEY OR'' in the subsection heading and inserting ''TRANSFER TITLE TO OR OTHERWISE'';

(B) in paragraph (1)—

(i) by striking ''convey'' and inserting ''transfer title''; and

(ii) by striking ''and'' at the end;

(C) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(D) by adding at the end the following new paragraph:

''(3) inspect, test, maintain, repair, or replace any such equipment.''; and

(2) in subsection (b)—

(A) by striking ''conveyed or otherwise provided'' and inserting ''provided to a foreign government'';

(B) by inserting ''and'' at the end of paragraph (1);

(C) by striking ''; and'' at the end of paragraph (2) and inserting a period; and

(D) by striking paragraph (3).

SEC. 1215. PARTICIPATION OF GOVERNMENT CONTRACTORS IN CHEMICAL WEAPONS INSPECTIONS AT UNITED STATES GOVERNMENT FACILITIES UNDER THE CHEMICAL WEAPONS CONVENTION.

(a) AUTHORITY.—Section 303(b)(2) of the Chemical Weapons Convention Implementation Act of 1998 (22 U.S.C. 6723(b)(2)) is amended by inserting after ''designation of employees of the Federal Government'' the following: ''(and, in the case of an inspection of a United States Government facility, the designation of contractor personnel who shall be led by an employee of the Federal Government)''.

(b) CREDENTIALS.—Section 304(c) of such Act (22 U.S.C. 6724(c)) is amended by striking ''Federal government'' and inserting ''Federal Government (and, in the case of an inspection of a United States Government facility, any accompanying contractor personnel)''.

SEC. 1216. AUTHORITY TO TRANSFER NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

(a) TRANSFERS BY GRANT.—The President is authorized to transfer vessels to foreign countries on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) as follows:

(1) POLAND.—To the Government of Poland, the OLIVER HAZARD PERRY class guided missile frigate WADSWORTH (FFG 9).

(2) TURKEY.—To the Government of Turkey, the KNOX class frigates CAPODANNO (FF 1093), THOMAS C. HART (FF 1092), DONALD B. BEARY (FF 1085), MCCANDLESS (FF 1084), REASONER (FF 1063), and BOWEN (FF 1079).

(b) TRANSFERS BY SALE.—The President is authorized to transfer vessels to foreign governments and foreign governmental entities on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761) as follows:

(1) TAIWAN.—To the Taipei Economic and Cultural Representative Office in the United States (which is the Taiwan instrumentality designated pursuant to section 10(a) of the Taiwan Relations Act), the KIDD class guided missile destroyers KIDD (DDG 993), CALLAGHAN (DDG 994), SCOTT (DDG 995), and CHANDLER (DDG 996).

(2) TURKEY.—To the Government of Turkey, the OLIVER HAZARD PERRY class

guided missile frigates ESTOCIN (FFG 15) and SAMUEL ELIOT MORISON (FFG 13).

(c) ADDITIONAL CONGRESSIONAL NOTIFICATION NOT REQUIRED.—Except as provided in subsection (d), the following provisions do not apply with respect to transfers authorized by this section:

(1) Section 516(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(f)).

(2) Section 524 of the Foreign Operations, Export Financing, and Related Programs Appropriation Act, 2001 (as enacted by Public Law 106–429; 114 Stat. 1900A–30) and any similar successor provision.

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

(e) COSTS OF TRANSFERS ON GRANT BASIS.—Any expense incurred by the United States in connection with a transfer authorized by this section shall be charged to the recipient (notwithstanding section 516(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)(1))) in the case of a transfer authorized to be made on a grant basis under subsection (a).

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

(g) EXPIRATION OF AUTHORITY.—The authority to transfer a vessel under this section shall expire at the end of the 2-year period beginning on the date of the enactment of this Act.

SEC. 1217. ACQUISITION OF LOGISTICAL SUPPORT FOR SECURITY FORCES.

Section 5 of the Multinational Force and Observers Participation Resolution (22 U.S.C. 3424) is amended by adding at the end the following new subsection:

''(d)(1) The United States may use contractors to provide logistical support to the Multinational Force and Observers under this section in lieu of providing such support through a logistical support unit composed of members of the United States Armed Forces.

''(2) Notwithstanding subsections (a) and (b) and section 7(b), support by a contractor under this subsection may be provided without reimbursement whenever the President determines that such action enhances or supports the national security interests of the United States.''.

SEC. 1218. PERSONAL SERVICES CONTRACTS TO BE PERFORMED BY INDIVIDUALS OR ORGANIZATIONS ABROAD.

Section 2 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2669) is amended by adding at the end the following:

''(n) exercise the authority provided in subsection (c), upon the request of the Secretary of Defense or the head of any other department or agency of the United States, to enter into personal service contracts with individuals to perform services in support of the Department of Defense or such other department or agency, as the case may be.''.

SEC. 1219. ALLIED DEFENSE BURDENSHARING.

It is the sense of the Senate that—

(1) the efforts of the President to increase defense burdendsharing by allied and friendly nations deserve strong support;

(2) host nations support agreements with those nations in which United States military personnel are assigned to permanent duty ashore should be negotiated consistent with section 1221(a)(1) of the National Defense Authorization Act for Fiscal Year 1998 (P.L. 105–85) which sets forth a goal of obtaining financial contributions from host nations that amount to 75 percent of the nonpersonnel costs incurred by the United States Government for stationing military personnel in those nations.

SEC. 1220. RELEASE OF RESTRICTION ON USE OF CERTAIN VESSELS PREVIOUSLY AUTHORIZED TO BE SOLD.

Section 3603(a) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2273) is amended by striking ''for full use as an oiler''.

TITLE XIII—CONTINGENT AUTHORIZATION OF APPROPRIATIONS

SEC. 1301. AUTHORIZATION OF APPROPRIATIONS CONTINGENT ON INCREASED ALLOCATION OF NEW BUDGET AUTHORITY.

(a) IN GENERAL.—Notwithstanding any other provision of this Act, the total amounts authorized to be appropriated under subtitle A of title I, sections 201, 301, and 302, and division B are authorized to be appropriated in accordance with those provisions without reduction under section 1302 only if—

(1) the Chairman of the Committee on the Budget of the Senate—

(A) determines, for the purposes of section 217(b) of the Concurrent Resolution on the Budget for Fiscal Year 2002, that the appropriation of all of the amounts specified in section 1302 would not, when taken together with all other previously enacted legislation (except for legislation enacted pursuant to section 211 of such concurrent resolution) reduce the on-budget surplus below the level of the Medicare Hospital Insurance Trust Fund surplus in any fiscal year covered by the concurrent resolution; and

(B) increases the allocation of new budget authority for defense spending in accordance with section 217(a) of the Concurrent Resolution on the Budget for Fiscal Year 2002; or

(2) the Senate—

(A) by a vote of at least three-fifths of the Members of the Senate duly chosen and sworn, waives the point of order under section 302(f) of the Congressional Budget and Impoundment Control Act of 1974 with respect to an appropriation bill or resolution that provides new budget authority for the National Defense major functional category (050) in excess of the amount specified for the defense category in section 203(c)(1)(A) of the Concurrent Resolution on the Budget for Fiscal Year 2002; and

(B) approves the appropriation bill or resolution.

(b) FULL OR PARTIAL AUTHORIZATION.—(1) If the total amount of the new budget authority allocated or available for the National Defense major functional category (050) for fiscal year 2002 is increased as described in subsection (a) by at least $18,448,601,000 over the amount of the new budget authority allocated for that category for fiscal year 2002 by the Concurrent Resolution on the Budget for Fiscal Year 2002, the reductions under section 1302 shall not be made.

(2) If the total amount of new budget authority allocated or available for the National Defense major functional category (050) for fiscal year 2002 is increased as described in subsection (a) by less than $18,448,601,000 over the amount of the new budget authority allocated for that category for fiscal year 2002 by the Concurrent Resolution on the Budget for Fiscal Year 2002, each of the total amounts referred to in section 1302 shall be reduced by a proportionate amount of the difference between $18,448,601,000 and the amount of the increase in the allocated new budget authority.

SEC. 1302. REDUCTIONS.

Until such time as the amount of the new budget authority allocated or available for the National Defense major functional category (050) for fiscal year 2002 is increased as described in section 1301(a), the total amounts authorized to be appropriated by provisions of this Act are reduced as follows:

(1) For the total amount authorized to be appropriated for procurement by subtitle A of title I, the reduction is $2,100,854,000.

(2) For the total amount authorized to be appropriated for research, development, test and evaluation by section 201, the reduction is $3,033,434,000.

(3) For the total amount authorized to be appropriated for operation and maintenance by section 301, the reduction is $8,737,773,000.

(4) For the total amount authorized to be appropriated for working capital and revolving funds by section 302, the reduction is $1,018,394,000.

(5) For the total amount authorized to be appropriated by division B, the reduction is $348,065,000.

SEC. 1303. REFERENCE TO CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002.

For the purposes of this title, a reference to the Concurrent Resolution on the Budget for Fiscal Year 2002 is a reference to House Concurrent Resolution 83 (107th Congress, 1st session).

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Military Construction Authorization Act for Fiscal Year 2002''.

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Anniston Army Depot	$5,150,000
	Fort Rucker	$11,400,000

Army: Inside the United States—Continued

State	Installation or location	Amount
	Redstone Arsenal	$7,200,000
Alaska	Fort Richardson	$115,000,000
	Fort Wainwright	$27,200,000
Arizona	Fort Huachuca	$6,100,000
Colorado	Fort Carson	$66,000,000
District of Columbia	Fort McNair	$11,600,000
Georgia	Fort Benning	$23,900,000
	Fort Gillem	$34,600,000
	Fort Gordon	$34,000,000
	Fort Stewart/Hunter Army Air Field	$39,800,000
Hawaii	Navy Public Works Center, Pearl Harbor	$11,800,000
	Pohakuloa Training Facility	$6,600,000
	Wheeler Army Air Field	$50,000,000
Illinois	Rock Island Arsenal	$3,500,000
Kansas	Fort Riley	$10,900,000
Kentucky	Fort Campbell	$88,900,000
	Fort Knox	$11,600,000
Louisiana	Fort Polk	$21,200,000
Maryland	Aberdeen Proving Ground	$58,300,000
	Fort Meade	$5,800,000
Missouri	Fort Leonard Wood	$7,850,000
New Jersey	Fort Monmouth	$20,000,000
New Mexico	White Sands Missile Range	$7,600,000
New York	Fort Drum	$37,850,000
North Carolina	Fort Bragg	$21,300,000
	Sunny Point Military Ocean Terminal	$11,400,000
Oklahoma	Fort Sill	$40,100,000
South Carolina	Fort Jackson	$62,000,000
Texas	Fort Hood	$86,200,000
	Fort Sam Houston	$2,250,000
Virginia	Fort Belvoir	$35,950,000
	Fort Eustis	$34,650,000
	Fort Lee	$23,900,000
Washington	Fort Lewis	$238,200,000
	Total:	$1,279,500,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Germany	Area Support Group, Bamberg	$36,000,000
	Area Support Group, Darmstadt	$13,500,000
	Baumholder	$9,000,000
	Hanau	$7,200,000
	Heidelberg	$15,300,000
	Mannheim	$16,000,000
	Wiesbaden Air Base	$26,300,000
Korea	Camp Carroll	$16,593,000
	Camp Casey	$8,500,000
	Camp Hovey	$35,750,000
	Camp Humphreys	$14,500,000
	Camp Jackson	$6,100,000
	Camp Stanley	$28,000,000
Kwajalein	Kwajalein Atoll	$11,000,000
	Total:	$243,743,000

(c) UNSPECIFIED WORLDWIDE.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(3), the Secretary of the Army may acquire real property and carry out military construction projects for the installation and location, and in the amount, set forth in the following table:

Army: Unspecified Worldwide

Location	Installation	Amount
Unspecified Worldwide	Classified Location	$4,000,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State or county	Installation or location	Purpose	Amount
Alaska	Fort Wainwright	32 Units	$12,000,000
Arizona	Fort Huachuca	72 Units	$10,800,000
Kansas	Fort Leavenworth	40 Units	$20,000,000
Texas	Fort Bliss	76 Units	$13,600,000
	Fort Sam Houston	80 Units	$11,200,000
Korea	Camp Humphreys	54 Units	$12,800,000

Army: Family Housing—Continued

State or county	Installation or location	Purpose	Amount
	Total:		$80,400,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $12,702,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $220,750,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2001, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $3,068,303,000, as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $1,027,300,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $243,743,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2101(c), $4,000,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $18,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $142,198,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $313,852,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,108,991,000.

(7) For the Homeowners Assistance Program, as authorized by section 2832 of title 10, United States Code, $10,119,000, to remain available until expended.

(8) For the construction of the Cadet Development Center, United States Military Academy, West Point, New York, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2182), $37,900,000.

(9) For the construction of a Barracks Complex—Tagaytay Street Phase 2C, Fort Bragg, North Carolina, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 824), $17,500,000.

(10) For the construction of a Barracks Complex—Wilson Street, Phase 1C, Schofield Barracks, Hawaii, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2000 (113 Stat. 824), $23,000,000.

(11) For construction of a Basic Combat Training Complex Phase 2, Fort Leonard Wood, Missouri, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–389), $27,000,000.

(12) For the construction of the Battle Simulation Center Phase 2, Fort Drum, New York, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A–389), $9,000,000.

(13) For the construction of a Barracks Complex—Bunter Road Phase 2, Fort Bragg, North Carolina, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A–389), $49,000,000.

(14) For the construction of a Barracks Complex—Longstreet Road Phase 2, Fort Bragg, North Carolina, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A–389), $27,000,000.

(15) For the construction of a Multipurpose Digital Training Range, Fort Hood, Texas, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A–389), $13,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a);

(2) $52,000,000 (the balance of the amount authorized under section 2101(a) for Barracks Complex D Street Phase at Fort Richardson, Alaska);

(3) $41,000,000 (the balance of the amount authorized under section 2101(a) for Barracks Complex—Nelson Boulevard (Phase I) at Fort Carson, Colorado);

(4) $36,000,000 (the balance of the amount authorized under section 2101(a) for Basic Combat Training Complex (Phase I) at Fort Jackson, South Carolina);

(5) $102,000,000 (the balance of the amount authorized under section 2101(a) for Barracks Complex—17th & B Street (Phase I) at Fort Lewis, Washington); and

(6) $21,500,000 (the balance of the amount authorized under section 2101(a) for Consolidated Logistics Complex (Phase I) at Fort Sill, Oklahoma).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (7) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs reduced by $3,300,000, which represents savings resulting from adjustments to foreign currency exchange rates for military family housing construction and military family housing support outside the United States.

SEC. 2105. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECTS.

(a) MODIFICATION.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–389) is amended—

(1) in the item relating to Fort Leonard Wood, Missouri, by striking ''$65,400,000'' in the amount column and inserting ''$69,800,000'';

(2) in the item relating to Fort Drum, New York, by striking ''$18,000,000'' in the amount column and inserting ''$21,000,000'';

(3) in the item relating to Fort Hood, Texas, by striking ''$36,492,000'' in the amount column and inserting ''$39,492,000''; and

(4) by striking the amount identified as the total in the amount column and inserting ''$626,374,000''.

(b) CONFORMING AMENDMENTS.—Section 2104 of that Act (114 Stat. 1654A–391) is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by striking ''$1,925,344,000'' and inserting ''$1,935,744,000''; and

(2) in subsection (b)—

(A) in paragraph (2), by striking ''$22,600,000'' and inserting ''$27,000,000'';

(B) in paragraph (3), by striking ''$10,000,000'' and inserting ''$13,000,000''; and

(C) in paragraph (6), by striking ''$6,000,000'' and inserting ''$9,000,000''.

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Marine Corps Air Station, Yuma	$22,570,000
California	Marine Air-Ground Task Force Training Center, Twentynine Palms	$75,125,000
	Marine Corps Air Station, Camp Pendleton	$4,470,000
	Marine Corps Base, Camp Pendleton	$96,490,000
	Naval Air Facility, El Centro	$23,520,000
	Naval Air Station, Lemoore	$10,010,000
	Naval Air Warfare Center, Point Mugu, San Nicholas Island	$13,730,000
	Naval Amphibious Base, Coronado	$8,610,000

Navy: Inside the United States—Continued

State	Installation or location	Amount
	Naval Construction Battalion Center, Port Hueneme	$12,400,000
	Naval Construction Training Center, Port Hueneme	$3,780,000
	Naval Station, San Diego	$47,240,000
District of Columbia	Naval Air Facility, Washington	$9,810,000
Florida	Naval Air Station, Key West	$11,400,000
	Naval Air Station, Pensacola	$3,700,000
	Naval Air Station, Whiting Field, Milton	$2,140,000
	Naval Station, Mayport	$16,420,000
Hawaii	Marine Corps Base, Kaneohe	$24,920,000
	Naval Magazine, Lualualei	$6,000,000
	Naval Shipyard, Pearl Harbor	$20,000,000
	Naval Station, Pearl Harbor	$54,700,000
	Navy Public Works Center, Pearl Harbor	$16,900,000
Illinois	Naval Training Center, Great Lakes	$82,260,000
Indiana	Naval Surface Warfare Center, Crane	$5,820,000
Maine	Naval Air Station, Brunswick	$67,395,000
	Naval Shipyard, Kittery-Portsmouth	$14,620,000
Maryland	Naval Air Warfare Center, Patuxent River	$2,260,000
	Naval Explosive Ordinance Disposal Technology Center, Indian Head	$1,250,000
Mississippi	Naval Construction Battalion Center, Gulfport	$21,660,000
	Naval Air Station, Meridian	$3,370,000
	Naval Station, Pascagoula	$4,680,000
Missouri	Marine Corp Support Activity, Kansas City	$9,010,000
Nevada	Naval Air Station, Fallon	$6,150,000
New Jersey	Naval Weapons Station, Earle	$4,370,000
North Carolina	Marine Corps Air Station, New River	$4,050,000
	Marine Corps Base, Camp LeJeune	$67,070,000
Rhode Island	Naval Station, Newport	$15,290,000
	Naval Undersea Warfare Center, Newport	$9,370,000
South Carolina	Marine Corps Air Station, Beaufort	$8,020,000
	Marine Corps Recruit Depot, Parris Island	$5,430,000
Tennessee	Naval Support Activity, Millington	$3,900,000
Texas	Naval Air Station, Kingsville	$6,160,000
Virginia	Marine Corps Air Facility, Quantico	$3,790,000
	Marine Corps Combat Development Command, Quantico	$9,390,000
	Naval Station, Norfolk	$139,270,000
Washington	Naval Air Station, Whidbey Island	$7,370,000
	Naval Station, Everett	$6,820,000
	Strategic Weapons Facility, Bangor	$3,900,000
	Total:	$996,610,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Greece	Naval Support Activity Joint Headquarters Command, Larissa	$12,240,000
	Naval Support Activity, Souda Bay	$3,210,000
Guam	Naval Station, Guam	$9,300,000
	Navy Public Works Center, Guam	$14,800,000
Iceland	Naval Air Station, Keflavik	$2,820,000
Italy	Naval Air Station, Sigonella	$3,060,000
Spain	Naval Station, Rota	$2,240,000
	Total:	$47,670,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State or country	Installation or location	Purpose	Amount
Arizona	Marine Corps Air Station, Yuma	51 Units	$9,017,000
California	Marine Air-Ground Task Force Training Center, Twentynine Palms	74 Units	$16,250,000
Hawaii	Marine Corps Base, Kaneohe	172 Units	$55,187,000
	Naval Station, Pearl Harbor	70 Units	$16,827,000
Mississippi	Naval Construction Battalion Center, Gulfport	160 Units	$23,354,000
Italy	Naval Air Station, Sigonella	10 Units	$2,403,000
		Total:	$123,038,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $6,499,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $183,054,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2001, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,377,634,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $963,370,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $47,670,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $10,546,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $35,752,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $312,591,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $918,095,000.

(6) For replacement of a pier at Naval Station, San Diego, California, authorized in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–395), $17,500,000.

(7) For replacement of Pier Delta at Naval Station, Bremerton, Washington, authorized in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2001, $24,460,000.

(8) For construction of the Commander-in-Chief Headquarters, Pacific Command, Camp Smith, Hawaii, authorized in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 828), $37,580,000.

(9) For construction of an Advanced Systems Integration Facility, phase 6, at Naval Air Warfare Center, Patuxent River, Maryland, authorized in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2590), $10,770,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a); and

(2) $33,240,000 (the balance of the amount authorized under section 2201(a) for Pier Replacement (Increment I), Naval Station, Norfolk, Virginia).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (5) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs reduced by $700,000, which represents savings resulting from adjustments to foreign currency exchange rates for military family housing construction and military family housing support outside the United States.

SEC. 2205. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECTS.

The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–395) is amended—

(1) in the item relating to Naval Shipyard, Bremerton, Puget Sound, Washington, by striking ''$100,740,000'' in the amount column and inserting ''$98,740,000'';

(2) in the item relating to Naval Station, Bremerton, Washington, by striking ''$11,930,000'' in the amount column and inserting ''$1,930,000''; and

(3) by striking the amount identified as the total in the amount column and inserting ''$799,497,000''.

SEC. 2206. MODIFICATION OF AUTHORITY TO CARRY OUT FISCAL YEAR 2000 PROJECT.

(a) MODIFICATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 828) is amended—

(1) in the item relating to Camp Smith, Hawaii, by striking ''$86,050,000'' in the amount column and inserting ''$89,050,000''; and

(2) by striking the amount identified as the total in the amount column and inserting ''$820,230,000''.

(b) CONFORMING AMENDMENT.—Section 2204(b)(3) of that Act (113 Stat. 831) is amended by striking ''$70,180,000'' and inserting ''$73,180,000''.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	$34,400,000
Alaska	Eareckson Air Force Base	$4,600,000
	Elmendorf Air Force Base	$32,200,000
Arizona	Davis-Monthan Air Force Base	$17,300,000
Arkansas	Little Rock Air Force Base	$18,100,000
California	Edwards Air Force Base	$16,300,000
	Los Angeles Air Force Base	$23,000,000
	Travis Air Force Base	$16,400,000
	Vandenberg Air Force Base	$11,800,000
Colorado	Buckley Air Force Base	$23,200,000
	Schriever Air Force Base	$19,000,000
	United States Air Force Academy	$25,500,000
Delaware	Dover Air Force Base	$7,300,000
District of Columbia	Bolling Air Force Base	$2,900,000
Florida	Cape Canaveral Air Force Station	$7,800,000
	Eglin Air Force Base	$11,400,000
	Hurlburt Field	$10,400,000
	MacDill Air Force Base	$10,000,000
	Tyndall Air Force Base	$15,050,000
Georgia	Moody Air Force Base	$8,600,000
	Robins Air Force Base	$14,650,000
Idaho	Mountain Home Air Force Base	$14,600,000
Louisiana	Barksdale Air Force Base	$5,000,000
Maryland	Andrews Air Force Base	$19,420,000
Massachusetts	Hanscom Air Force Base	$9,400,000
Mississippi	Columbus Air Force Base	$5,000,000
	Keesler Air Force Base	$28,600,000
Montana	Malmstrom Air Force Base	$4,650,000
Nebraska	Offet Air Force Base	$10,400,000
Nevada	Nellis Air Force Base	$31,600,000
New Jersey	McGuire Air Force Base	$36,550,000
New Mexico	Cannon Air Force Base	$9,400,000
	Kirtland Air Force Base	$15,500,000
North Carolina	Pope Air Force Base	$17,800,000
North Dakota	Grand Forks Air Force Base	$7,800,000
Ohio	Wright-Patterson Air Force Base	$24,850,000
Oklahoma	Altus Air Force Base	$20,200,000
	Tinker Air Force Base	$21,400,000
	Vance Air Force Base	$4,800,000
South Carolina	Shaw Air Force Base	$5,800,000
South Dakota	Ellsworth Air Force Base	$12,000,000
Tennessee	Arnold Air Force Base	$24,400,000
Texas	Lackland Air Force Base	$12,800,000
	Laughlin Air Force Base	$12,000,000
	Sheppard Air Force Base	$37,000,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
Utah	Hill Air Force Base	$14,000,000
Virginia	Langley Air Force Base	$47,300,000
Washington	Fairchild Air Force Base	$2,800,000
	McChord Air Force Base	$20,700,000
Wyoming	F.E. Warren Air Force Base	$10,200,000
	Total:	$811,370,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Ramstein Air Force Base	$42,900,000
	Spangdahlem Air Base	$8,700,000
Guam	Andersen Air Force Base	$10,150,000
Italy	Aviano Air Base	$11,800,000
Korea	Kunsan Air Base	$12,000,000
	Osan Air Base	$101,142,000
Oman	Masirah Island	$8,000,000
Turkey	Eskisehir	$4,000,000
United Kingdom	Royal Air Force, Lakenheath	$11,300,000
	Royal Air Force, Mildenhall	$22,400,000
Wake Island	Wake Island	$25,000,000
	Total:	$257,392,000

(c) UNSPECIFIED WORLDWIDE.—Using the amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(3), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installation and location and in the amount, set forth in the following table:

Air Force: Unspecified Worldwide

Location	Installation	Amount
Unspecified Worldwide	Classified Location	$4,458,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State or country	Installation or location	Purpose	Amount
Arizona	Luke Air Force Base	120 Units	$15,712,000
California	Travis Air Force Base	118 Units	$18,150,000
Colorado	Buckley Air Force Base	55 Units	$11,400,000
Delaware	Dover Air Force Base	120 Units	$18,145,000
District of Columbia	Bolling Air Force Base	136 Units	$16,926,000
Hawaii	Hickam Air Force Base	102 Units	$25,037,000
Louisiana	Barksdale Air Force Base	56 Units	$7,300,000
South Dakota	Ellsworth Air Force Base	78 Units	$13,700,000
Virginia	Langley Air Force Base	4 Units	$1,200,000
Portugal	Lajes Field, Azores	64 Units	$13,230,000
		Total:	$140,800,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $24,558,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $375,379,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2001, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $2,587,791,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $816,070,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $257,392,000.

(3) For the military construction projects at unspecified worldwide locations authorized by section 2301(c), $4,458,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $11,250,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $90,419,000.

(6) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $542,381,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $869,121,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs reduced by $3,300,000, which represents savings resulting from adjustments to foreign currency exchange rates for military family housing construction and military family housing support outside the United States.

SEC. 2305. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECT.

The table in section 2302(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–400) is amended in the item relating to Mountain Home Air Force Base, Idaho, by striking ''119 Units'' in the purpose column and inserting ''46 Units''.

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2403(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Defense Education Activity	Laurel Bay, South Carolina	$12,850,000
	Marine Corps Base, Camp LeJeune, North Carolina	$8,857,000
Defense Logistics Agency	Defense Distribution Depot Tracy, California	$30,000,000
	Defense Distribution Depot, Susquehanna, New Cumberland, Pennsylvania	$19,900,000
	Eielson Air Force Base, Alaska	$8,800,000
	Fort Belvoir, Virginia	$900,000
	Grand Forks Air Force Base, North Dakota	$9,110,000
	Hickam Air Force Base, Hawaii	$29,200,000
	McGuire Air Force Base, New Jersey	$4,400,000
	Minot Air Force Base, North Dakota	$14,000,000
	Philadelphia, Pennsylvania	$2,429,000
	Pope Air Force Base, North Carolina	$3,400,000
Special Operations Command	Aberdeen Proving Ground, Maryland	$3,200,000
	Fort Benning, Georgia	$5,100,000
	Fort Bragg, North Carolina	$33,562,000
	Fort Lewis, Washington	$6,900,000
	Hurlburt Field, Florida	$13,400,000
	MacDill Air Force Base, Florida	$12,000,000
	Naval Station, San Diego, California	$13,650,000
	CONUS Classified	$2,400,000
TRICARE Management Activity	Andrews Air Force Base, Maryland	$10,250,000
	Dyess Air Force Base, Texas	$3,300,000
	F.E. Warren Air Force Base, Wyoming	$2,700,000
	Fort Hood, Texas	$12,200,000
	Fort Stewart/Hunter Army Air Field, Georgia	$11,000,000
	Holloman Air Force Base, New Mexico	$5,700,000
	Hurlburt Field, Florida	$8,800,000
	Marine Corps Base, Camp Pendleton, California	$15,300,000
	Marine Corps Logistics Base, Albany, Georgia	$5,800,000
	Naval Air Station, Whidbey Island, Washington	$6,600,000
	Naval Hospital, Twentynine Palms, California	$1,600,000
	Naval Station, Mayport, Florida	$24,000,000
	Naval Station, Norfolk, Virginia	$21,000,000
	Schriever Air Force Base, Colorado	$4,000,000
Washington Headquarters Services	Pentagon Reservation, Virginia	$25,000,000
	Total:	$391,308,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2403(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Education Activity	Aviano Air Base, Italy	$3,647,000
	Geilenkirchen, Germany	$1,733,000
	Heidelberg, Germany	$3,312,000
	Kaiserslautern, Germany	$1,439,000
	Kitzingen, Germany	$1,394,000
	Landstuhl, Germany	$1,444,000
	Ramstein Air Base, Germany	$2,814,000
	Royal Air Force, Feltwell, United Kingdom	$22,132,000
	Vogelweh Annex, Germany	$1,558,000
	Wiesbaden Air Base, Germany	$1,378,000
	Wuerzburg, Germany	$2,684,000
Defense Logistics Agency	Andersen Air Force Base, Guam	$20,000,000
	Camp Casey, Korea	$5,500,000
	Naval Station, Rota, Spain	$3,000,000
	Yokota Air Base, Japan	$13,000,000
Office of Secretary of Defense	Comalapa Air Base, El Salvador	$12,577,000
TRICARE Management Activity	Heidelberg, Germany	$28,000,000
	Lajes Field, Azores, Portugal	$3,750,000
	Thule, Greenland	$10,800,000
	Total:	$140,162,000

SEC. 2402. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(6), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of $35,600,000.

SEC. 2403. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2001, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $1,492,956,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $391,308,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $140,162,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $24,492,000.

(4) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $87,382,000.

(6) For energy conservation projects authorized by section 2402 of this Act, $35,600,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $592,200,000.

(8) For military family housing functions:

(A) For improvement of military family housing and facilities, $250,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $43,762,000 of which not more than $37,298,000 may be obligated or expended for the leasing of military family housing units worldwide.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, $2,000,000.

(9) For construction of the Ammunition Demilitarization Facility Phase 6, Pine Bluff Arsenal, Arkansas, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 538), section 2408 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1982), section 2406 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2197), and section 2408 of this Act, $26,000,000.

(10) For construction of the Ammunition Demilitarization Facility Phase 3, Pueblo Army Depot, Colorado, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839), $11,000,000.

(11) For construction of the Ammunition Demilitarization Facility Phase 4, Newport Army Depot, Indiana, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193), $66,000,000.

(12) For construction of the Ammunition Demilitarization Facility phase 4, Aberdeen Proving Ground, Maryland, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (112 Stat. 2193), as amended by section 2407 of this Act, $66,500,000.

(13) For construction of the Ammunition Demilitarization Facility Phase 2, Blue Grass Army Depot, Kentucky, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2406 of this Act, $3,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (8) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs reduced by $1,700,000, which represents savings resulting from adjustments to foreign currency exchange rates for military family housing construction and military family housing support outside the United States.

SEC. 2404. CANCELLATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECTS.

(a) CANCELLATION OF PROJECTS AT CAMP PENDLETON, CALIFORNIA.—(1) The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–402) is amended—

(A) by striking the item relating to Marine Corps Base, Camp Pendleton, California, under the heading TRICARE Management Activity; and

(B) by striking the amount identified as the total in the amount column and inserting ''$242,756,000''.

(2) Of the amount authorized to be appropriated by section 2403(a) of that Act (114 Stat. 1654A–404), and paragraph (1) of that section, $14,150,000 shall be available for purposes relating to construction of the Portsmouth Naval Hospital, Virginia, as authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189). Such amount is the amount authorized to be appropriated by section 2403(a) of the Military Construction Authorization Act for Fiscal Year 2001 for purposes authorized in section 2401(a) of that Act relating to Marine Corps Base, Camp Pendleton, California.

(b) CONFORMING AMENDMENTS.—Section 2403(a) of that Act is amended—

(1) in the matter preceding paragraph (1), by striking ''$1,883,902,000'' and inserting ''$1,828,902,000''; and

(2) in paragraph (3), by striking ''$85,095,000'' and inserting ''$30,095,000''.

SEC. 2405. CANCELLATION OF AUTHORITY TO CARRY OUT ADDITIONAL FISCAL YEAR 2001 PROJECT.

(a) CANCELLATION OF AUTHORITY.—Section 2401(c) the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–404) is amended by striking ''$451,135,000'' and inserting ''$30,095,000''.

(b) CONFORMING AMENDMENTS.—Section 2403 of that Act is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking ''$1,883,902,000'' and inserting ''$1,828,902,000''; and

(B) in paragraph (3), by striking ''$85,095,000'' and inserting ''$30,095,000''; and

(2) in subsection (b), by striking ''may not exceed—'' and all that follows through the end of the subsection and inserting ''may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).''.

SEC. 2406. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2000 PROJECTS.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835) is amended—

(1) in the item under the heading Chemical Demilitarization relating to Blue Grass Army Depot, Kentucky, by striking ''$206,800,000'' and inserting ''$254,030,000'';

(2) under the heading relating to TRICARE Management Agency—

(A) in the item relating to Fort Wainwright, Alaska, by striking ''$133,000,000'' and inserting ''$215,000,000''; and

(B) by striking the item relating to Naval Air Station, Whidbey Island, Washington; and

(3) by striking the amount identified as the total in the amount column and inserting ''$711,950,000''.

(b) CONFORMING AMENDMENTS.—Section 2405(b) of that Act (113 Stat. 839) is amended—

(1) in paragraph (2), by striking ''$115,000,000'' and inserting ''$197,000,000''; and

(2) in paragraph (3), by striking ''$184,000,000'' and inserting ''$231,230,000''.

(c) TREATMENT OF AUTHORIZATION OF APPROPRIATIONS FOR CANCELED PROJECT.—Of the amount authorized to be appropriated by section 2405(a) of that Act (113 Stat. 837), and paragraph (1) of that section, $4,700,000 shall be available for purposes relating to construction of the Portsmouth Naval Hospital, Virginia, as authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189). Such amount is the amount authorized to be appropriated by section 2405(a) of the Military Construction Authorization Act for Fiscal Year 2000 for purposes authorized in section 2401(a) of that Act relating to Naval Air Station, Whidbey Island, Washington.

SEC. 2407. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1999 PROJECT.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193) is amended—

(1) in the item under the agency heading Chemical Demilitarization relating to Aberdeen Proving Ground, Maryland, by striking ''$186,350,000'' in the amount column and inserting ''$223,950,000''; and

(2) by striking the amount identified as the total in the amount column and inserting ''$727,616,000''.

(b) CONFORMING AMENDMENT.—Section 2404(b)(3) of that Act (112 Stat. 2196) is amended by striking ''$158,000,000'' and inserting ''$195,600,000''.

SEC. 2408. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1995 PROJECT.

The table in section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 539), section 2408 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1982), and section 2406 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2197), is further amended under the agency heading relating to Chemical Weapons and Munitions Destruction in the item relating to Pine Bluff Arsenal, Arkansas, by striking ''$154,400,000'' in the amount column and inserting ''$177,400,000''.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2001, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $162,600,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 2001, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $365,240,000; and

(B) for the Army Reserve, $111,404,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $33,641,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $227,232,000; and

(B) for the Air Force Reserve, $53,732,000.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2004; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2005.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) for which appropriated funds have been obligated before the later of—

(1) October 1, 2004; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2005 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1999 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2199), authorizations set forth in the tables in subsection (b), as provided in section 2302 or 2601 of that Act, shall remain in effect until October 1, 2002, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2003, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Air Force: Extension of 1999 Project Authorizations

State	Installation or location	Project	Amount
Delaware	Dover Air Force Base	Replace Family Housing (55 units).	$8,998,000
Florida	Patrick Air Force Base	Replace Family Housing (46 units).	$9,692,000
New Mexico	Kirtland Air Force Base	Replace Family Housing (37 units).	$6,400,000
Ohio	Wright-Patterson Air Force Base	Replace Family Housing (40 units).	$5,600,000

Army National Guard: Extension of 1999 Project Authorizations

State	Installation or location	Project	Amount
Massachusetts	Westfield	Army Aviation Support Facility.	$9,274,000
South Carolina	Spartanburg	Readiness Center	$5,260,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1998 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1984), authorizations set forth in the tables in subsection (b), as provided in section 2102, 2202, or 2302 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–408)), shall remain in effect until October 1, 2002, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2003, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1998 Project Authorization

State	Installation or location	Project	Amount
Maryland	Fort Meade	Family Housing Construction (56 units).	$7,900,000

Navy: Extension of 1998 Project Authorizations

State	Installation or location	Project	Amount
California	Naval Complex, San Diego	Replacement Family Housing Construction (94 units).	$13,500,000
California	Marine Corps Air Station, Miramar	Family Housing Construction (166 units).	$28,881,000
Louisiana	Naval Complex, New Orleans	Replacement Family Housing Construction (100 units).	$11,930,000
Texas	Naval Air Station, Corpus Christi	Family Housing Construction (212 units).	$22,250,000

Air Force: Extension of 1998 Project Authorization

State	Installation or location	Project	Amount
New Mexico	Kirtland Air Force Base	Replace Family Housing (180 units).	$20,900,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 2001; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. INCREASE IN THRESHOLDS FOR CERTAIN UNSPECIFIED MINOR MILITARY CONSTRUCTION PROJECTS.

(a) PROJECTS REQUIRING ADVANCE APPROVAL OF SECRETARY CONCERNED.—Subsection (b)(1) of section 2805 of title 10, United States Code, amended by striking ''$500,000'' and inserting ''$750,000''.

(b) PROJECTS USING AMOUNTS FOR OPERATION AND MAINTENANCE.—Subsection (c)(1) of that section is amended—

(1) in subparagraph (A), by striking ''$1,000,000'' and inserting ''$1,500,000''; and

(2) in subparagraph (B), by striking ''$500,000'' and inserting ''$750,000''.

SEC. 2802. UNFORESEEN ENVIRONMENTAL HAZARD REMEDIATION AS BASIS FOR AUTHORIZED COST VARIATIONS FOR MILITARY CONSTRUCTION AND FAMILY HOUSING CONSTRUCTION PROJECTS.

Subsection (d) of section 2853 of title 10, United States Code, is amended to read as follows:

''(d) The limitation on cost increases in subsection (a) does not apply to the following:

''(1) The settlement of a contractor claim under a contract.

''(2) The cost of any environmental hazard remediation required by law, including asbestos removal, radon abatement, and lead-based paint removal or abatement, if such remediation could not have reasonably been anticipated at the time the project was approved originally by Congress.''.

SEC. 2803. REPEAL OF REQUIREMENT FOR ANNUAL REPORTS TO CONGRESS ON MILITARY CONSTRUCTION AND MILITARY FAMILY HOUSING ACTIVITIES.

(a) REPEAL.—Section 2861 of title 10, United States Code is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating to section 2861.

SEC. 2804. AUTHORITY AVAILABLE FOR LEASE OF PROPERTY AND FACILITIES UNDER ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

(a) LEASE AUTHORITIES AVAILABLE.—Section 2878 of title 10, United States Code, is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following new subsection (c):

''(c) LEASE AUTHORITIES AVAILABLE.—(1) The Secretary concerned may use any authority or combination of authorities available under section 2667 of this title in leasing property or facilities under this section to the extent such property or facilities, as the case may be, are described by subsection (a)(1) of such section 2667.

''(2) The limitation in subsection (b)(1) of section 2667 of this title shall not apply with respect to a lease of property or facilities under this section.''.

(b) CONFORMING AMENDMENT.—Subsection (e) of that section, as redesignated by subsection (a) of this section, is further amended—

(1) by striking paragraph (1); and

(2) by redesignated paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.

(c) TECHNICAL AMENDMENT.—Paragraph (3) of subsection (e) of that section, as redesignated by this section, is further amended by striking ''Stewart B. McKinney Homeless Assistance Act'' and inserting ''McKinney–Vento Homeless Assistance Act''.

SEC. 2805. FUNDS FOR HOUSING ALLOWANCES OF MEMBERS ASSIGNED TO MILITARY FAMILY HOUSING UNDER ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

(a) IN GENERAL.—Subchapter IV of chapter 169 of title 10, United States Code, is amended by inserting after section 2883 the following new section:

''§ 2883a. Funds for housing allowances of members of the armed forces assigned to certain military family housing units

''To the extent provided in advance in appropriations Acts, the Secretary of Defense may, during the fiscal year in which a contract is awarded for the acquisition or construction of military family housing units under this subchapter that are not to be owned by the United States, transfer from appropriations available for support of military housing for the armed force concerned for that fiscal year to appropriations available for pay and allowances of military personnel of that armed force for that fiscal year amounts equal to any additional amounts payable during that fiscal year to members of that armed force assigned to such housing units as basic allowance for housing under section 403 of title 37 that would not otherwise have been payable to such members if not for assignment to such housing units.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of that subchapter is amended by inserting after the item relating to section 2883 the following new item:

''2883a. Funds for housing allowances of members of the armed forces assigned to certain military family housing units.''.

SEC. 2806. AMENDMENT OF FEDERAL ACQUISITION REGULATION TO TREAT FINANCING COSTS AS ALLOWABLE EXPENSES UNDER CONTRACTS FOR UTILITY SERVICES FROM UTILITY SYSTEMS CONVEYED UNDER PRIVATIZATION INITIATIVE.

(a) DETERMINATION OF ADVISABILITY OF AMENDMENT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall determine whether or not it is advisable to modify the Federal Acquisition Regulation in order to provide that a contract for utility services from a utility system conveyed under section 2688(a) of title 10, United States Code, may include terms and conditions that recognize financing costs, such as return on equity and interest on debt, as an allowable expense when incurred by the conveyee of the utility system to acquire, operate, renovate, replace, upgrade, repair, and expand the utility system.

(b) REPORT.—If as of the date that is 180 days after the date of the enactment of this Act, the Federal Acquisition Regulatory Council has not modified the Federal Acquisition Regulation to provide that a contract described in subsection (a) may include terms and conditions described in that subsection, or otherwise taken action to provide that a contract referred to in that subsection may include terms and conditions described in that subsection, the Secretary shall submit to Congress on that date a report setting forth a justification for the failure to take such actions.

Subtitle B—Real Property and Facilities Administration

SEC. 2811. AVAILABILITY OF PROCEEDS OF SALES OF DEPARTMENT OF DEFENSE PROPERTY FROM CLOSED MILITARY INSTALLATIONS.

Section 204(h)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(2)) is amended by striking subparagraphs (A) and (B) and inserting the following new subparagraphs:

''(A) In the case of property located at a military installation that is closed, such amount shall be available for facility maintenance and repair or environmental restoration by the military department that had jurisdiction over such property before the closure of the military installation.

''(B) In the case of property located at any other military installation—

''(i) 50 percent of such amount shall be available for facility maintenance and repair or environmental restoration at the military installation where such property was located before it was disposed of or transferred; and

''(ii) 50 percent of such amount shall be available for facility maintenance and repair and for environmental restoration by the military department that had jurisdiction over such property before it was disposed of or transferred.''.

SEC. 2812. PILOT EFFICIENT FACILITIES INITIATIVE.

(a) INITIATIVE AUTHORIZED.—The Secretary of Defense may carry out a pilot program for purposes of determining the potential for increasing the efficiency and effectiveness of the operation of military installations. The pilot program shall be known as the ''Pilot Efficient Facilities Initiative'' (in this section referred to as the ''Initiative'').

(b) DESIGNATION OF PARTICIPATING FACILITIES.—(1) The Secretary may designate up to two installations of each military department for participation in the Initiative.

(2) The Secretary shall transmit to the Committees on Armed Services of the Senate and the House of Representatives a written notification of each installation proposed to be included in the Initiative not less than 30 days before taking any action to carry out the Initiative at such installation.

(3) The Secretary shall include in the notification regarding an installation designated for participation in the Initiative a management plan for the Initiative at the installation. Each management plan for an installation shall include the following:

(A) A description of—

(i) each proposed lease of real or personal property located at the installation;

(ii) each proposed disposal of real or personal property located at the installation;

(iii) each proposed leaseback of real or personal property leased or disposed of at the installation;

(iv) each proposed conversion of services at the installation from Federal Government performance to non-Federal Government performance, including performance by contract with a State or local government or private entity or performance as consideration for the lease or disposal of property at the installation; and

(v) each other action proposed to be taken to improve mission effectiveness and reduce the cost of providing quality installation support at the installation.

(B) With respect to each proposed action described under subparagraph (A)—

(i) an estimate of the savings expected to be achieved as a result of the action;

(ii) each regulation not required by statute that is proposed to be waived to implement the action; and

(iii) each statute or regulation required by statute that is proposed to be waived to implement the action, including—

(I) an explanation of the reasons for the proposed waiver; and

(II) a description of the action to be taken to protect the public interests served by the statute or regulation, as the case may be, proposed to be waived in the event of the waiver.

(C) A description of the steps taken by the Secretary to consult with employees at the facility, and communities in the vicinity of the facility, regarding the Initiative at the installation.

(D) Measurable criteria for the evaluation of the effects of the actions to be taken pursuant to the Initiative at the installation.

(c) WAIVER OF STATUTORY REQUIREMENTS.—The Secretary of Defense may waive any statute or regulation required by statute for purposes of carrying out the Initiative only if specific authority for the waiver of such statute or regulation is provided in an Act that is enacted after the date of the enactment of this Act.

(d) INSTALLATION EFFICIENCY PROJECT FUND.—(1) There is established on the books of the Treasury a fund to be known as the ''Installation Efficiency Project Fund'' (in this subsection referred to as the ''Fund'').

(2) There shall be deposited in the Fund all cash rents, payments, reimbursements, proceeds and other amounts from leases, sales, or other conveyances or transfers, joint activities, and other actions taken under the Initiative.

(3) To the extent provided in advance in authorization Acts and appropriations Acts, amounts in the Fund shall be available to the Secretary concerned for purposes of managing capital assets and providing support services at installations participating in the Initiative. Amounts in the Fund may be used for such purposes in addition to, or in combination with, other amounts authorized to appropriated for such purposes. Amounts in the Fund shall be available for such purposes for five years.

(4) Subject to applicable financial management regulations, the Secretary of Defense shall structure the Fund, and provide administrative policies and procedures, in order provide proper control of deposits in and disbursements from the Fund.

(e) TERMINATION.—The authority of the Secretary to carry out the Initiative shall terminate four years after the date of the enactment of this Act.

(f) REPORT.—Not later than three years after the date of the enactment of this Act, the Secretary shall submit to the committees of Congress referred to in subsection (b)(2) a report on the Initiative. The report shall contain a description of the actions taken under the Initiative and include such other information, including recommendations, as the Secretary considers appropriate in light of the Initiative.

SEC. 2813. DEMONSTRATION PROGRAM ON REDUCTION IN LONG-TERM FACILITY MAINTENANCE COSTS.

(a) AUTHORITY TO CARRY OUT PROGRAM.—Subject to the provisions of this section, the Secretary of the Army may conduct a demonstration program to assess the feasibility and desirability of including facility maintenance requirements in construction contracts for military construction projects. The purpose of the demonstration program is to determine whether or not such requirements facilitate reductions in the long-term facility maintenance costs of the military departments.

(b) CONTRACTS.—(1) The demonstration program shall cover contracts entered into on or after the date of the enactment of this Act.

(2) Not more than three contracts entered into in any year may contain requirements referred to in subsection (a) for the purpose of the demonstration program.

(c) EFFECTIVE PERIOD OF REQUIREMENTS.—The effective period of a requirement referred to in subsection (a) that is included in a contract for the purpose of the demonstration program shall be any period elected by the Secretary not in excess of five years.

(d) REPORTS.—(1) Not later than January 31, 2003, and annually thereafter until the year following the cessation of effectiveness of any requirements referred to in subsection (a) in contracts under the demonstration program, the Secretary shall submit to the congressional defense committees a report on the demonstration program.

(2) Each report under paragraph (1) shall include, for the year covered by such report, the following:

(A) A description of the contracts entered into during the year that contain requirements referred to in subsection (a) for the purpose of the demonstration program.

(B) The experience of the Secretary during the year with respect to any contracts containing requirements referred to in subsection (a) for the purpose of the demonstration program that were in force during the year.

(3) The final report under this subsection shall include, in addition to the matters required under paragraph (2), an evaluation of the demonstration program and any recommendations, including recommendations for the termination, continuation, or expansion of the demonstration program, that the Secretary considers appropriate.

(e) EXPIRATION.—The authority under subsection (a) to include requirements referred to in that subsection in contracts under the demonstration program shall expire on September 30, 2006.

(f) FUNDING.—Amounts authorized to be appropriated for the Army for a fiscal year for military construction shall be available for the demonstration program under this section in such fiscal year.

Subtitle C—Land Conveyances

SEC. 2821. LAND CONVEYANCE, ENGINEER PROVING GROUND, FORT BELVOIR, VIRGINIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the Commonwealth of Virginia (in this section referred to as the ''Commonwealth'') all right, title, and interest of United States in and to two parcels of real property, including any improvements thereon, located at the Engineer Proving Ground, Fort Belvoir, Virginia, as follows:

(1) The parcel, consisting of approximately 170 acres, that is to be used for a portion of the Fairfax County Parkway, including for construction of that portion of the parkway.

(2) The parcel, consisting of approximately 11.45 acres, that is subject to an easement previously granted to the Commonwealth as Army easement DACA 31–3–96–440 for the construction of a portion of Interstate Highway 95.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the Commonwealth shall—

(1) design and construct, at its expense and for public benefit, the portion of the Fairfax County Parkway through the Engineer Proving Ground;

(2) provide a conceptual design for eventual incorporation and construction by others of access into the Engineer Proving Ground at the Rolling Road Interchange from Fairfax County Parkway as specified in Virginia Department of Transportation Project #R000–029–249, C514;

(3) provide such easements or rights of way for utilities under or across the Fairfax County Parkway as the Secretary considers appropriate for the optimum development of the Engineer Proving Ground; and

(4) pay the United States an amount, jointly determined by the Secretary and the Commonwealth, appropriate to cover the costs of constructing a replacement building for building 5089 located on the Engineer Proving Ground.

(c) RESPONSIBILITY FOR ENVIRONMENTAL CLEANUP.—The Secretary shall retain liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.), and any other applicable environmental statute or regulation, for any environmental hazard on the property conveyed under subsection (a) as of the date of the conveyance under that subsection.

(d) ACCEPTANCE AND DISPOSITION OF FUNDS.—(1) The Secretary of the Army may accept the funds paid by the Commonwealth as consideration under subsection (b)(4) and shall credit the accepted funds to the appropriation or appropriations that are appropriate for paying the costs of the replacement of Building 5089, located on the Engineer Proving Ground, Fort Belvoir, Virginia, consistent with paragraphs (2) and (3) of this subsection.

(2) Funds accepted under paragraph (1) shall be available, until expended, for the replacement of Building 5089.

(3) Funds appropriated pursuant to the authorization of appropriations in section 301(1), and funds appropriated pursuant to the authorization of appropriations in section 2104(a)(4), shall be available in accordance with section 2805 of title 10, United States Code, for the excess, if any, of the cost of the replacement of Building 5089 over the amount available for such project under paragraph (2).

(e) DESCRIPTION OF PROPERTY.—(1) The exact acreage and legal description of the real property to be conveyed under subsection (a)(1) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Commonwealth.

(2) The exact acreage and legal description of the real property to be conveyed under subsection (a)(2) are as set forth in Army easement DACA 31–3–96–440.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional

terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2822. MODIFICATION OF AUTHORITY FOR CONVEYANCE OF NAVAL COMPUTER AND TELECOMMUNICATIONS STATION, CUTLER, MAINE.

Section 2853(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–430) is amended by inserting ''any or'' before ''all right''.

SEC. 2823. LAND TRANSFER AND CONVEYANCE, NAVAL SECURITY GROUP ACTIVITY, WINTER HARBOR, MAINE.

(a) TRANSFER OF ADMINISTRATIVE JURISDICTION.—(1) The Secretary of the Navy may transfer to the Secretary of the Interior administrative jurisdiction of a parcel of real property, including any improvements thereon and appurtenances thereto, consisting of approximately 26 acres as generally depicted as Tract 15–116 on the map entitled ''Acadia National Park Schoodic Point Area'', numbered 123/80,418 and dated May 2001. The map shall be on file and available for inspection in the appropriate offices of the National Park Service.

(2) The transfer authorized by this subsection shall occur, if at all, concurrently with the reversion of administrative jurisdiction of a parcel of real property consisting of approximately 71 acres, as depicted as Tract 15–115 on the map referred to in paragraph (1), from the Secretary of the Navy to the Secretary of the Interior as authorized by Public Law 80–260 (61 Stat. 519) and to be executed on or about June 30, 2002.

(b) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the State of Maine, any political subdivision of the State of Maine, or any tax-supported agency in the State of Maine, all right, title, and interest of the United States in and to any of the parcels of real property, including any improvements thereon and appurtenances thereto, consisting of approximately 485 acres and comprising the former facilities of the Naval Security Group Activity, Winter Harbor, Maine, located in Hancock County, Maine, less the real property described in subsection (a)(1), for the purpose of economic redevelopment.

(c) TRANSFER OF PERSONAL PROPERTY.—The Secretary of the Navy may transfer, without consideration, to the Secretary of the Interior in the case of the real property transferred under subsection (a), or to any recipient of such real property in the case of real property conveyed under subsection (b), any or all personal property associated with such real property so transferred or conveyed, including any personal property required to continue the maintenance of the infrastructure of such real property (including the generators for an uninterrupted power supply in building 154 at the Corea site).

(d) MAINTENANCE OF PROPERTY PENDING CONVEYANCE.—(1) The Secretary of the Navy shall maintain any real property, including any improvements thereon, appurtenances thereto, and supporting infrastructure, to be conveyed under subsection (b) in accordance with the protection and maintenance standards specified in section 101–47.4913 of title 41, Code of Federal Regulations, until the earlier of—

(A) the date of the conveyance of such real property under subsection (b); or

(B) September 30, 2003.

(2) The requirement in paragraph (1) shall not be construed as authority to improve the real property, improvements, and infrastructure referred to in that paragraph so as to bring such real property, improvements, or infrastructure into compliance with any zoning or property maintenance codes or to repair any damage to such improvements and infrastructure through an Act of God.

(e) INTERIM LEASE.—(1) Until such time as any parcel of real property to be conveyed under subsection (b) is conveyed by deed under that subsection, the Secretary of the Navy may lease such parcel to any person or entity determined by the Secretary to be an appropriate lessee of such parcel.

(2) The amount of rent for a lease under paragraph (1) shall be the amount determined by the Secretary to be appropriate, and may be an amount less than the fair market value of the lease.

(3) Notwithstanding any other provision of law, the Secretary shall credit any amount received for a lease of real property under paragraph (1) to the appropriation or account providing funds for the operation and maintenance of such property or for the procurement of utility services for such property. Amounts so credited shall be merged with funds in the appropriation or account to which credited, and shall be available for the same purposes, and subject to the same conditions and limitations, as the funds with which merged.

(f) REIMBURSEMENT FOR ENVIRONMENTAL AND OTHER ASSESSMENTS.—(1) The Secretary of the Navy may require each recipient of real property conveyed under subsection (b) to reimburse the Secretary for the costs incurred by the Secretary for any environmental assessment, study, or analysis carried out by the Secretary with respect to such property before completing the conveyance under that subsection.

(2) The amount of any reimbursement required under paragraph (1) shall be determined by the Secretary, but may not exceed the cost of the assessment, study, or analysis for which reimbursement is required.

(3) Section 2695(c) of title 10, United States Code, shall apply to any amount received by the Secretary under this subsection.

(g) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property transferred under subsection (a), and each parcel of real property conveyed under subsection (b), shall be determined by a survey satisfactory to the Secretary of the Navy. The cost of any survey under the preceding sentence for real property conveyed under subsection (b) shall be borne by the recipient of the real property.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Navy may require such additional terms and conditions in connection with any conveyance under subsection (b), and any lease under subsection (e), as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2824. CONVEYANCE OF SEGMENT OF LORING PETROLEUM PIPELINE, MAINE, AND RELATED EASEMENTS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to the Loring Development Authority, Maine (in this section referred to as the ''Authority''), all right, title, and interest of the United States in and to the segment of the Loring Petroleum (POL) Pipeline, Maine, consisting of approximately 27 miles in length and running between the Searsport terminal and Bangor Air National Guard Base.

(b) RELATED EASEMENTS.—As part of the conveyance authorized by subsection (a), the Secretary may convey to the Authority, without consideration, all right, title, and interest of the United States in and to any easements or rights-of-way necessary for the operation or maintenance of the segment of pipeline conveyed under that subsection.

(c) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1) The Authority shall reimburse the Secretary for the costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other expense incurred by the Secretary, for a conveyance authorized by this section.

(2) The amount of the reimbursement under paragraph (1) for an activity shall be determined by the Secretary, but may not exceed the cost of the activity.

(3) Section 2695(c) of title 10, United States Code, shall apply to any amount received by the Secretary under this subsection.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the segment of pipeline conveyed under subsection (a), and of any easements or rights-of-way conveyed under subsection (b), shall be determined by surveys and other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary under the preceding sentence shall be borne by the Authority.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2825. LAND CONVEYANCE, PETROLEUM TERMINAL SERVING FORMER LORING AIR FORCE BASE AND BANGOR AIR NATIONAL GUARD BASE, MAINE.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Air Force may convey to the Maine Port Authority of the State of Maine (in this section referred to as the ''Authority'') all right, title, and interest of the United States in and to the Petroleum Terminal (POL) at Mack Point, Searsport, Maine, which served former Loring Air Force Base and Bangor Air National Guard Base, Maine.

(2) The conveyance under paragraph (1) may include the following:

(A) A parcel of real property, including any improvements thereon, consisting of approximately 20 acres and comprising a portion of the Petroleum Terminal.

(B) Any additional fuel tanks, other improvements, and equipment located on the 43-acre parcel of property adjacent to the property described in subparagraph (A), and currently leased by the Secretary, which constitutes the remaining portion of the Petroleum Terminal.

(b) CONDITION OF CONVEYANCE.—The Secretary may not make the conveyance under subsection (a) unless the Authority agrees to utilize the property to be conveyed under that subsection solely for economic development purposes.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the Authority shall lease to the Air Force approximately one acre of the real property conveyed under that subsection, together with any improvements thereon, that constitutes the Aerospace Fuels Laboratory (also known as Building 14).

(2) The real property leased under this subsection shall include the parking lot, outbuildings, and other improvements associated with the Aerospace Fuels Laboratory and such easements of ingress and egress to the real property, including easements for utilities, as are required for the operations of the Aerospace Fuels Laboratory.

(3) As part of the lease of real property under this subsection, the Authority shall

maintain around the real property for the term of the lease a zone, not less than 75 feet in depth, free of improvements or encumbrances.

(4) The lease under this subsection shall be without cost to the United States.

(5) The term of the lease under this subsection may not exceed 25 years. If operations at the Aerospace Fuels Laboratory cease before the expiration of the term of the lease otherwise provided for under this subsection, the lease shall be deemed to have expired upon the cessation of such operations.

(d) CONVEYANCE CONTINGENT ON EXPIRATION OF LEASE OF FUEL TANKS.—The Secretary may not make the conveyance under subsection (a) until the expiration of the lease referred to in paragraph (2)(B) of that subsection.

(e) ENVIRONMENTAL REMEDIATION.—The Secretary may not make the conveyance under subsection (a) until the completion of any environmental remediation required by law with respect to the property to be conveyed under that subsection.

(f) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1) The Authority shall reimburse the Secretary for the costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other expense incurred by the Secretary, for the conveyance authorized by subsection (a).

(2) The amount of the reimbursement under paragraph (1) for an activity shall be determined by the Secretary, but may not exceed the cost of the activity.

(3) Section 2695(c) of title 10, United States Code, shall apply to any amount received by the Secretary under this subsection.

(g) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Authority.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a), and the lease under subsection (c), as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2826. LAND CONVEYANCE, NAVAL WEAPONS INDUSTRIAL RESERVE PLANT, TOLEDO, OHIO.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Navy may convey, without consideration, to the Toledo-Lucas County Port Authority, Ohio (in this section referred to as the ''Port Authority''), any or all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 29 acres and comprising the Naval Weapons Industrial Reserve Plant, Toledo, Ohio.

(2) The Secretary may include in the conveyance under paragraph (1) such facilities, equipment, fixtures, and other personal property located or based on the parcel conveyed under that paragraph, or used in connection with the parcel, as the Secretary determines to be excess to the Navy.

(b) LEASE AUTHORITY.—Until such time as the real property described in subsection (a)(1) is conveyed by deed, the Secretary may lease such real property, and any personal property described in subsection (a)(2), to the Port Authority in exchange for such security, fire protection, and maintenance services as the Secretary considers appropriate.

(c) CONDITIONS OF CONVEYANCE.—The conveyance under subsection (a), and any lease under subsection (b), shall be subject to the conditions that the Port Authority—

(1) accept the real and personal property concerned in their condition at the time of the conveyance or lease, as the case may be; and

(2) except as provided in subsection (d), use the real and personal property concerned, whether directly or through an agreement with a public or private entity, for economic development or such other public purposes as the Port Authority considers appropriate.

(d) SUBSEQUENT USE.—(1) The Port Authority may, following entry into a lease under subsection (b) for real property, personal property, or both, sublease such property for a purpose set forth in subsection (c)(2) if the Secretary approves the sublease of such property for that purpose.

(2) The Port Authority may, following the conveyance of real property under subsection (a), lease or reconvey such real property, and any personal property conveyed with such real property under that subsection, for a purpose set forth in subsection (c)(2).

(e) REIMBURSEMENT FOR COSTS OF CONVEYANCE AND LEASE.—(1) The Port Authority shall reimburse the Secretary for the costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other expense incurred by the Secretary, for the conveyance authorized by subsection (a) or any lease authorized by subsection (b).

(2) The amount of the reimbursement under paragraph (1) for an activity shall be determined by the Secretary, but may not exceed the cost of the activity.

(3) Section 2695(c) of title 10, United States Code, shall apply to any amount received by the Secretary under this subsection.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal of the real property to be conveyed under subsection (a)(1), and an appropriate inventory or other description of the personal property to be conveyed under subsection (a)(2), shall be determined by a survey and other means satisfactory to the Secretary.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a)(1), and any lease under subsection (b), as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2827. MODIFICATION OF LAND CONVEYANCE, MUKILTEO TANK FARM, EVERETT, WASHINGTON.

(a) MODIFICATION.—Section 2866 of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 436) is amended—

(1) in subsection (a), by striking ''22 acres'' and inserting ''20.9 acres'';

(2) by redesignating subsections (b), (c), (d), and (e) as subsections (c), (d), (e), and (f), respectively; and

(3) by inserting after subsection (a) the following new subsection (b):

''(b) TRANSFER OF JURISDICTION.—(1) At the same time the Secretary of the Air Force makes the conveyance authorized by subsection (a), the Secretary shall transfer to the Secretary of Commerce administrative jurisdiction over a parcel of real property, including improvements thereon, consisting of approximately 1.1 acres located at the Mukilteo Tank Farm and including the National Marine Fisheries Service Mukilteo Research Center facility.

''(2) The Secretary of Commerce may, with the consent of the Port, exchange with the Port all or any portion of the property received under paragraph (1) for a parcel of real property of equal area at the Mukilteo Tank Farm that is owned by the Port.

''(3) The Secretary of Commerce shall administer the property under the jurisdiction of the Secretary under this subsection through the Administrator of the National Oceanic and Atmospheric Administration as part of the Administration.

''(4) The Administrator shall use the property under the jurisdiction of the Secretary of Commerce under this subsection as the location of a research facility, and may construct a new facility on the property for such research purposes as the Administrator considers appropriate.

''(5)(A) If after the 12-year period beginning on the date of the enactment of the National Defense Authorization Act for Fiscal Year 2002, the Administrator is not using any portion of the real property under the jurisdiction of the Secretary of Commerce under this subsection, the Administrator shall convey, without consideration, to the Port all right, title, and interest in and to such portion of the real property, including improvements thereon.

''(B) The Port shall use any real property conveyed to the Port under this paragraph for the purpose specified in subsection (a).''.

(b) CONFORMING AMENDMENT.—The section heading for that section is amended to read as follows:

''SEC. 2866. LAND CONVEYANCE AND TRANSFER, MUKILTEO TANK FARM, EVERETT, WASHINGTON,''.

SEC. 2828. LAND CONVEYANCES, CHARLESTON AIR FORCE BASE, SOUTH CAROLINA.

(a) CONVEYANCE TO STATE OF SOUTH CAROLINA AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to the State of South Carolina (in this section referred to as the ''State''), all right, title, and interest of the United States in and to a portion (as determined under subsection (c)) of the real property, including any improvements thereon, consisting of approximately 24 acres at Charleston Air Force Base, South Carolina, and comprising the Air Force Family Housing Annex. The purpose of the conveyance is to facilitate the Remount Road Project.

(b) CONVEYANCE TO CITY OF NORTH CHARLESTON AUTHORIZED.—The Secretary may convey, without consideration, to the City of North Charleston, South Carolina (in this section referred to as the ''City''), all right, title, and interest of the United States in and to a portion (as determined under subsection (c)) of the real property, including any improvements thereon, referred to in subsection (a). The purpose of the conveyance is to permit the use of the property by the City for municipal purposes.

(c) DETERMINATION OF PORTIONS OF PROPERTY TO BE CONVEYED.—(1) Subject to paragraph (2), the Secretary, the State, and the City shall jointly determine the portion of the property referred to in subsection (a) that is to be conveyed to the State under subsection (a) and the portion of the property that is to be conveyed to the City under subsection (b).

(2) In determining under paragraph (1) the portions of property to be conveyed under this section, the portion to be conveyed to the State shall be the minimum portion of the property required by the State for the purpose specified in subsection (a), and the portion to be conveyed to the City shall be the balance of the property.

(d) LIMITATION ON CONVEYANCES.—The Secretary may not carry out the conveyance of property authorized by subsection (a) or subsection (b) until the completion of an assessment of environmental contamination of the

property authorized to be conveyed by such subsection for purposes of determining responsibility for environmental remediation of such property.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsections (a) and (b) shall be determined by surveys satisfactory to the Secretary. The cost of the survey for the property to be conveyed under subsection (a) shall be borne by the State, and the cost of the survey for the property to be conveyed under subsection (b) shall be borne by the City.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under subsections (a) and (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2829. LAND CONVEYANCE, FORT DES MOINES, IOWA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to Fort Des Moines Memorial Park, Inc., a nonprofit organization (in this section referred to as the ''Memorial Park''), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 4.6 acres located at Fort Des Moines United States Army Reserve Center, Des Moines, Iowa, for the purpose of the establishment of the Fort Des Moines Memorial Park and Education Center.

(b) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the Memorial Park use the property for museum and park purposes.

(c) REVERSION.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used for museum and park purposes, all right, title, and interest in and to the real property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(d) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1) The Memorial Park shall reimburse the Secretary for the costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other expenses incurred by the Secretary, for the conveyance authorized in (a).

(2) The amount of the reimbursement under paragraph (1) for any activity shall be determined by the Secretary, but may not exceed the cost of such activity.

(3) Section 2695(c) of title 10 United States Code, shall apply to any amount received under this subsection.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by survey satisfactory to the Secretary. The cost of the survey shall be borne by the Memorial Park.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2830. LAND CONVEYANCES, CERTAIN FORMER MINUTEMAN III ICBM FACILITIES IN NORTH DAKOTA.

(a) CONVEYANCES REQUIRED.—(1) The Secretary of the Air Force may convey, without consideration, to the State Historical Society of North Dakota (in this section referred to as the ''Historical Society'') all right, title, and interest of the United States in and to parcels of real property, together with any improvements thereon, of the Minuteman III ICBM facilities of the former 321st Missile Group at Grand Forks Air Force Base, North Dakota, as follows:

(A) The parcel consisting of the launch facility designated ''November–33''.

(B) The parcel consisting of the missile alert facility and launch control center designated ''Oscar-O''.

(2) The purpose of the conveyance of the facilities is to provide for the establishment of an historical site allowing for the preservation, protection, and interpretation of the facilities.

(b) CONSULTATION.—The Secretary shall consult with the Secretary of State and the Secretary of Defense in order to ensure that the conveyances required by subsection (a) are carried out in accordance with applicable treaties.

(c) HISTORIC SITE.—The Secretary may, in cooperation with the Historical Society, enter into one or more cooperative agreements with appropriate public or private entities or individuals in order to provide for the establishment and maintenance of the historic site referred to in subsection (a)(2).

SEC. 2831. LAND ACQUISITION, PERQUIMANS COUNTY, NORTH CAROLINA.

The Secretary of the Navy may, using funds previously appropriated for such purpose, acquire any and all right, title, and interest in and to a parcel of real property, including improvements thereon, consisting of approximately 240 acres, or any portion thereof, in Perquimans County, North Carolina, for purposes of including such parcel in the Harvey Point Defense Testing Activity, Hertford, North Carolina.

SEC. 2832. LAND CONVEYANCE, ARMY RESERVE CENTER, KEWAUNEE, WISCONSIN.

(a) CONVEYANCE REQUIRED.—The Administrator of General Services may convey, without consideration, to the City of Kewaunee, Wisconsin (in this section referred to as the ''City''), all right, title, and interest of the United States in and to a parcel of Federal real property, including improvements thereon, that is located at 401 5th Street in Kewaunee, Wisconsin, and contains an excess Army Reserve Center. After such conveyance, the property may be used and occupied only by the City, or by another local or State government entity approved by the City.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Administrator. The cost of the survey shall be borne by the City.

(c) REVERSIONARY INTEREST.—During the 20-year period beginning on the date the Administrator makes the conveyance under subsection (a), if the Administrator determines that the conveyed property is not being used and occupied in accordance with such subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States. Upon reversion, the United States shall immediately proceed to a public sale of the property.

(d) ADDITIONAL TERMS AND CONDITIONS.—(1) The property shall not be used for commercial purposes.

(2) The Administrator may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Administrator considers appropriate to protect the interests of the United States.

SEC. 2833. TREATMENT OF AMOUNTS RECEIVED.

Any net proceeds received by the United States as payment under subsection (c) of section 2832 shall be deposited into the Land and Water Conservation Fund.

Subtitle D—Other Matters

SEC. 2841. DEVELOPMENT OF UNITED STATES ARMY HERITAGE AND EDUCATION CENTER AT CARLISLE BARRACKS, PENNSYLVANIA.

(a) AUTHORITY TO ENTER INTO AGREEMENT.—(1) The Secretary of the Army may enter into an agreement with the Military Heritage Foundation, a not-for-profit organization, for the design, construction, and operation of a facility for the United States Army Heritage and Education Center at Carlisle Barracks, Pennsylvania.

(2) The facility referred to in paragraph (1) is to be used for curation and storage of artifacts, research facilities, classrooms, and offices, and for education and other activities, agreed to by the Secretary, relating to the heritage of the Army. The facility may also be used to support such education and training as the Secretary considers appropriate.

(b) DESIGN AND CONSTRUCTION.—The Secretary may, at the election of the Secretary—

(1) accept funds from the Military Heritage Foundation for the design and construction of the facility referred to in subsection (a); or

(2) permit the Military Heritage Foundation to contract for the design and construction of the facility.

(c) ACCEPTANCE OF FACILITY.—(1) Upon satisfactory completion, as determined by the Secretary, of the facility referred to in subsection (a), and upon the satisfaction of any and all financial obligations incident thereto by the Military Heritage Foundation, the Secretary shall accept the facility from the Military Heritage Foundation, and all right, title, and interest in and to the facility shall vest in the United States.

(2) Upon becoming property of the United States, the facility shall be under the jurisdiction of the Secretary.

(d) USE OF CERTAIN GIFTS.—(1) Under regulations prescribed by the Secretary, the Commandant of the Army War College may, without regard to section 2601 of title 10, United States Code, accept, hold, administer, invest, and spend any gift, devise, or bequest of personnel property of a value of $250,000 or less made to the United States if such gift, devise, or bequest is for the benefit of the United States Army Heritage and Education Center.

(2) The Secretary may pay or authorize the payment of any reasonable and necessary expense in connection with the conveyance or transfer of a gift, devise, or bequest under this subsection.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the agreement authorized to be entered into by subsection (a) as the Secretary considers appropriate to protect the interest of the United States.

SEC. 2842. REPEAL OF LIMITATION ON COST OF RENOVATION OF PENTAGON RESERVATION.

Section 2864 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2806) is repealed.

SEC. 2843. NAMING OF PATRICIA C. LAMAR ARMY NATIONAL GUARD READINESS CENTER, OXFORD, MISSISSIPPI.

(a) DESIGNATION.—The Oxford Army National Guard Readiness Center, Oxford, Mississippi, shall be known and designated as the ''Patricia C. Lamar Army National Guard Readiness Center''.

(b) REFERENCE TO READINESS CENTER.—Any reference to the Oxford Army National Guard Readiness Center, Oxford, Mississippi, in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Patricia C. Lamar Army National Guard Readiness Center.

SEC. 2844. CONSTRUCTION OF PARKING GARAGE AT FORT DERUSSY, HAWAII.

(a) AUTHORITY TO ENTER INTO AGREEMENT FOR CONSTRUCTION.—The Secretary of the Army may authorize the Army Morale, Welfare, and Recreation Fund, a non-appropriated fund instrumentality of the Department of Defense (in this section referred to as the ''Fund''), to enter into an agreement with a governmental, quasi-governmental, or commercial entity for the construction of a parking garage at Fort DeRussy, Hawaii.

(b) FORM OF AGREEMENT.—The agreement under subsection (a) may take the form of a non-appropriated fund contract, conditional gift, or other agreement determined by the Fund to be appropriate for purposes of construction of the parking garage.

(c) USE OF PARKING GARAGE BY PUBLIC.—The agreement under subsection (a) may permit the use by the general public of the parking garage constructed under the agreement if the Fund determines that use of the parking garage by the general public will be advantageous to the Fund.

(d) TREATMENT OF REVENUES OF FUND PARKING GARAGES AT FORT DERUSSY.—Notwithstanding any other provision of law, amounts received by the Fund by reason of operation of parking garages at Fort DeRussy, including the parking garage constructed under the agreement under subsection (a), shall be treated as non-appropriated funds, and shall accrue to the benefit of the Fund or its component funds, including the Armed Forces Recreation Center–Hawaii (Hale Koa Hotel).

SEC. 2845. ACCEPTANCE OF CONTRIBUTIONS TO REPAIR OR ESTABLISHMENT MEMORIAL AT PENTAGON RESERVATION.

(a) AUTHORITY TO ACCEPT CONTRIBUTIONS.—The Secretary of Defense may accept contributions made for the purpose of establishing a memorial or assisting in the repair of the damage caused to the Pentagon Reservation by the terrorist attack that occurred on September 11, 2001.

(b) DEPOSIT OF CONTRIBUTIONS.—The Secretary shall deposit contributions accepted under subsection (a) in the Pentagon Reservation Maintenance Revolving Fund established by section 2674(e) of title 10, United States Code.

TITLE XXIX—DEFENSE BASE CLOSURE AND REALIGNMENT

Subtitle A—Modifications of 1990 Base Closure Law

SEC. 2901. AUTHORITY TO CARRY OUT BASE CLOSURE ROUND IN 2003.

(a) COMMISSION MATTERS.—

(1) APPOINTMENT.—Section 2902(c)(1) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(A) in subparagraph (B)—

(i) by striking ''and'' at the end of clause (ii);

(ii) by striking the period at the end of clause (iii) and inserting ''; and''; and

(iii) by adding at the end the following new clause:

''(iv) by no later than January 24, 2003, in the case of members of the Commission whose terms will expire at the end of the first session of the 108th Congress.''; and

(B) in subparagraph (C), by striking ''or for 1995 in clause (iii) of such subparagraph'' and inserting '', for 1995 in clause (iii) of that subparagraph, or for 2003 in clause (iv) of that subparagraph''.

(2) MEETINGS.—Section 2902(e) of that Act is amended by striking ''and 1995'' and inserting ''1995, and 2003''.

(3) FUNDING.—Section 2902(k) of that Act is amended by adding at the end the following new paragraph (4):

''(4) If no funds are appropriated to the Commission by the end of the second session of the 107th Congress for the activities of the Commission in 2003, the Secretary may transfer to the Commission for purposes of its activities under this part in that year such funds as the Commission may require to carry out such activities. The Secretary may transfer funds under the preceding sentence from any funds available to the Secretary. Funds so transferred shall remain available to the Commission for such purposes until expended.''.

(4) TERMINATION.—Section 2902(l) of that Act is amended by striking ''December 31, 1995'' and inserting ''December 31, 2003''.

(b) PROCEDURES.—

(1) FORCE-STRUCTURE PLAN.—Section 2903(a) of that Act is amended—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(B) by inserting after paragraph (1) the following new paragraph (2):

''(2)(A) As part of the budget justification documents submitted to Congress in support of the budget for the Department of Defense for fiscal year 2003, the Secretary shall include a force-structure plan for the Armed Forces based on the assessment of the Secretary in the quadrennial defense review under section 118 of title 10, United States Code, in 2001 of the probable threats to the national security during the twenty-year period beginning with fiscal year 2003.

''(B) The Secretary may revise the force-structure plan submitted under subparagraph (A). If the Secretary revises the force-structure plan, the Secretary shall submit the revised force-structure plan to Congress as part of the budget justification documents submitted to Congress in support of the budget for the Department of Defense for fiscal year 2004.''; and

(C) in paragraph (3), as redesignated by subparagraph (A) of this paragraph—

(i) in the matter preceding subparagraph (A), by striking ''Such plan'' and inserting ''Each force-structure plan under this subsection''; and

(ii) in subparagraph (A), by striking ''referred to in paragraph (1)'' and inserting ''on which such force-structure plan is based''.

(2) SELECTION CRITERIA.—Section 2903(b) of that Act is amended—

(A) in paragraph (1), by inserting ''and by no later than December 31, 2001, for purposes of activities of the Commission under this part in 2003,'' after ''December 31, 1990,''; and

(B) in paragraph (2)(A)—

(i) in the first sentence, by inserting ''and by no later than February 15, 2002, for purposes of activities of the Commission under this part in 2003,'' after ''February 15, 1991,''; and

(ii) in the second sentence, by inserting '', or enacted on or before March 31, 2002, in the case of criteria published and transmitted under the preceding sentence in 2001'' after ''March 15, 1991''.

(3) DEPARTMENT OF DEFENSE RECOMMENDATIONS.—Section 2903(c)(1) of that Act is amended by striking ''and March 1, 1995'' and inserting ''March 1, 1995, and March 14, 2003''.

(4) COMMISSION REVIEW AND RECOMMENDATIONS.—Section 2903(d) of that Act is amended—

(A) in paragraph (2)(A), by inserting ''or by no later than July 7 in the case of recommendations in 2003,'' after ''pursuant to subsection (c),'';

(B) in paragraph (4), by inserting ''or after July 7 in the case of recommendations in 2003,'' after ''under this subsection,''; and

(C) in paragraph (5)(B), by inserting ''or by no later than May 1 in the case of such recommendations in 2003,'' after ''such recommendations,''.

(5) REVIEW BY PRESIDENT.—Section 2903(e) of that Act is amended—

(A) in paragraph (1), by inserting ''or by no later than July 22 in the case of recommendations in 2003,'' after ''under subsection (d),'';

(B) in the second sentence of paragraph (3), by inserting ''or by no later than August 18 in the case of 2003,'' after ''the year concerned,''; and

(C) in paragraph (5), by inserting ''or by September 3 in the case of recommendations in 2003,'' after ''under this part,''.

(c) RELATIONSHIP TO OTHER BASE CLOSURE AUTHORITY.—Section 2909(a) of that Act is amended by striking ''December 31, 1995,'' and inserting ''December 31, 2003,''.

SEC. 2902. BASE CLOSURE ACCOUNT 2003.

(a) ESTABLISHMENT.—The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by inserting after section 2906 the following new section:

''SEC. 2906A. BASE CLOSURE ACCOUNT 2003.

''(a) IN GENERAL.—(1) There is hereby established on the books of the Treasury an account to be known as the 'Department of Defense Base Closure Account 2003' (in this section referred to as the 'Account'). The Account shall be administered by the Secretary as a single account.

''(2) There shall be deposited into the Account—

''(A) funds authorized for and appropriated to the Account;

''(B) any funds that the Secretary may, subject to approval in an appropriation Act, transfer to the Account from funds appropriated to the Department of Defense for any purpose, except that such funds may be transferred only after the date on which the Secretary transmits written notice of, and justification for, such transfer to the congressional defense committees; and

''(C) except as provided in subsection (d), proceeds received from the lease, transfer, or disposal of any property at a military installation that is closed or realigned under this part pursuant to a closure or realignment the date of approval of which is after September 30, 2003.

''(3) The Account shall be closed at the time and in the manner provided for appropriation accounts under section 1555 of title 31, United States Code. Unobligated funds which remain in the Account upon closure shall be held by the Secretary of the Treasury until transferred by law after the congressional defense committees receive the final report transmitted under subsection (c)(2).

''(b) USE OF FUNDS.—(1) The Secretary may use the funds in the Account only for the purposes described in section 2905 with respect to military installations the date of approval of closure or realignment of which is after September 30, 2003.

''(2) When a decision is made to use funds in the Account to carry out a construction project under section 2905(a) and the cost of the project will exceed the maximum amount authorized by law for a minor military construction project, the Secretary

shall notify in writing the congressional defense committees of the nature of, and justification for, the project and the amount of expenditures for such project. Any such construction project may be carried out without regard to section 2802(a) of title 10, United States Code.

''(c) REPORTS.—(1)(A) No later than 60 days after the end of each fiscal year in which the Secretary carries out activities under this part using amounts in the Account, the Secretary shall transmit a report to the congressional defense committees of the amount and nature of the deposits into, and the expenditures from, the Account during such fiscal year and of the amount and nature of other expenditures made pursuant to section 2905(a) during such fiscal year.

''(B) The report for a fiscal year shall include the following:

''(i) The obligations and expenditures from the Account during the fiscal year, identified by subaccount, for each military department and Defense Agency.

''(ii) The fiscal year in which appropriations for such expenditures were made and the fiscal year in which funds were obligated for such expenditures.

''(iii) Each military construction project for which such obligations and expenditures were made, identified by installation and project title.

''(iv) A description and explanation of the extent, if any, to which expenditures for military construction projects for the fiscal year differed from proposals for projects and funding levels that were included in the justification transmitted to Congress under section 2907(1), or otherwise, for the funding proposals for the Account for such fiscal year, including an explanation of—

''(I) any failure to carry out military construction projects that were so proposed; and

''(II) any expenditures for military construction projects that were not so proposed.

''(2) No later than 60 days after the termination of the authority of the Secretary to carry out a closure or realignment under this part with respect to military installations the date of approval of closure or realignment of which is after September 30, 2003, and no later than 60 days after the closure of the Account under subsection (a)(3), the Secretary shall transmit to the congressional defense committees a report containing an accounting of—

''(A) all the funds deposited into and expended from the Account or otherwise expended under this part with respect to such installations; and

''(B) any amount remaining in the Account.

''(d) DISPOSAL OR TRANSFER OF COMMISSARY STORES AND PROPERTY PURCHASED WITH NONAPPROPRIATED FUNDS.—(1) If any real property or facility acquired, constructed, or improved (in whole or in part) with commissary store funds or nonappropriated funds is transferred or disposed of in connection with the closure or realignment of a military installation under this part the date of approval of closure or realignment of which is after September 30, 2003, a portion of the proceeds of the transfer or other disposal of property on that installation shall be deposited in the reserve account established under section 204(b)(7)(C) of the Defense Authorization Amendments and Base Closure and Realignment Act (10 U.S.C. 2687 note).

''(2) The amount so deposited shall be equal to the depreciated value of the investment made with such funds in the acquisition, construction, or improvement of that particular real property or facility. The depreciated value of the investment shall be computed in accordance with regulations prescribed by the Secretary of Defense.

''(3) The Secretary may use amounts in the account (in such an aggregate amount as is provided in advance in appropriation Acts) for the purpose of acquiring, constructing, and improving—

''(A) commissary stores; and

''(B) real property and facilities for nonappropriated fund instrumentalities.

''(4) In this subsection, the terms 'commissary store funds', 'nonappropriated funds', and 'nonappropriated fund instrumentality' shall have the meaning given those terms in section 2906(d)(4).

''(e) ACCOUNT EXCLUSIVE SOURCE OF FUNDS FOR ENVIRONMENTAL RESTORATION PROJECTS.—Except as provided in section 2906(e) with respect to funds in the Department of Defense Base Closure Account 1990 under section 2906 and except for funds deposited into the Account under subsection (a), funds appropriated to the Department of Defense may not be used for purposes described in section 2905(a)(1)(C). The prohibition in this subsection shall expire upon the closure of the Account under subsection (a)(3).''.

(b) CONFORMING AMENDMENTS.—Section 2906 of that Act is amended—

(1) in subsection (a)(2)(C), by inserting ''the date of approval of closure or realignment of which is before September 30, 2003'' after ''under this part'';

(2) in subsection (b)(1), by inserting ''with respect to military installations the date of approval of closure or realignment of which is before September 30, 2003,'' after ''section 2905'';

(3) in subsection (c)(2)—

(A) in the matter preceding subparagraph (A), by inserting ''with respect to military installations the date of approval of closure or realignment of which is before September 30, 2003,'' after ''under this part''; and

(B) in subparagraph (A), by inserting ''with respect to such installations'' after ''under this part'';

(4) in subsection (d)(1), by inserting ''the date of approval of closure or realignment of which is before September 30, 2003'' after ''under this part''; and

(5) in subsection (e), by striking ''Except for'' and inserting ''Except as provided in section 2906A(e) with respect to funds in the Department of Defense Base Closure Account 2001 under section 2906A and except for''.

(c) CLERICAL AMENDMENT.—The section heading of section 2906 of that Act is amended to read as follows:

''SEC. 2906. BASE CLOSURE ACCOUNT 1990.''.

SEC. 2903. ADDITIONAL MODIFICATIONS OF BASE CLOSURE AUTHORITIES.

(a) INCREASE IN MEMBERS OF COMMISSION.—Section 2902(c)(1)(A) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2867 note) is amended by striking ''eight members'' and inserting ''nine members''.

(b) SELECTION CRITERIA.—Section 2903(b) of that Act is amended by adding at the end the following new paragraphs:

''(3) The selection criteria shall ensure that military value is the primary consideration in the making of recommendations for the closure or realignment of military installations under this part.

''(4) Any selection criteria proposed by the Secretary relating to the cost savings or return on investment from the proposed closure or realignment of a military installation shall take into account the effect of the proposed closure or realignment on the costs of any other Federal agency that may be required to assume responsibility for activities at the military installation.''.

(c) DEPARTMENT OF DEFENSE RECOMMENDATIONS TO COMMISSION.—Section 2903(c) of that Act is amended—

(1) by redesignating paragraphs (1), (2), (3), (4), (5), and (6) as paragraphs (2), (3), (4), (6), (7), and (8), respectively;

(2) by inserting before paragraph (2), as so redesignated, by the following new paragraph (1):

''(1) The Secretary shall carry out a comprehensive review of the military installations of the Department of Defense inside the United States based on the force-structure plan submitted under subsection (a)(2), and the final criteria transmitted under subsection (b)(2), in 2002. The review shall cover every type of facility or other infrastructure operated by the Department of Defense.'';

(3) in paragraph (4), as so redesignated—

(A) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(B) by inserting after subparagraph (A) the following new subparagraph (B):

''(B) In considering military installations for closure or realignment under this part in any year after 2001, the Secretary shall consider the anticipated continuing need for and availability of military installations worldwide. In evaluating the need for military installations inside the United States, the Secretary shall take into account current restrictions on the use of military installations outside the United States and the potential for future prohibitions or restrictions on the use of such military installations.''; and

(C) in subparagraph (D), as so redesignated, by striking ''subparagraph (B)'' and inserting ''subparagraph (C)'';

(4) by inserting after paragraph (4), as so redesignated, the following new paragraph (5):

''(5)(A) In making recommendations to the Commission under this subsection in any year after 2001, the Secretary shall consider any notice received from a local government in the vicinity of a military installation that the government would approve of the closure or realignment of the installation.

''(B) Notwithstanding the requirement in subparagraph (A), the Secretary shall make the recommendations referred to in that subparagraph based on the force-structure plan and final criteria otherwise applicable to such recommendations under this section.

''(C) The recommendations made by the Secretary under this subsection in any year after 2001 shall include a statement of the result of the consideration of any notice described in subparagraph (A) that is received with respect to an installation covered by such recommendations. The statement shall set forth the reasons for the result.''; and

(5) in paragraph (8), as so redesignated—

(A) in the first sentence, by striking ''paragraph (5)(B)'' and inserting ''paragraph (7)(B)''; and

(B) in the second sentence, by striking ''24 hours'' and inserting ''48 hours''.

(d) COMMISSION CHANGES IN RECOMMENDATIONS OF SECRETARY.—Section 2903(d)(2) of that Act is amended—

(1) in subparagraph (B), by striking ''if'' and inserting ''only if'';

(2) in subparagraph (C)—

(A) in clause (iii), by striking ''and'' at the end;

(B) in clause (iv), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new clause:

''(v) invites the Secretary to testify at a public hearing, or a closed hearing if classified information is involved, on the proposed change.'';

(3) by redesignating subparagraph (E) as subparagraph (F); and

(4) by inserting after subparagraph (D) the following new subparagraph (E):

''(E) In the case of a change not described in subparagraph (D) in the recommendations made by the Secretary, the Commission may make the change only if the Commission—

''(i) makes the determination required by subparagraph (B);

''(ii) determines that the change is consistent with the force-structure plan and final criteria referred to in subsection (c)(1); and

''(iii) invites the Secretary to testify at a public hearing, or a closed hearing if classified information is involved, on the proposed change.''.

(e) PRIVATIZATION IN PLACE.—Section 2904(a) of that Act is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following new paragraph (3):

''(3) carry out the privatization in place of a military installation recommended for closure or realignment by the Commission in each such report after 2001 only if privatization in place is a method of closure or realignment of the installation specified in the recommendation of the Commission in such report and is determined by the Commission to be the most-cost effective method of implementation of the recommendation;''.

(f) IMPLEMENTATION.—

(1) PAYMENT FOR CERTAIN SERVICES FOR PROPERTY LEASED BACK BY THE UNITED STATES.—Section 2905(b)(4)(E) of that Act is amended—

(1) in clause (iii), by striking ''A lease'' and inserting ''Except as provided in clause (v), a lease''; and

(2) by adding at the end the following new clause (v):

''(v)(I) Notwithstanding clause (iii), a lease under clause (i) may require the United States to pay the redevelopment authority concerned, or the assignee of the redevelopment authority, for facility services and common area maintenance provided for the leased property by the redevelopment authority or assignee, as the case may be.

''(II) The rate charged the United States for services and maintenance provided by a redevelopment authority or assignee under subclause (I) may not exceed the rate charged non-Federal tenants leasing property at the installation for such services and maintenance.

''(III) For purposes of this clause, facility services and common area maintenance shall not include municipal services that the State or local government concerned is required by law to provide without direct charge to landowners, or firefighting or security-guard functions.''.

(2) TRANSFERS IN CONNECTION WITH PAYMENT OF ENVIRONMENTAL REMEDIATION.—Section 2905(e) of that Act is amended—

(A) in paragraph (1)(B), by adding at the end the following new sentence: ''The real property and facilities referred to in subparagraph (A) are also the real property and facilities located at an installation approved for closure or realignment under this part after 2001 that are available for purposes other than to assist the homeless.'';

(B) in paragraph (2)(A), by striking ''to be paid by the recipient of the property or facilities'' and inserting ''otherwise to be paid by the Secretary with respect to the property or facilities'';

(C) by striking paragraph (6);

(D) by redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), (6), respectively; and

(E) by inserting after paragraph (2) the following new paragraph (3):

''(3) In the case of property or facilities covered by a certification under paragraph (2)(A), the Secretary may pay the recipient of such property or facilities an amount equal to the lesser of—

''(A) the amount by which the costs incurred by the recipient of such property or facilities for all environmental restoration, waste, management, and environmental compliance activities with respect to such property or facilities exceed the fair market value of such property or facilities as specified in such certification; or

''(B) the amount by which the costs (as determined by the Secretary) that would otherwise have been incurred by the Secretary for such restoration, management, and activities with respect to such property or facilities exceed the fair market value of such property or facilities as so specified.''.

(3) SCOPE OF INDEMNIFICATION OF TRANSFEREES IN CONNECTION WITH PAYMENT OF ENVIRONMENTAL REMEDIATION.—Paragraph (6) of section 2905(e) of that Act, as redesignated by paragraph (1) of this subsection, is further amended by inserting before the period the following: '', except in the case of releases or threatened releases not disclosed pursuant to paragraph (4)''.

SEC. 2904. TECHNICAL AND CLARIFYING AMENDMENTS.

(a) COMMENCEMENT OF PERIOD FOR NOTICE OF INTEREST IN PROPERTY FOR HOMELESS.—Section 2905(b)(7)(D)(ii)(I) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2867 note) is amended by striking ''that date'' and inserting ''the date of publication of such determination in a newspaper of general circulation in the communities in the vicinity of the installation under subparagraph (B)(i)(IV)''.

(b) OTHER CLARIFYING AMENDMENTS.—(1) That Act is further amended by inserting ''or realignment'' after ''closure'' each place it appears in the following provisions:

(A) Section 2905(b)(3).

(B) Section 2905(b)(5).

(C) Section 2905(b)(7)(B)(iv).

(D) Section 2905(b)(7)(N).

(E) Section 2910(10)(B).

(2) That Act is further amended by inserting ''or realigned'' after ''closed'' each place it appears in the following provisions:

(A) Section 2905(b)(3)(C)(ii).

(B) Section 2905(b)(3)(D).

(C) Section 2905(b)(3)(E).

(D) Section 2905(b)(4)(A).

(E) Section 2905(b)(5)(A).

(F) Section 2910(9).

(G) Section 2910(10).

(3) Section 2905(e)(1)(B) of that Act is amended by inserting '', or realigned or to be realigned,'' after ''closed or to be closed''.

Subtitle B—Modification of 1988 Base Closure Law

SEC. 2911. PAYMENT FOR CERTAIN SERVICES PROVIDED BY REDEVELOPMENT AUTHORITIES FOR PROPERTY LEASED BACK BY THE UNITED STATES.

Section 204(b)(4) of the Defense Authorization Amendments and Base Closure and Realignment Act of (Public Law 100–526; 10 U.S.C. 2687 note) is amended by adding at the end the following new subparagraph (J):

''(J)(i) The Secretary may transfer real property at an installation approved for closure or realignment under this title (including property at an installation approved for realignment which will be retained by the Department of Defense or another Federal agency after realignment) to the redevelopment authority for the installation if the redevelopment authority agrees to lease, directly upon transfer, one or more portions of the property transferred under this subparagraph to the Secretary or to the head of another department or agency of the Federal Government. Subparagraph (B) shall apply to a transfer under this subparagraph.

''(ii) A lease under clause (i) shall be for a term of not to exceed 50 years, but may provide for options for renewal or extension of the term by the department or agency concerned.

''(iii) Except as provided in clause (v), a lease under clause (i) may not require rental payments by the United States.

''(iv) A lease under clause (i) shall include a provision specifying that if the department or agency concerned ceases requiring the use of the leased property before the expiration of the term of the lease, the remainder of the lease term may be satisfied by the same or another department or agency of the Federal Government using the property for a use similar to the use under the lease. Exercise of the authority provided by this clause shall be made in consultation with the redevelopment authority concerned.

''(v)(I) Notwithstanding clause (iii), a lease under clause (i) may require the United States to pay the redevelopment authority concerned, or the assignee of the redevelopment authority, for facility services and common area maintenance provided for the leased property by the redevelopment authority or assignee, as the case may be.

''(II) The rate charged the United States for services and maintenance provided by a redevelopment authority or assignee under subclause (I) may not exceed the rate charged non-Federal tenants leasing property at the installation for such services and maintenance.

''(III) For purposes of this clause, facility services and common area maintenance shall not include municipal services that the State or local government concerned is required by law to provide without direct charge to landowners, or firefighting or security-guard functions.''.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) IN GENERAL.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2002 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of $7,351,721,000, to be allocated as follows:

(1) WEAPONS ACTIVITIES.—For weapons activities, $5,481,795,000, to be allocated as follows:

(A) For stewardship operation and maintenance, $4,687,443,000, to be allocated as follows:

(i) For directed stockpile work, $1,016,922,000.

(ii) For campaigns, $2,137,300,000, to be allocated as follows:

(I) For operation and maintenance, $1,767,328,000.

(II) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $369,972,000, to be allocated as follows:

Project 01–D–101, distributed information systems laboratory, Sandia National Laboratories, Livermore, California, $5,400,000.

Project 00–D–103, terascale simulation facility, Lawrence Livermore National Laboratory, Livermore, California, $22,000,000.

Project 00–D–105, strategic computing complex, Los Alamos National Laboratory, Los Alamos, New Mexico, $11,070,000.

Project 00–D–107, joint computational engineering laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $5,377,000.

Project 98–D–125, tritium extraction facility, Savannah River Plant, Aiken, South Carolina, $81,125,000.

Project 96–D–111, national ignition facility (NIF), Lawrence Livermore National Laboratory, Livermore, California, $245,000,000.

(iii) For readiness in technical base and facilities, $1,533,221,000, to be allocated as follows:

(I) For operation and maintenance, $1,356,107,000.

(II) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $177,114,000, to be allocated as follows:

Project 02–D–101, microsystems and engineering sciences applications (MESA), Sandia National Laboratories, Albuquerque, New Mexico, $39,000,000.

Project 02–D–103, project engineering and design (PE&D), various locations, $31,130,000.

Project 02–D–107, electrical power systems safety communications and bus upgrades, Nevada Test Site, Nevada, $3,507,000.

Project 01–D–103, preliminary project design and engineering, various locations, $16,379,000.

Project 01–D–124, highly enriched uranium (HEU) materials storage facility, Y–12 Plant, Oak Ridge, Tennessee, $0.

Project 01–D–126, weapons evaluation test laboratory, Pantex Plant, Amarillo, Texas, $7,700,000.

Project 01–D–800, sensitive compartmented information facility, Lawrence Livermore National Laboratory, Livermore, California, $12,993,000.

Project 99–D–103, isotope sciences facilities, Lawrence Livermore National Laboratory, Livermore, California, $4,400,000.

Project 99–D–104, protection of real property (roof reconstruction, phase II), Lawrence Livermore National Laboratory, Livermore, California, $2,800,000.

Project 99–D–106, model validation and system certification center, Sandia National Laboratories, Albuquerque, New Mexico, $4,955,000.

Project 99–D–108, renovation of existing roadways, Nevada Test Site, Nevada, $2,000,000.

Project 99–D–125, replace boilers and controls, Kansas City Plant, Kansas City, Missouri, $300,000.

Project 99–D–127, stockpile management restructuring initiative, Kansas City Plant, Kansas City, Missouri, $22,200,000.

Project 99–D–128, stockpile management restructuring initiative, Pantex Plant, Amarillo, Texas, $3,300,000.

Project 98–D–123, stockpile management restructuring initiative, tritium facility modernization and consolidation, Savannah River Plant, Aiken, South Carolina, $13,700,000.

Project 98–D–124, stockpile management restructuring initiative, Y–12 Plant consolidation, Oak Ridge, Tennessee, $6,850,000.

Project 97–D–123, structural upgrades, Kansas City Plant, Kansas City, Missouri, $3,000,000.

Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $2,900,000.

(B) For secure transportation asset, $77,571,000, to be allocated for operation and maintenance.

(C) For safeguards and security, $448,881,000, to be allocated as follows:

(i) For operation and maintenance, $439,281,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $9,600,000, to be allocated as follows:

Project 99–D–132, stockpile management restructuring initiative, nuclear material safeguards and security upgrade project, Los Alamos National Laboratory, Los Alamos, New Mexico, $9,600,000.

(D) For facilities and infrastructure, $267,900,000.

(2) DEFENSE NUCLEAR NONPROLIFERATION.—For other nuclear security activities, $872,500,000, to be allocated as follows:

(A) For nonproliferation and verification research and development, $258,161,000, to be allocated as follows:

(i) For operation and maintenance, $222,355,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $35,806,000, to be allocated as follows:

Project 00–D–192, nonproliferation and international security center (NISC), Los Alamos National Laboratory, Los Alamos, New Mexico, $35,806,000.

(B) For arms control, $138,000,000.

(C) For international materials protection, control, and accounting, $143,800,000.

(D) For highly enriched uranium transparency implementation, $13,950,000.

(E) For international nuclear safety, $19,500,000.

(F) For fissile materials control and disposition, $299,089,000, to be allocated as follows:

(i) For United States surplus fissile materials disposition, $233,089,000, to be allocated as follows:

(I) For operation and maintenance, $130,089,000.

(II) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $103,000,000, to be allocated as follows:

Project 01–D–142, immobilization and associated processing facility, (Title I and II design), Savannah River Site, Aiken, South Carolina, $0.

Project 01–D–407, highly enriched uranium blend-down, Savannah River Site, Aiken, South Carolina, $24,000,000.

Project 99–D–141, pit disassembly and conversion facility (Title I and II design), Savannah River Site, Aiken, South Carolina, $16,000,000.

Project 99–D–143, mixed oxide fuel fabrication facility (Title I and II design), Savannah River Site, Aiken, South Carolina, $63,000,000.

(ii) For Russian fissile materials disposition, $66,000,000.

(3) NAVAL REACTORS.—For naval reactors, $688,045,000, to be allocated as follows:

(A) For naval reactors development, $665,445,000, to be allocated as follows:

(i) For operation and maintenance, $652,245,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $13,200,000, to be allocated as follows:

Project 01–D–200, major office replacement building, Schenectady, New York, $9,000,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $4,200,000.

(B) For program direction, $22,600,000.

(4) OFFICE OF ADMINISTRATOR FOR NUCLEAR SECURITY.—For the Office of the Administrator for Nuclear Security, and for program direction for the National Nuclear Security Administration (other than for naval reactors), $380,366,000.

(b) ADJUSTMENTS.—The amount authorized to be appropriated by subsection (a) is hereby reduced by $70,985,000, as follows:

(1) The amount authorized to be appropriated by paragraph (1) of that subsection is hereby reduced by $28,985,000, which is to be derived from offsets and use of prior year balances.

(2) The amount authorized to be appropriated by paragraph (2) of that subsection is hereby reduced by $42,000,000, which is to be derived from use of prior year balances.

SEC. 3102. DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) IN GENERAL.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2002 for environmental restoration and waste management activities in carrying out programs necessary for national security in the amount of $6,047,617,000, to be allocated as follows:

(1) CLOSURE PROJECTS.—For closure projects carried out in accordance with section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2836; 42 U.S.C. 7277n), $1,080,538,000.

(2) SITE/PROJECT COMPLETION.—For site completion and project completion in carrying out environmental management activities necessary for national security programs, $943,196,000, to be allocated as follows:

(A) For operation and maintenance, $919,030,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $24,166,000, to be allocated as follows:

Project 02–D–402, Intec cathodic protection system expansion, Idaho National Engineering and Environmental Laboratory, Idaho Falls, Idaho, $3,256,000.

Project 01–D–414, preliminary project engineering and design (PE&D), various locations, $6,254,000.

Project 99–D–402, tank farm support services, F&H areas, Savannah River Site, Aiken, South Carolina, $5,040,000.

Project 99–D–404, health physics instrumentation laboratory, Idaho National Engineering and Environmental Laboratories, Idaho Falls, Idaho, $2,700,000.

Project 98–D–453, plutonium stabilization and handling system for plutonium finishing plant, Richland, Washington, $1,910,000.

Project 96–D–471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $4,244,000.

Project 92–D–140, F&H canyon exhaust upgrades, Savannah River Site, Aiken, South Carolina, $0.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $762,000.

(3) POST-2006 COMPLETION.—For post-2006 completion in carrying out environmental restoration and waste management activities necessary for national security programs, $3,245,201,000, to be allocated as follows:

(A) For operation and maintenance, $1,955,979,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $6,754,000, to be allocated as follows:

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River Site, Aiken, South Carolina, $6,754,000.

(C) For the Office of River Protection in carrying out environmental restoration and waste management activities necessary for national security programs, $862,468,000, to be allocated as follows:

(i) For operation and maintenance, $322,151,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $540,317,000, to be allocated as follows:

Project 01–D–416, waste treatment and immobilization plant, Richland, Washington, $500,000,000.

Project 97–D–402, tank farm restoration and safe operations, Richland, Washington, $33,473,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $6,844,000.

(4) SCIENCE AND TECHNOLOGY DEVELOPMENT.—For science and technology development in carrying out environmental restoration and waste management activities necessary for national security programs, $216,000,000.

(5) EXCESS FACILITIES.—For excess facilities in carrying out environmental restoration and waste management activities necessary for national security programs, $1,300,000.

(6) SAFEGUARDS AND SECURITY.—For safeguards and security in carrying out environmental restoration and waste management activities necessary for national security programs, $205,621,000.

(7) PROGRAM DIRECTION.—For program direction in carrying out environmental restoration and waste management activities necessary for national security programs, $355,761,000.

(b) ADJUSTMENT.—The total amount authorized to be appropriated by subsection (a) is the sum of the amounts authorized to be appropriated by paragraphs (2) through (7) of that subsection, reduced by $42,161,000, to be derived from offsets and use of prior year balances.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

(a) IN GENERAL.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2002 for other defense activities in carrying out programs necessary for national security in the amount of $512,195,000, to be allocated as follows:

(1) INTELLIGENCE.—For intelligence, $40,844,000.

(2) COUNTERINTELLIGENCE.—For counterintelligence, $46,389,000.

(3) SECURITY AND EMERGENCY OPERATIONS.—For security and emergency operations, $247,565,000, to be allocated as follows:

(A) For nuclear safeguards and security, $121,188,000.

(B) For security investigations, $44,927,000.

(C) For program direction, $81,450,000.

(4) INDEPENDENT OVERSIGHT AND PERFORMANCE ASSURANCE.—For independent oversight and performance assurance, $14,904,000.

(5) ENVIRONMENT, SAFETY, AND HEALTH.—For the Office of Environment, Safety, and Health, $114,600,000, to be allocated as follows:

(A) For environment, safety, and health (defense), $91,307,000.

(B) For program direction, $23,293,000.

(6) WORKER AND COMMUNITY TRANSITION ASSISTANCE.—For worker and community transition assistance, $20,000,000, to be allocated as follows:

(A) For worker and community transition, $18,000,000.

(B) For program direction, $2,000,000.

(7) OFFICE OF HEARINGS AND APPEALS.—For the Office of Hearings and Appeals, $2,893,000.

(8) NATIONAL SECURITY PROGRAMS ADMINISTRATIVE SUPPORT.—For national security programs administrative support, $25,000,000.

(b) ADJUSTMENTS.—

(1) SECURITY AND EMERGENCY OPERATIONS, FOR PROGRAM DIRECTION.—The amount authorized to be appropriated pursuant to subsection (a)(3)(B) is reduced by $712,000 to reflect an offset provided by user organizations for security investigations.

(2) OTHER.—The total amount authorized to be appropriated pursuant to paragraphs (1), (2), (4), (5), (6), (7), and (8) of subsection (a) is hereby reduced by $10,000,000 to reflect use of prior year balances.

SEC. 3104. DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2002 for privatization initiatives in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $157,537,000, to be allocated as follows:

Project 02–PVT–1, Paducah disposal facility, Paducah, Kentucky, $13,329,000.

Project 02–PVT–2, Portsmouth disposal facility, Portsmouth, Ohio, $2,000,000.

Project 98–PVT–2, spent nuclear fuel dry storage, Idaho Falls, Idaho, $49,332,000.

Project 98–PVT–5, environmental management/waste management disposal, Oak Ridge, Tennessee, $26,065,000.

Project 97–PVT–2, advanced mixed waste treatment project, Idaho Falls, Idaho, $56,000,000.

Project 97–PVT–3, transuranic waste treatment, Oak Ridge, Tennessee, $10,826,000.

SEC. 3105. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2002 for payment to the Nuclear Waste Fund established in section 302(C) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $250,000,000.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $2,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON MINOR CONSTRUCTION PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any minor construction project using operation and maintenance funds, or facilities and infrastructure funds, authorized by this title.

(b) ANNUAL REPORT.—The Secretary shall submit to the congressional defense committees on an annual basis a report on each exercise of the authority in subsection (a) during the preceding year. Each report shall give a brief description of each minor construction project covered by such report.

(c) MINOR CONSTRUCTION PROJECT DEFINED.—In this section, the term ''minor construction project'' means any plant project not specifically authorized by law if the approved total estimated cost of the plant project does not exceed $5,000,000.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, authorized by 3101, 3102, or 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there is excluded any

day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) does not apply to a construction project with a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same time period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than 5 percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than 5 percent by a transfer under such paragraph.

(c) LIMITATIONS.—The authority provided by this subsection to transfer authorizations—

(1) may be used only to provide funds for items relating to activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(2) may not be used to provide funds for an item for which Congress has specifically denied funds.

(d) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committees on Armed Services of the Senate and House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT OF CONCEPTUAL DESIGN.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a minor construction project the total estimated cost of which is less than $5,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for that design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including funds authorized to be appropriated for advance planning, engineering, and construction design, and for plant projects, under sections 3101, 3102, 3103, and 3104 to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making those activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriation Acts and section 3121, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

(a) IN GENERAL.—Except as provided in subsection (b), when so specified in an appropriations Act, amounts appropriated for operation and maintenance or for plant projects may remain available until expended.

(b) EXCEPTION FOR PROGRAM DIRECTION FUNDS.—Amounts appropriated for program direction pursuant to an authorization of appropriations in subtitle A shall remain available to be expended only until the end of fiscal year 2004.

SEC. 3129. TRANSFER OF DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.

(a) TRANSFER AUTHORITY FOR DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer defense environmental management funds from a program or project under the jurisdiction of the office to another such program or project.

(b) LIMITATIONS.—(1) Not more than three transfers may be made to or from any program or project under subsection (a) in a fiscal year.

(2) The amount transferred to or from a program or project under in any one transfer under subsection (a) may not exceed $5,000,000.

(3) A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer is necessary to address a risk to health, safety, or the environment or to assure the most efficient use of defense environmental management funds at the field office.

(4) Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Assistant Secretary of Energy for Environmental Management, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section:

(1) The term ''program or project'' means, with respect to a field office of the Department of Energy, any of the following:

(A) A program referred to or a project listed in paragraph (2) or (3) of section 3102(a).

(B) A program or project not described in subparagraph (A) that is for environmental restoration or waste management activities necessary for national security programs of the Department, that is being carried out by the office, and for which defense environmental management funds have been authorized and appropriated before the date of the enactment of this Act.

(2) The term ''defense environmental management funds'' means funds appropriated to the Department of Energy pursuant to an authorization for carrying out environmental restoration and waste management activities necessary for national security programs.

(f) DURATION OF AUTHORITY.—The managers of the field offices of the Department may exercise the authority provided under subsection (a) during the period beginning on October 1, 2001, and ending on September 30, 2002.

SEC. 3130. TRANSFER OF WEAPONS ACTIVITIES FUNDS.

(a) TRANSFER AUTHORITY FOR WEAPONS ACTIVITIES FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer weapons activities funds from a program or project under the jurisdiction of the office to another such program or project.

(b) LIMITATIONS.—(1) Not more than three transfers may be made to or from any program or project under subsection (a) in a fiscal year.

(2) The amount transferred to or from a program or project in any one transfer under subsection (a) may not exceed $5,000,000.

(3) A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer is necessary to address a risk to health, safety, or the environment or to assure the most efficient use of weapons activities funds at the field office.

(4) Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Administrator for Nuclear Security, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section:

(1) The term ''program or project'' means, with respect to a field office of the Department of Energy, any of the following:

(A) A program referred to or a project listed in 3101(1).

(B) A program or project not described in subparagraph (A) that is for weapons activities necessary for national security programs of the Department, that is being carried out by the office, and for which weapons activities funds have been authorized and appropriated before the date of the enactment of this Act.

(2) The term ''weapons activities funds'' means funds appropriated to the Department of Energy pursuant to an authorization for carrying out weapons activities necessary for national security programs.

(f) DURATION OF AUTHORITY.—The managers of the field offices of the Department may exercise the authority provided under subsection (a) during the period beginning on October 1, 2001, and ending on September 30, 2002.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. LIMITATION ON AVAILABILITY OF FUNDS FOR WEAPONS ACTIVITIES FOR FACILITIES AND INFRASTRUCTURE.

Not more than 50 percent of the funds authorized to be appropriated by section 3101(a)(1)(D) for the National Nuclear Security Administration for weapons activities for facilities and infrastructure may be obligated or expended until the Administrator for Nuclear Security submits to the congressional defense committees a report setting forth the following:

(1) Criteria for the selection of projects to be carried out using such funds.

(2) Criteria for establishing priorities among projects so selected.

(3) A list of the projects so selected, including the priority assigned to each such project.

SEC. 3132. LIMITATION ON AVAILABILITY OF FUNDS FOR OTHER DEFENSE ACTIVITIES FOR NATIONAL SECURITY PROGRAMS ADMINISTRATIVE SUPPORT.

Not more than $5,000,000 of the funds authorized to be appropriated by section 3103(a)(8) for other defense activities for national security programs administrative support may be obligated or expended until the later of the following:

(1) The date on which the Secretary of Energy submits to Congress a report setting forth the purposes for which such funds will be obligated and expended.

(2) The date on which the Administrator for Nuclear Security submits to Congress the future-years nuclear security program for fiscal year 2002 required by section 3253 of the National Nuclear Security Administration Act (title XXXII of Public Law 106–35; 50 U.S.C. 2453).

SEC. 3133. NUCLEAR CITIES INITIATIVE.

(a) LIMITATIONS ON USE OF FUNDS.—No funds authorized to be appropriated for the Nuclear Cities Initiative after fiscal year 2001 may be obligated or expended with respect to more than three nuclear cities, or more than two serial production facilities in Russia, until 30 days after the Administrator for Nuclear Security submits to the appropriate congressional committees an agreement signed by the Russian Federation on access under the Nuclear Cities Initiative to the ten closed nuclear cities and four serial production facilities of the Nuclear Cities Initiative.

(b) ANNUAL REPORT.—(1) Not later than the first Monday in February each year, the Administrator shall submit to the appropriate congressional committees a report on financial and programmatic activities with respect to the Nuclear Cities Initiative during the preceding fiscal year.

(2) Each report shall include, for the fiscal year covered by such report, the following:

(A) A list of each project that is or was completed, ongoing, or planned under the Nuclear Cities Initiative during such fiscal year.

(B) For each project listed under subparagraph (A), information, current as of the end of such fiscal year, on the following:

(i) The purpose of such project.

(ii) The budget for such project.

(iii) The life-cycle costs of such project.

(iv) Participants in such project.

(v) The commercial viability of such project.

(vi) The number of jobs in Russia created or to be created by or through such project.

(vii) Of the total amount of funds spent on such project, the percentage of such amount spent in the United States and the percentage of such amount spent overseas.

(C) A certification by the Administrator that each project listed under subparagraph (A) did contribute, is contributing, or will contribute, as the case may be, to the downsizing of the nuclear weapons complex in Russia, together with a description of the evidence utilized to make such certification.

(c) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees means'' the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives.

(2) NUCLEAR CITIES INITIATIVE.—The term ''Nuclear Cities Initiative'' means the initiative arising pursuant to the March 1998 discussion between the Vice President of the United States and the Prime Minister of the Russian Federation and between the Secretary of Energy of the United States and the Minister of Atomic Energy of the Russian Federation.

(3) NUCLEAR CITY.—The term ''nuclear city'' means any of the nuclear cities within the complex of the Russia Ministry of Atomic Energy (MINATOM) as follows:

(A) Sarov (Arzamas–16 and Avangard).

(B) Zarechnyy (Penza–19).

(C) Novoural'sk (Sverdlovsk–44).

(D) Lesnoy (Sverdlovsk–45).

(E) Ozersk (Chelyabinsk–65).

(F) Snezhinsk (Chelyabinsk–70).

(G) Trechgornyy (Zlatoust–36).

(H) Seversk (Tomsk–7).

(I) Zhelenznogorsk (Krasnoyarsk–26).

(J) Zelenogorsk (Krasnoyarsk–45).

SEC. 3134. CONSTRUCTION OF DEPARTMENT OF ENERGY OPERATIONS OFFICE COMPLEX.

(a) AUTHORITY FOR DESIGN AND CONSTRUCTION.—Subject to subsection (b), the Secretary of Energy may provide for the design and construction of a new operations office complex for the Department of Energy in accordance with the feasibility study regarding such operations office complex conducted under the National Defense Authorization Act for Fiscal Year 2000.

(b) LIMITATION.—The Secretary may not exercise the authority in subsection (a) until the date on which the Secretary certifies to Congress that the feasibility study referred to in subsection (a) is consistent with the plan submitted under section 3153(a) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–465).

(c) BASIS OF AUTHORITY.—The design and construction of the operations office complex authorized by subsection (a) shall be carried out through one or more energy savings performance contracts (ESPC) entered into under this section and in accordance with the provisions of title VIII of the National Energy Policy Conservation Act (42 U.S.C. 8287 et seq.).

(d) PAYMENT OF COSTS.—Amounts for payments of costs associated with the construction of the operations office complex authorized by subsection (a) shall be derived from energy savings and ancillary operation and maintenance savings that result from the replacement of a current Department of Energy operations office complex (as identified in the feasibility study referred to in subsection (a)) with the operations office complex authorized by subsection (a).

Subtitle D—Matters Relating to Management of National Nuclear Security Administration

SEC. 3141. ESTABLISHMENT OF POSITION OF DEPUTY ADMINISTRATOR FOR NUCLEAR SECURITY.

(a) ESTABLISHMENT OF POSITION.—Subtitle A of the National Nuclear Security Administration Act (title XXXII of Public Law 106–65; 50 U.S.C. 2401 et seq.) is amended—

(1) by redesignating section 3213 as section 3219 and transferring such section, as so redesignated, to the end of the subtitle; and

(2) by inserting after section 3212 the following new section 3213:

''SEC. 3213. DEPUTY ADMINISTRATOR FOR NUCLEAR SECURITY.

''(a) IN GENERAL.—There is in the Administration a Deputy Administrator for Nuclear Security, who is appointed by the President, by and with the advice and consent of the Senate.

''(b) DUTIES.—(1) The Deputy Administrator shall be the principal assistant to the Administrator in carrying out the responsibilities of the Director under this title, and shall act for, and exercise the powers and duties of, the Administrator when the Administrator is disabled or there is no Administrator for Nuclear Security.

''(2) Subject to the authority, direction, and control of the Administrator, the Deputy Administrator shall perform such duties, and exercise such powers, relating to the functions of the Administration as the Administrator may prescribe.''.

(b) PAY LEVEL.—Section 5314 of title 5, United States Code, is amended in the item relating to the Deputy Administrators of the National Nuclear Security Administration—

(1) by striking ''(3)'' and inserting ''(4)''; and

(2) by striking ''(2)'' and inserting ''(3)''.

SEC. 3142. RESPONSIBILITY FOR NATIONAL SECURITY LABORATORIES AND WEAPONS PRODUCTION FACILITIES OF DEPUTY ADMINISTRATOR OF NATIONAL NUCLEAR SECURITY ADMINISTRATION FOR DEFENSE PROGRAMS.

Section 3214 of the National Nuclear Security Administration Act (title XXXII of Public Law 106–65; 113 Stat. 959; 50 U.S.C. 2404) is amended by striking subsection (c).

SEC. 3143. CLARIFICATION OF STATUS WITHIN THE DEPARTMENT OF ENERGY OF ADMINISTRATION AND CONTRACTOR PERSONNEL OF THE NATIONAL NUCLEAR SECURITY ADMINISTRATION.

Section 3219 of the National Nuclear Security Administration Act, as redesignated and transferred by section 3141(a)(1) of this Act, is further amended—

(1) in subsection (a), by striking ''Administration—'' and inserting ''Administration, in carrying out any function of the Administration—''; and

(2) in subsection (b), by striking ''shall'' and inserting '', in carrying out any function of the Administration, shall''.

SEC. 3144. MODIFICATION OF AUTHORITY OF ADMINISTRATOR FOR NUCLEAR SECURITY TO ESTABLISH SCIENTIFIC, ENGINEERING, AND TECHNICAL POSITIONS.

(a) INCREASE IN AUTHORIZED NUMBER OF POSITIONS.—Section 3241 of the National Nuclear Security Administration Act (title XXXII of Public Law 106–65; 113 Stat. 964; 50 U.S.C. 2441) is amended—

(1) by inserting ''(a) IN GENERAL—'' before ''The Administrator''; and

(2) in subsection (a), as so designated, by striking ''300'' and inserting ''500''.

(b) DESIGNATION OF EXISTING PROVISIONS ON TREATMENT OF AUTHORITY.—That section is further amended—

(1) by designating the second sentence as subsection (b);

(2) aligning the margin of that subsection, as so designated, so as to indent the text two ems; and

(3) in that subsection, as so designated, by striking ''Subject to the limitations in the preceding sentence,'' and inserting ''(b) TREATMENT OF AUTHORITY.—Subject to the limitations in subsection (a),''.

(c) TREATMENT OF POSITIONS.—That section is further amended by adding at the end the following new subsection:

''(c) TREATMENT OF POSITIONS.—A position established under subsection (a) may not be considered a Senior Executive Service position (as that term is defined in section 3132(a)(2) of title 5, United States Code), and shall not be subject to the provisions of subchapter II of chapter 31 of that title, relating to the Senior Executive Service.''.

Subtitle E—Other Matters

SEC. 3151. IMPROVEMENTS TO ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION PROGRAM.

(a) CERTAIN LEUKEMIA AS SPECIFIED CANCER.—Section 3621(17) of the Energy Employees Occupational Illness Compensation Program Act of 2000 (title XXXVI of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398); 114 Stat. 1654A–502), as amended by section 2403 of the Supplemental Appropriations Act, 2001 (Public Law 107–20), is further amended by adding at the end the following new subparagraph:

''(D) Leukemia (other than chronic lymphocytic leukemia), if initial occupation exposure occurred before 21 years of age and onset occurred more than two years after initial occupational exposure.''.

(b) ADDITIONAL MEMBERS OF SPECIAL EXPOSURE COHORT.—Section 3626(b) of that Act (114 Stat. 1654A–505) is amended in the matter preceding paragraph (1) by inserting after ''Department of Energy facility'' the following: '', or at an atomic weapons employer facility,''.

(c) ESTABLISHMENT OF CHRONIC SILICOSIS.—Section 3627(e)(2)(A) of that Act (114 Stat. 1654A–506) is amended by striking ''category 1/1'' and inserting ''category 1/0''.

(d) SURVIVORS.—

(1) IN GENERAL.—Subsection (e) of section 3628 of that Act (114 Stat. 1654A–506) is amended to read as follows:

''(e) SURVIVORS.—(1) If a covered employee dies before accepting payment of compensation under this section, whether or not the death is the result of the covered employee's occupational illness, the survivors of the covered employee who are living at the time of payment of compensation under this section shall receive payment of compensation under this section in lieu of the covered employee as follows:

''(A) If such living survivors of the covered employee include a spouse and one or more children—

''(i) the spouse shall receive one-half of the amount of compensation provided for the covered employee under this section; and

''(ii) each child shall receive an equal share of the remaining one-half of the amount of the compensation provided for the covered employee under this section.

''(B) If such living survivors of the covered employee include a spouse or one or more children, but not both a spouse and one or more children—

''(i) the spouse shall receive the amount of compensation provided for the covered employee under this section; or

''(ii) each child shall receive an equal share of the amount of the compensation provided for the covered employee under this section.

''(C) If such living survivors of the covered employee do not include a spouse or any children, but do include one or both parents, one or more grandparents, one or more grandchildren, or any combination of such individuals, each such individual shall receive an equal share of the amount of the compensation provided for the covered employee under this section.

''(2) For purposes of this subsection, the term 'child', in the case of a covered employee, means any child of the covered employee, including a natural child, adopted child, or step-child who lived with the covered employee in a parent-child relationship.''.

(2) URANIUM EMPLOYEES.—Subsection (e) of section 3630 of that Act (114 Stat. 1654A–507) is amended to read as follows:

''(e) SURVIVORS.—(1) If a covered uranium employee dies before accepting payment of compensation under this section, whether or not the death is the result of the covered uranium employee's occupational illness, the survivors of the covered uranium employee who are living at the time of payment of compensation under this section shall receive payment of compensation under this section in lieu of the covered uranium employee as follows:

''(A) If such living survivors of the covered uranium employee include a spouse and one or more children—

''(i) the spouse shall receive one-half of the amount of compensation provided for the covered uranium employee under this section; and

''(ii) each child shall receive an equal share of the remaining one-half of the amount of the compensation provided for the covered uranium employee under this section.

''(B) If such living survivors of the covered uranium employee include a spouse or one or more children, but not both a spouse and one or more children—

''(i) the spouse shall receive the amount of compensation provided for the covered uranium employee under this section; or

''(ii) each child shall receive an equal share of the amount of the compensation provided for the covered uranium employee under this section.

''(C) If such living survivors of the covered uranium employee do not include a spouse or any children, but do include one or both parents, one or more grandparents, one or more grandchildren, or any combination of such individuals, each such individual shall receive an equal share of the amount of the compensation provided for the covered uranium employee under this section.

''(2) For purposes of this subsection, the term 'child', in the case of a covered uranium employee, means any child of the covered employee, including a natural child, adopted child, or step-child who lived with the covered employee in a parent-child relationship.''.

(3) REPEAL OF SUPERSEDED PROVISION.—Paragraph (18) of section 3621 of that Act (114 Stat. 1654A–502) is repealed.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on July 1, 2001.

(e) DISMISSAL OF PENDING SUITS.—Section 3645(d) of that Act (114 Stat. 1654A–510) is amended by striking ''the plaintiff shall not'' and all that follows through the end and inserting ''and was not dismissed as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 2002, the plaintiff shall be eligible for compensation or benefits under subtitle B only if the plaintiff dismisses such case not later than December 31, 2003.''.

(f) ATTORNEY FEES.—Section 3648 of that Act (114 Stat. 1654A–511) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''and'' at the end;

(B) in paragraph (2), by striking the period at the end and inserting ''; and''; and

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

''(3) 10 percent of any compensation paid under the claim for assisting with or representing a claimant seeking such compensation by the provision of services other than, or in addition to, services in connection with the filing of an initial claim covered by paragraph (1).'';

(2) by redesignating subsection (c) and subsection (d); and

(3) by inserting after subsection (b) the following new subsection (c):

''(c) INAPPLICABILITY TO SERVICES PROVIDED AFTER AWARD OF COMPENSATION.—This section shall not apply with respect to any representation or assistance provided to an individual awarded compensation under subtitle B after the award of compensation.''.

(g) STUDY OF RESIDUAL CONTAMINATION OF FACILITIES.—(1) The National Institute for Occupational Safety and Health shall, with the cooperation of the Department of Energy and the Department of Labor, conduct a study on the following:

(A) Whether or not significant contamination remained in any atomic weapons employer facility or facility of a beryllium vendor after such facility discontinued activities relating to the production of nuclear weapons.

(B) If so, whether or not such contamination could have caused or substantially contributed to the cancer of a covered employee with cancer or a covered beryllium illness, as the case may be.

(2)(A) Not later than 180 days after the date of the enactment of this Act, the National Institute for Occupational Safety and Health shall submit to the congressional defense committees a report on the progress made as of the date of the report on the study under paragraph (1).

(B) Not later than one year after the date of the enactment of this Act, the National Institute shall submit to the congressional defense committees a final report on the study under paragraph (1).

(3) Amounts for the study under paragraph (1) shall be derived from amounts authorized to be appropriated by section 3614(a) of the Energy Employees Occupational Illness Compensation Program Act of 2000 (114 Stat. 1654A–498).

(4) In this subsection:

(A) The terms ''atomic weapons employer facility'', ''beryllium vendor'', ''covered employee with cancer'', and ''covered beryllium illness'' have the meanings given those terms in section 3621 of the Energy Employees Occupational Illness Compensation Program Act of 2000 (114 Stat. 1654A–498).

(B) The term ''contamination'' means the presence of any material exposure to which could cause or substantially contribute to the cancer of a covered employee with cancer or a covered beryllium illness, as the case may be.

SEC. 3152. DEPARTMENT OF ENERGY COUNTERINTELLIGENCE POLYGRAPH PROGRAM.

(a) INTERIM COUNTERINTELLIGENCE POLYGRAPH PROGRAM.—(1) Not later than 120 days after the date of enactment of this Act, the Secretary of Energy shall submit to the congressional defense committees a plan for conducting, as part of the Department of Energy personnel assurance programs, an interim counterintelligence polygraph program consisting of polygraph examinations of Department of Energy employees, or contractor employees, at Department facilities. The purpose of examinations under the interim program is to minimize the potential for release or disclosure of classified data, materials, or information until the program required under subsection (b) is in effect.

(2) The Secretary may exclude from examinations under the interim program any position or class of positions (as determined by the Secretary) for which the individual or individuals in such position or class of positions—

(A) either—

(i) operate in a controlled environment that does not afford an opportunity, through action solely by the individual or individuals, to inflict damage on or impose risks to national security; and

(ii) have duties, functions, or responsibilities which are compartmentalized or supervised such that the individual or individuals do not impose risks to national security; or

(B) do not have routine access to top secret Restricted Data.

(3) The plan shall ensure that individuals who undergo examinations under the interim program receive protections as provided under part 40 of title 49, Code of Federal Regulations.

(4) To ensure that administration of the interim program does not disrupt safe operations of a facility, the plan shall insure notification of the management of the facility at least 14 days in advance of any examination scheduled under the interim program for any employees of the facility.

(5) The plan shall include procedures under the interim program for—

(A) identifying and addressing so-called ''false positive'' results of polygraph examinations; and

(B) ensuring that adverse personnel actions not be taken against an individual solely by reason of the individual's physiological reaction to a question in a polygraph examination, unless reasonable efforts are first made to independently determine through alternative means the veracity of the individual's response to the question.

(b) NEW COUNTERINTELLIGENCE POLYGRAPH PROGRAM.—(1) Not later than six months after obtaining the results of the Polygraph Review, the Secretary shall prescribe a proposed rule containing requirements for a counterintelligence polygraph program for the Department of Energy. The purpose of the program is to minimize the potential for release or disclosure of classified data, materials, or information.

(2) The Secretary shall prescribe the proposed rule under this subsection in accordance with the provisions of subchapter II of chapter 5 of title 5, United States Code (commonly referred to as the Administrative Procedures Act).

(3) In prescribing the proposed rule under this subsection, the Secretary may include in requirements under the proposed rule any requirement or exclusion provided for in paragraphs (2) through (5) of subsection (a).

(4) In prescribing the proposed rule under this subsection, the Secretary shall take into account the results of the Polygraph Review.

(c) REPEAL OF EXISTING POLYGRAPH PROGRAM.—Section 3154 of the Department of Energy Facilities Safeguards, Security, and Counterintelligence Enhancement Act of 1999 (subtitle D of title XXXI of Public Law 106–65; 42 U.S.C. 7383h) is repealed.

(d) REPORT ON FURTHER ENHANCEMENT OF PERSONNEL SECURITY PROGRAM.—(1) Not later than December 31, 2002, the Administrator for Nuclear Security shall submit to Congress a report setting forth the recommendations of the Administrator for any legislative action that the Administrator considers appropriate in order to enhance the personnel security program of the Department of Energy.

(2) Any recommendations under paragraph (1) regarding the use of polygraphs shall take into account the results of the Polygraph Review.

(e) DEFINITIONS.—In this section:

(1) The term ''Polygraph Review'' means the review of the Committee to Review the Scientific Evidence on the Polygraph of the National Academy of Sciences.

(2) The term ''Restricted Data'' has the meaning given that term in section 11 y. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)).

SEC. 3153. ONE-YEAR EXTENSION OF AUTHORITY OF DEPARTMENT OF ENERGY TO PAY VOLUNTARY SEPARATION INCENTIVE PAYMENTS.

Section 3161(a) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 942; 5 U.S.C. 5597 note) is amended by striking ''January 1, 2003'' and inserting ''January 1, 2004''.

SEC. 3154. ADDITIONAL OBJECTIVE FOR DEPARTMENT OF ENERGY DEFENSE NUCLEAR FACILITY WORK FORCE RESTRUCTURING PLAN.

Section 3161(c) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 42 U.S.C. 7274h(c)) is amended by adding at the end the following new paragraph:

''(7) The Department of Energy should provide assistance to promote the diversification of the economies of communities in the vicinity of any Department of Energy defense nuclear facility that may, as determined by the Secretary, be affected by a future restructuring of its work force under the plan.''.

SEC. 3155. MODIFICATION OF DATE OF REPORT OF PANEL TO ASSESS THE RELIABILITY, SAFETY, AND SECURITY OF THE UNITED STATES NUCLEAR STOCKPILE.

Section 3159(d) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 42 U.S.C. 2121 note) is amended by striking ''of each year, beginning with 1999,'' and inserting ''of 1999 and 2000, and not later than February 1, 2002,''.

SEC. 3156. REPORTS ON ACHIEVEMENT OF MILESTONES FOR NATIONAL IGNITION FACILITY.

(a) NOTIFICATION OF ACHIEVEMENT.—The Administrator for Nuclear Security shall notify the congressional defense committees when the National Ignition Facility (NIF), Lawrence Livermore National Laboratory, California, achieves each Level one milestone and Level two milestone for the National Ignition Facility.

(b) REPORT ON FAILURE OF TIMELY ACHIEVEMENT.—Not later than 10 days after the date on which the National Ignition Facility fails to achieve a Level one milestone or Level two milestone for the National Ignition Facility in a timely manner, the Administrator shall submit to the congressional defense committees a report on the failure. The report on a failure shall include—

(1) a statement of the failure of the National Ignition Facility to achieve the milestone concerned in a timely manner;

(2) an explanation for the failure; and

(3) either—

(A) an estimate when the milestone will be achieved; or

(B) if the milestone will not be achieved—

(i) a statement that the milestone will not be achieved;

(ii) an explanation why the milestone will not be achieved; and

(iii) the implications for the overall scope, schedule, and budget of the National Ignition Facility project of not achieving the milestone.

(c) MILESTONES.—For purposes of this section, the Level one milestones and Level two milestones for the National Ignition Facility are as established in the August 2000 revised National Ignition Facility baseline document.

SEC. 3157. SUPPORT FOR PUBLIC EDUCATION IN THE VICINITY OF LOS ALAMOS NATIONAL LABORATORY, NEW MEXICO.

(a) SUPPORT IN FISCAL YEAR 2002.—From amounts authorized to be appropriated or otherwise made available to the Secretary of Energy by this title—

(1) $6,900,000 shall be available for payment by the Secretary for fiscal year 2002 to the Los Alamos National Laboratory Foundation, a not-for-profit educational foundation chartered in accordance with section 3167(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2052); and

(2) $8,000,000 shall be available for extension of the contract between the Department of Energy and the Los Alamos Public Schools through fiscal year 2002.

(b) SUPPORT THROUGH FISCAL YEAR 2004.—Subject to the availability of appropriations for such purposes, the Secretary may—

(1) make a payment for each of fiscal years 2003 and 2004 similar in amount to the payment referred to in subsection (a)(1) for fiscal year 2002; and

(2) provide for a contract extension through fiscal year 2004 similar to the contract extension referred to in subsection (a)(2), including the use of an amount for that purpose in each of fiscal years 2003 and 2004 similar to the amount available for that purpose in fiscal year 2002 under that subsection.

(c) USE OF FUNDS.—The Los Alamos National Laboratory Foundation shall—

(1) use funds provided the Foundation under this section as a contribution to the endowment fund of the Foundation; and

(2) use the income generated from investments in the endowment fund that are attributable to payments made under this section to fund programs to support the educational needs of children in public schools in the vicinity of Los Alamos National Laboratory.

(d) REPORT.—Not later than March 1, 2003, the Administrator for Nuclear Security shall submit to the congressional defense committees a report setting for the following:

(1) An evaluation of the requirements for continued payments after fiscal year 2004

into the endowment fund of the Los Alamos Laboratory Foundation to enable the Foundation to meet the goals of the Department of Energy to support the recruitment and retention of staff at the Los Alamos National Laboratory.

(2) Recommendations regarding the advisability of any further direct support after fiscal year 2004 for the Los Alamos Public Schools.

SEC. 3158. IMPROVEMENTS TO CORRAL HOLLOW ROAD, LIVERMORE, CALIFORNIA.

Of the amounts authorized to be appropriated by section 3101, not more than $325,000 shall be available to the Secretary of Energy for safety improvements to Corral Hollow Road adjacent to Site 300 of Lawrence Livermore National Laboratory, California.

SEC. 3159. ANNUAL ASSESSMENT AND REPORT ON VULNERABILITY OF DEPARTMENT OF ENERGY FACILITIES TO TERRORIST ATTACK.

(a) IN GENERAL.—Part C of title VI of the Department of Energy Organization Act (42 U.S.C. 7251 et seq.) is amended by adding at the end the following new section:

''ANNUAL ASSESSMENT AND REPORT ON VULNERABILITY OF FACILITIES TO TERRORIST ATTACK

''SEC. 663. (a) The Secretary shall, on an annual basis, conduct a comprehensive assessment of the vulnerability of Department facilities to terrorist attack.

''(b) Not later than January 31 each year, the Secretary shall submit to Congress a report on the assessment conducted under subsection (a) during the preceding year. Each report shall include the results of the assessment covered by such report, together with such findings and recommendations as the Secretary considers appropriate.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of that Act is amended by inserting after the item relating to section 662 the following new item:

''Sec. 663. Annual assessment and report on vulnerability of facilities to terrorist attack.''.

Subtitle F—Rocky Flats National Wildlife Refuge

SEC. 3171. SHORT TITLE.

This subtitle may be cited as the ''Rocky Flats National Wildlife Refuge Act of 2001''.

SEC. 3172. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds the following:

(1) The Federal Government, through the Atomic Energy Commission, acquired the Rocky Flats site in 1951 and began operations there in 1952. The site remains a Department of Energy facility. Since 1992, the mission of the Rocky Flats site has changed from the production of nuclear weapons components to cleanup and closure in a manner that is safe, environmentally and socially responsible, physically secure, and cost-effective.

(2) The site has generally remained undisturbed since its acquisition by the Federal Government.

(3) The State of Colorado is experiencing increasing growth and development, especially in the metropolitan Denver Front Range area in the vicinity of the Rocky Flats site. That growth and development reduces the amount of open space and thereby diminishes for many metropolitan Denver communities the vistas of the striking Front Range mountain backdrop.

(4) Some areas of the site contain contamination and will require further response action. The national interest requires that the ongoing cleanup and closure of the entire site be completed safely, effectively, and without unnecessary delay and that the site thereafter be retained by the United States and managed so as to preserve the value of the site for open space and wildlife habitat.

(5) The Rocky Flats site provides habitat for many wildlife species, including a number of threatened and endangered species, and is marked by the presence of rare xeric tallgrass prairie plant communities. Establishing the site as a unit of the National Wildlife Refuge System will promote the preservation and enhancement of those resources for present and future generations.

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

(1) to provide for the establishment of the Rocky Flats site as a national wildlife refuge following cleanup and closure of the site;

(2) to create a process for public input on refuge management before transfer of administrative jurisdiction to the Secretary of the Interior; and

(3) to ensure that the Rocky Flats site is thoroughly and completely cleaned up.

SEC. 3173. DEFINITIONS.

In this subtitle:

(1) CLEANUP AND CLOSURE.—The term ''cleanup and closure'' means the response actions and decommissioning activities being carried out at Rocky Flats by the Department of Energy under the 1996 Rocky Flats Cleanup Agreement, the closure plans and baselines, and any other relevant documents or requirements.

(2) COALITION.—The term ''Coalition'' means the Rocky Flats Coalition of Local Governments established by the Intergovernmental Agreement, dated February 16, 1999, among—

(A) the city of Arvada, Colorado;

(B) the city of Boulder, Colorado;

(C) the city of Broomfield, Colorado;

(D) the city of Westminster, Colorado;

(E) the town of Superior, Colorado;

(F) Boulder County, Colorado; and

(G) Jefferson County, Colorado.

(3) HAZARDOUS SUBSTANCE.—The term ''hazardous substance'' means—

(A) any hazardous substance, pollutant, or contaminant regulated under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.); and

(B) any—

(i) petroleum (including any petroleum product or derivative);

(ii) unexploded ordnance;

(iii) military munition or weapon; or

(iv) nuclear or radioactive material;

not otherwise regulated as a hazardous substance under any law in effect on the date of enactment of this Act.

(4) POLLUTANT OR CONTAMINANT.—The term ''pollutant or contaminant'' has the meaning given the term in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601).

(5) REFUGE.—The term ''refuge'' means the Rocky Flats National Wildlife Refuge established under section 3177.

(6) RESPONSE ACTION.—The term ''response action'' has the meaning given the term ''response'' in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601) or any similar requirement under State law.

(7) RFCA.—The term ''RFCA'' means the Rocky Flats Cleanup Agreement, an intergovernmental agreement, dated July 19, 1996, among—

(A) the Department of Energy;

(B) the Environmental Protection Agency; and

(C) the Department of Public Health and Environment of the State of Colorado.

(8) ROCKY FLATS.—

(A) IN GENERAL.—The term ''Rocky Flats'' means the Rocky Flats Environmental Technology Site, Colorado, a defense nuclear facility, as depicted on the map entitled ''Rocky Flats Environmental Technology Site'', dated July 15, 1998, and available for inspection in the appropriate offices of the United States Fish and Wildlife Service.

(B) EXCLUSIONS.—The term ''Rocky Flats'' does not include—

(i) land and facilities of the Department of Energy's National Wind Technology Center; or

(ii) any land and facilities not within the boundaries depicted on the map identified in subparagraph (A).

(9) ROCKY FLATS TRUSTEES.—The term ''Rocky Flats Trustees'' means the Federal and State of Colorado entities that have been identified as trustees for Rocky Flats under section 107(f)(2) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607(f)(2)).

(10) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

SEC. 3174. FUTURE OWNERSHIP AND MANAGEMENT.

(a) FEDERAL OWNERSHIP.—Except as expressly provided in this subtitle or any Act enacted after the date of enactment of this Act, all right, title, and interest of the United States, held on or acquired after the date of enactment of this Act, to land or interest therein, including minerals, within the boundaries of Rocky Flats shall be retained by the United States.

(b) LINDSAY RANCH.—The structures that comprise the former Lindsay Ranch homestead site in the Rock Creek Reserve area of the buffer zone, as depicted on the map referred to in section 3173(8), shall be permanently preserved and maintained in accordance with the National Historic Preservation Act (16 U.S.C. 470 et seq.).

(c) PROHIBITION ON ANNEXATION.—Neither the Secretary nor the Secretary of the Interior shall allow the annexation of land within the refuge by any unit of local government.

(d) PROHIBITION ON THROUGH ROADS.—Except as provided in subsection (e), no public road shall be constructed through Rocky Flats.

(e) TRANSPORTATION RIGHT-OF-WAY.—

(1) IN GENERAL.—

(A) AVAILABILITY OF LAND.—On submission of an application meeting each of the conditions specified in paragraph (2), the Secretary, in consultation with the Secretary of the Interior, shall make available land along the eastern boundary of Rocky Flats for the sole purpose of transportation improvements along Indiana Street.

(B) BOUNDARIES.—Land made available under this paragraph may not extend more than 300 feet from the west edge of the Indiana Street right-of-way, as that right-of-way exists as of the date of enactment of this Act.

(C) EASEMENT OR SALE.—Land may be made available under this paragraph by easement or sale to 1 or more appropriate entities.

(D) COMPLIANCE WITH APPLICABLE LAW.—Any action under this paragraph shall be taken in compliance with applicable law.

(2) CONDITIONS.—An application for land under this subsection may be submitted by any county, city, or other political subdivision of the State of Colorado and shall include documentation demonstrating that—

(A) the transportation project is constructed so as to minimize adverse effects on the management of Rocky Flats as a wildlife refuge; and

(B) the transportation project is included in the regional transportation plan of the metropolitan planning organization designated for the Denver metropolitan area under section 5303 of title 49, United States Code.

SEC. 3175. TRANSFER OF MANAGEMENT RESPONSIBILITIES AND JURISDICTION OVER ROCKY FLATS.

(a) IN GENERAL.—

(1) MEMORANDUM OF UNDERSTANDING.—

(A) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary and the Secretary of the Interior shall publish in the Federal Register a draft memorandum of understanding under which—

(i) the Secretary shall provide for the subsequent transfer of administrative jurisdiction over Rocky Flats to the Secretary of the Interior; and

(ii) the Secretary of the Interior shall manage natural resources at Rocky Flats until the date on which the transfer becomes effective.

(B) REQUIRED ELEMENTS.—

(i) IN GENERAL.—Subject to clause (ii), the memorandum of understanding shall—

(I) provide for the division of responsibilities between the Secretary and the Secretary of the Interior necessary to carry out the proposed transfer of land;

(II) for the period ending on the date of the transfer—

(aa) provide for the division of responsibilities between the Secretary and the Secretary of the Interior; and

(bb) provide for the management of the land proposed to be transferred by the Secretary of the Interior as a national wildlife refuge, for the purposes provided under section 3177(d)(2);

(III) provide for the annual transfer of funds from the Secretary to the Secretary of the Interior for the management of the land proposed to be transferred; and

(IV) subject to subsection (b)(1), identify the land proposed to be transferred to the Secretary of the Interior.

(ii) NO REDUCTION IN FUNDS.—The memorandum of understanding and the subsequent transfer shall not result in any reduction in funds available to the Secretary for cleanup and closure of Rocky Flats.

(C) DEADLINE.—Not later than 18 months after the date of enactment of this Act, the Secretary and Secretary of the Interior shall finalize and implement the memorandum of understanding.

(2) EXCLUSIONS.—The transfer under paragraph (1) shall not include the transfer of any property or facility over which the Secretary retains jurisdiction, authority, and control under subsection (b)(1).

(3) CONDITION.—The transfer under paragraph (1) shall occur—

(A) not earlier than the date on which the Administrator of the Environmental Protection Agency certifies to the Secretary and to the Secretary of the Interior that the cleanup and closure and all response actions at Rocky Flats have been completed, except for the operation and maintenance associated with those actions; but

(B) not later than 30 business days after that date.

(4) COST; IMPROVEMENTS.—The transfer—

(A) shall be completed without cost to the Secretary of the Interior; and

(B) may include such buildings or other improvements as the Secretary of the Interior has requested in writing for refuge management purposes.

(b) PROPERTY AND FACILITIES EXCLUDED FROM TRANSFERS.—

(1) IN GENERAL.—The Secretary shall retain jurisdiction, authority, and control over all real property and facilities at Rocky Flats that are to be used for—

(A) any necessary and appropriate long-term operation and maintenance facility to intercept, treat, or control a radionuclide or any other hazardous substance, pollutant, or contaminant; and

(B) any other purpose relating to a response action or any other action that is required to be carried out at Rocky Flats.

(2) CONSULTATION.—

(A) IDENTIFICATION OF PROPERTY.—

(i) IN GENERAL.—The Secretary shall consult with the Secretary of the Interior, the Administrator of the Environmental Protection Agency, and the State of Colorado on the identification of all property to be retained under this subsection to ensure the continuing effectiveness of response actions.

(ii) AMENDMENT TO MEMORANDUM OF UNDERSTANDING.—

(I) IN GENERAL.—After the consultation, the Secretary and the Secretary of the Interior shall by mutual consent amend the memorandum of understanding required under subsection (a) to specifically identify the land for transfer and provide for determination of the exact acreage and legal description of the property to be transferred by a survey mutually satisfactory to the Secretary and the Secretary of the Interior.

(II) COUNCIL ON ENVIRONMENTAL QUALITY.—In the event the Secretary and the Secretary of the Interior cannot agree on the land to be retained or transferred, the Secretary or the Secretary of the Interior may refer the issue to the Council on Environmental Quality, which shall decide the issue within 45 days of such referral, and the Secretary and the Secretary of the Interior shall then amend the memorandum of understanding required under subsection (a) in conformity with the decision of the Council on Environmental Quality.

(B) MANAGEMENT OF PROPERTY.—

(i) IN GENERAL.—The Secretary shall consult with the Secretary of the Interior on the management of the retained property to minimize any conflict between the management of property transferred to the Secretary of the Interior and property retained by the Secretary for response actions.

(ii) CONFLICT.—In the case of any such conflict, implementation and maintenance of the response action shall take priority.

(3) ACCESS.—As a condition of the transfer under subsection (a), the Secretary shall be provided such easements and access as are reasonably required to carry out any obligation or address any liability.

(c) ADMINISTRATION.—

(1) IN GENERAL.—On completion of the transfer under subsection (a), the Secretary of the Interior shall administer Rocky Flats in accordance with this subtitle subject to—

(A) any response action or institutional control at Rocky Flats carried out by or under the authority of the Secretary under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.); and

(B) any other action required under any other Federal or State law to be carried out by or under the authority of the Secretary.

(2) CONFLICT.—In the case of any conflict between the management of Rocky Flats by the Secretary of the Interior and the conduct of any response action or other action described in subparagraph (A) or (B) of paragraph (1), the response action or other action shall take priority.

(3) CONTINUING ACTIONS.—Except as provided in paragraph (1), nothing in this subsection affects any response action or other action initiated at Rocky Flats on or before the date of the transfer under subsection (a).

(d) LIABILITY.—

(1) IN GENERAL.—The Secretary shall retain any obligation or other liability for land transferred under subsection (a) under—

(A) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.); or

(B) any other applicable law.

(2) RESPONSE ACTIONS.—

(A) IN GENERAL.—The Secretary shall be liable for the cost of any necessary response actions, including any costs or claims asserted against the Secretary, for any release, or substantial threat of release, of a hazardous substance, if the release, or substantial threat of release, is—

(i) located on or emanating from land—

(I) identified for transfer by this section; or

(II) subsequently transferred under this section;

(ii)(I) known at the time of transfer; or

(II) subsequently discovered; and

(iii) attributable to—

(I) management of the land by the Secretary; or

(II) the use, management, storage, release, treatment, or disposal of a hazardous substance on the land by the Secretary.

(B) RECOVERY FROM THIRD PARTY.—Nothing in this paragraph precludes the Secretary, on behalf of the United States, from bringing a cost recovery, contribution, or other action against a third party that the Secretary reasonably believes may have contributed to the release, or substantial threat of release, of a hazardous substance.

SEC. 3176. CONTINUATION OF ENVIRONMENTAL CLEANUP AND CLOSURE.

(a) ONGOING CLEANUP AND CLOSURE.—

(1) IN GENERAL.—The Secretary shall—

(A) carry out to completion cleanup and closure at Rocky Flats; and

(B) conduct any necessary operation and maintenance of response actions.

(2) NO RESTRICTION ON USE OF NEW TECHNOLOGIES.—Nothing in this subtitle, and no action taken under this subtitle, restricts the Secretary from using at Rocky Flats any new technology that may become available for remediation of contamination.

(b) RULES OF CONSTRUCTION.—

(1) NO RELIEF FROM OBLIGATIONS UNDER OTHER LAW.—

(A) IN GENERAL.—Nothing in this subtitle, and no action taken under this subtitle, relieves the Secretary, the Administrator of the Environmental Protection Agency, or any other person from any obligation or other liability with respect to Rocky Flats under the RFCA or any applicable Federal or State law.

(B) NO EFFECT ON RFCA.—Nothing in this subtitle impairs or alters any provision of the RFCA.

(2) REQUIRED CLEANUP LEVELS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), nothing in this subtitle affects the level of cleanup and closure at Rocky Flats required under the RFCA or any Federal or State law.

(B) NO EFFECT FROM ESTABLISHMENT AS NATIONAL WILDLIFE REFUGE.—

(i) IN GENERAL.—The requirements of this subtitle for establishment and management of Rocky Flats as a national wildlife refuge shall not reduce the level of cleanup and closure.

(ii) CLEANUP LEVELS.—The Secretary shall conduct cleanup and closure of Rocky Flats to the levels established for soil, water, and other media, following a thorough review, by the parties to the RFCA and the public (including the United States Fish and Wildlife Service and other interested government agencies), of the appropriateness of the interim levels in the RFCA.

(3) NO EFFECT ON OBLIGATIONS FOR MEASURES TO CONTROL CONTAMINATION.—Nothing in this subtitle, and no action taken under this subtitle, affects any long-term obligation of the United States, acting through the Secretary, relating to funding, construction, monitoring, or operation and maintenance of—

(A) any necessary intercept or treatment facility; or

(B) any other measure to control contamination.

(c) PAYMENT OF RESPONSE ACTION COSTS.—Nothing in this subtitle affects the obligation of a Federal department or agency that had or has operations at Rocky Flats resulting in the release or threatened release of a hazardous substance or pollutant or contaminant to pay the costs of response actions carried out to abate the release of, or clean up, the hazardous substance or pollutant or contaminant.

(d) CONSULTATION.—In carrying out a response action at Rocky Flats, the Secretary shall consult with the Secretary of the Interior to ensure that the response action is carried out in a manner that—

(1) does not impair the attainment of the goals of the response action; but

(2) minimizes, to the maximum extent practicable, adverse effects of the response action on the refuge.

SEC. 3177. ROCKY FLATS NATIONAL WILDLIFE REFUGE.

(a) ESTABLISHMENT.—Not later than 30 days after the transfer of jurisdiction under section 3175(a), the Secretary of the Interior shall establish at Rocky Flats a national wildlife refuge to be known as the ''Rocky Flats National Wildlife Refuge''.

(b) COMPOSITION.—The refuge shall consist of the real property subject to the transfer of administrative jurisdiction under section 3175(a)(1).

(c) NOTICE.—The Secretary of the Interior shall publish in the Federal Register a notice of the establishment of the refuge.

(d) ADMINISTRATION AND PURPOSES.—

(1) IN GENERAL.—The Secretary of the Interior shall manage the refuge in accordance with applicable law, including this subtitle, the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.), and the purposes specified in that Act.

(2) REFUGE PURPOSES.—At the conclusion of the transfer under section 3175(a)(3), the refuge shall be managed for the purposes of—

(A) restoring and preserving native ecosystems;

(B) providing habitat for, and population management of, native plants and migratory and resident wildlife;

(C) conserving threatened and endangered species (including species that are candidates for listing under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.)); and

(D) providing opportunities for compatible, wildlife-dependent environmental scientific research.

(3) MANAGEMENT.—In managing the refuge, the Secretary shall ensure that wildlife-dependent recreation and environmental education and interpretation are the priority public uses of the refuge.

SEC. 3178. COMPREHENSIVE CONSERVATION PLAN.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, in developing a comprehensive conservation plan in accordance with section 4(e) of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd(e)), the Secretary of the Interior, in consultation with the Secretary, the members of the Coalition, the Governor of the State of Colorado, and the Rocky Flats Trustees, shall establish a comprehensive planning process that involves the public and local communities.

(b) OTHER PARTICIPANTS.—In addition to the entities specified in subsection (a), the comprehensive planning process shall include the opportunity for direct involvement of entities not members of the Coalition as of the date of enactment of this Act, including the Rocky Flats Citizens' Advisory Board and the cities of Thornton, Northglenn, Golden, Louisville, and Lafayette, Colorado.

(c) DISSOLUTION OF COALITION.—If the Coalition dissolves, or if any Coalition member elects to leave the Coalition during the comprehensive planning process under this section—

(1) the comprehensive planning process under this section shall continue; and

(2) an opportunity shall be provided to each entity that is a member of the Coalition as of September 1, 2000, for direct involvement in the comprehensive planning process.

(d) CONTENTS.—In addition to the requirements under section 4(e) of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd(e)), the comprehensive conservation plan required by this section shall address and make recommendations on the following:

(1) The identification of any land described in section 3174(e) that could be made available for transportation purposes.

(2) The potential for leasing any land in Rocky Flats for the National Renewable Energy Laboratory to carry out projects relating to the National Wind Technology Center.

(3) The characteristics and configuration of any perimeter fencing that may be appropriate or compatible for cleanup and closure, refuge, or other purposes.

(4) The feasibility of locating, and the potential location for, a visitor and education center at the refuge.

(5) Any other issues relating to Rocky Flats.

(e) REPORT.—Not later than 3 years after the date of enactment of this Act, the Secretary of the Interior shall submit to the Committee on Armed Services of the Senate and the Committee on Resources of the House of Representatives—

(1) the comprehensive conservation plan prepared under this section; and

(2) a report that—

(A) outlines the public involvement in the comprehensive planning process; and

(B) to the extent that any input or recommendation from the comprehensive planning process is not accepted, clearly states the reasons why the input or recommendation is not accepted.

SEC. 3179. PROPERTY RIGHTS.

(a) IN GENERAL.—Except as provided in subsection (c), nothing in this subtitle limits any valid, existing property right at Rocky Flats that is owned by any person or entity, including, but not limited to—

(1) any mineral right;

(2) any water right or related easement; and

(3) any facility or right-of-way for a utility.

(b) ACCESS.—Except as provided in subsection (c), nothing in this subtitle affects any right of an owner of a property right described in subsection (a) to access the owner's property.

(c) REASONABLE CONDITIONS.—

(1) IN GENERAL.—The Secretary or the Secretary of the Interior may impose such reasonable conditions on access to property rights described in subsection (a) as are appropriate for the cleanup and closure of Rocky Flats and for the management of the refuge.

(2) NO EFFECT ON APPLICABLE LAW.—Nothing in this subtitle affects any other applicable Federal, State, or local law (including any regulation) relating to the use, development, and management of property rights described in subsection (a).

(3) NO EFFECT ON ACCESS RIGHTS.—Nothing in this subsection precludes the exercise of any access right, in existence on the date of enactment of this Act, that is necessary to perfect or maintain a water right in existence on that date.

(d) PURCHASE OF MINERAL RIGHTS.—

(1) IN GENERAL.—The Secretary shall seek to acquire any and all mineral rights at Rocky Flats through donation or through purchase or exchange from willing sellers for fair market value.

(2) FUNDING.—The Secretary and the Secretary of the Interior—

(A) may use for the purchase of mineral rights under paragraph (1) funds specifically provided by Congress; but

(B) shall not use for such purchase funds appropriated by Congress for the cleanup and closure of Rocky Flats.

(e) UTILITY EXTENSION.—

(1) IN GENERAL.—The Secretary or the Secretary of the Interior may allow not more than one extension from an existing utility right-of-way on Rocky Flats, if necessary.

(2) CONDITIONS.—An extension under paragraph (1) shall be subject to the conditions specified in subsection (c).

(f) EASEMENT SURVEYS.—

(1) IN GENERAL.—Subject to paragraph (2), until the date that is 180 days after the date of enactment of this Act, an entity that possesses a decreed water right or prescriptive easement relating to land at Rocky Flats may carry out such surveys at Rocky Flats as the entity determines are necessary to perfect the right or easement.

(2) LIMITATION ON CONDITIONS.—An activity carried out under paragraph (1) shall be subject only to such conditions as are imposed—

(A) by the Secretary of Energy, before the date on which the transfer of management responsibilities under section 3175(a)(3) is completed, to minimize interference with the cleanup and closure of Rocky Flats; and

(B) by the Secretary of the Interior, on or after the date on which the transfer of management responsibilities under section 3175(a)(3) is completed, to minimize adverse effects on the management of the refuge.

SEC. 3180. ROCKY FLATS MUSEUM.

(a) MUSEUM.—In order to commemorate the contribution that Rocky Flats and its worker force provided to the winning of the Cold War and the impact that the contribution has had on the nearby communities and the State of Colorado, the Secretary may establish a Rocky Flats Museum.

(b) LOCATION.—The Rocky Flats Museum shall be located in the city of Arvada, Colorado, unless, after consultation under subsection (c), the Secretary determines otherwise.

(c) CONSULTATION.—The Secretary shall consult with the city of Arvada, other local communities, and the Colorado State Historical Society on—

(1) the development of the museum;

(2) the siting of the museum; and

(3) any other issues relating to the development and construction of the museum.

(d) REPORT.—Not later than three years after the date of enactment of this Act, the Secretary, in coordination with the city of Arvada, shall submit to the Committee on Armed Services of the Senate and the appropriate committee of the House of Representatives a report on the costs associated with the construction of the museum and any other issues relating to the development and construction of the museum.

SEC. 3181. REPORT ON FUNDING.

At the time of submission of the first budget of the United States Government submitted by the President under section 1105 of title 31, United States Code, after the date of enactment of this Act, and annually thereafter, the Secretary and the Secretary of the Interior shall report to the Committee on Armed Services and the Committee on Appropriations of the Senate and the appropriate committees of the House of Representatives on—

(1) the costs incurred in implementing this subtitle during the preceding fiscal year; and

(2) the funds required to implement this subtitle during the current and subsequent fiscal years.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2002, $18,500,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

SEC. 3301. AUTHORITY TO DISPOSE OF CERTAIN MATERIALS IN THE NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL REQUIRED.—Subject to the conditions specified in subsection (b), the President may dispose of obsolete and excess materials currently contained in the National Defense Stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c). The materials subject to disposal under this subsection and the quantity of each material authorized to be disposed of by the President are set forth in the following table:

Authorized Stockpile Disposals

Material for disposal	Quantity
Bauxite	40,000 short tons
Chromium Metal	3,512 short tons
Iridium	25,140 troy ounces
Jewel Bearings	30,273,221 pieces
Manganese Ferro HC	209,074 short tons
Palladium	11 troy ounces
Quartz Crystal	216,648 pounds
Tantalum Metal Ingot	120,228 pounds contained
Tantalum Metal Powder	36,020 pounds contained
Thorium Nitrate	600,000 pounds.

(b) MINIMIZATION OF DISRUPTION AND LOSS.—The President may not dispose of materials under subsection (a) to the extent that the disposal will result in—

(1) undue disruption of the usual markets of producers, processors, and consumers of the materials proposed for disposal; or

(2) avoidable loss to the United States.

(c) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding the materials specified in such subsection.

SEC. 3302. REVISION OF LIMITATIONS ON REQUIRED DISPOSALS OF COBALT IN THE NATIONAL DEFENSE STOCKPILE.

(a) PUBLIC LAW 105–261.—Section 3303 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (112 Stat. 2263; 50 U.S.C. 98d note) is amended—

(1) in subsection (a), by striking ''the amount of—'' and inserting ''total amounts not less than—''; and

(2) in subsection (b)(2), by striking ''receipts in the amounts specified in subsection (a)'' and inserting ''receipts in the total amount specified in such subsection (a)(4)''.

(b) PUBLIC LAW 105–85.—Section 3305 of the National Defense Authorization Act for Fiscal Year 1998 (111 Stat. 2057; 50 U.S.C. 98d note) is amended—

(1) in subsection (a), by striking ''amounts equal to—'' and inserting ''total amounts not less than—''; and

(2) in subsection (b)(2)—

(A) by striking ''may not dispose of cobalt under this section'' and inserting ''may not, under this section, dispose of cobalt in the fiscal year referred to in subsection (a)(5)''; and

(B) by striking ''receipts in the amounts specified in subsection (a)'' and inserting ''receipts during that fiscal year in the total amount specified in such subsection (a)(5)''.

(c) PUBLIC LAW 104–201.—Section 3303 of the National Defense Authorization Act for Fiscal Year 1997 (110 Stat. 2855; 50 U.S.C. 98d note) is amended—

(1) in subsection (a), by striking ''amounts equal to—'' and inserting ''total amounts not less than—''; and

(2) in subsection (b)(2)—

(A) by striking ''may not dispose of materials under this section'' and inserting ''may not, under this section, dispose of materials during the 10-fiscal year period referred to in subsection (a)(2)''; and

(B) by striking ''receipts in the amounts specified in subsection (a)'' and inserting ''receipts during that period in the total amount specified in such subsection (a)(2)''.

SEC. 3303. ACCELERATION OF REQUIRED DISPOSAL OF COBALT IN THE NATIONAL DEFENSE STOCKPILE.

Section 3305(a) of the National Defense Authorization Act for Fiscal Year 1998 (111 Stat. 2057; 50 U.S.C. 98d note) is amended—

(1) in paragraph (1), by striking ''2003'' and inserting ''2002'';

(2) in paragraph (1), by striking ''2004'' and inserting ''2003'';

(3) in paragraph (1), by striking ''2005'' and inserting ''2004'';

(4) in paragraph (1), by striking ''2006'' and inserting ''2005''; and

(5) in paragraph (1), by striking ''2007'' and inserting ''2006''.

SEC. 3304. REVISION OF RESTRICTION ON DISPOSAL OF MANGANESE FERRO.

Section 3304 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 629) is amended—

(1) in subsection (a)—

(A) by striking ''(a) DISPOSAL OF LOWER GRADE MATERIAL FIRST.—The President'' and inserting ''During fiscal year 2002, the President''; and

(B) in the first sentence, by striking '', until completing the disposal of all manganese ferro in the National Defense Stockpile that does not meet such classification''; and

(2) by striking subsections (b) and (c).

TITLE XXXIV—NAVAL PETROLEUM RESERVES

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated to the Secretary of Energy $17,371,000 for fiscal year 2002 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves (as defined in section 7420(2) of such title).

(b) AVAILABILITY.—The amount authorized to be appropriated by subsection (a) shall remain available until expended.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to the executive session to consider Executive Calendar No. 432, the nomination of Robert W. Jordan to be Ambassador to Saudi Arabia; that the nomination be confirmed, the motion to reconsider be laid upon the table, any statements thereon be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate return to legislative session.

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

The nomination was considered and confirmed as follows:

DEPARTMENT OF STATE

Robert W. Jordan, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

MEASURE INDEFINITELY POSTPONED—S.J. RES. 16

Mr. REID. Madam President, I ask unanimous consent that the Calendar No. 108, S.J. Res. 16, be indefinitely postponed.

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

NEED-BASED EDUCATIONAL AID ACT OF 2001

Mr. REID. Madam President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of H.R. 768 and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 768) to amend the Improving America's School Act of 1994 and make permanent favorable treatment of need-based educational aid under the antitrust laws.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 1844

Mr. REID. Madam President, I understand that Senator KOHL has a substitute amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. KOHL, proposes an amendment numbered 1844.

Mr. REID. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Need-Based Educational Aid Act of 2001''.

SEC. 2. AMENDMENT.

Section 568(d) of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note) is amended by striking ''2001'' and inserting ''2008''.

Mr. KOHL. Madam President, I rise today to offer a substitute amendment to H.R. 768. This legislation, as amended, will extend for seven years an existing antitrust exemption granted to colleges and universities that admit students on a need blind basis. The exemption provides protection for these schools to cooperatively develop a methodology for determining financial need in order to best assess a family's ability to pay the costs of attendance.

There is no doubt that higher education opens doors and creates opportunities. It is therefore imperative that we in Congress do what we can to keep higher education affordable for our nation's students and their families. Some of the best and most prestigious colleges and universities admit students without regard to their financial need, allowing talented students from disadvantaged backgrounds to achieve their full potential. This exemption allows those colleges and universities to generate a uniform methodology to determine a family's need. The colleges and universities that use the exemption believe it allows them to attract needy students and maintain a thriving financial aid program.

Discussions among colleges and universities using need-blind admissions policies began more than thirty years ago. However, in 1989, the Department of Justice filed suit against 23 colleges and universities alleging that their cooperation violated antitrust laws. A federal district court ruled that the schools were subject to the antitrust laws. In 1991, most of the colleges and universities settled with the Department of Justice with a promise to stop sharing information.

Faced with the prospect of eliminating their discussions as a result of the settlement, the colleges and universities sought a law allowing them to meet. In 1992, Congress passed the original two-year antitrust exemption for those schools that guaranteed that their aid was need-blind. The exemption was extended in 1994 and 1997. With the lawsuit and the court order so fresh in our collective memory, it seems prudent to extend the exemption for a reasonable length of time, but not indefinitely. The exemption has always been grated on the theory that cooperation among universities in determining financial aid need benefits prospective students and their families. But there is little if any objective data to support this proposition. So this amendment directs the General Accounting Office (GAO) to study the effects of the antitrust exemption on undergraduate grant aid. The study will require schools who participate in discussions under the antitrust exemption to maintain and submit records. While the study will be comparative, schools that do not participate in discussions permitted by the exemption will not be required to maintain or submit records.

As a general rule, I strongly oppose antitrust exemptions. Our antitrust laws guarantee competition, and competition means lower prices and higher quality for consumers—including students purchasing a college education. but the colleges and universities using the exemption believe that the market functions differently in this case. I am therefore willing to extend the exemption for another seven years but believe that any further activity in this area must be coupled with hard objective data providing that this exemption does indeed benefit students and their families. Too many families are struggling today to put their children through college. So we must act very carefully and with full information before we pass a permanent antitrust exemption.

I would like to thank Representatives LAMAR SMITH and BARNEY FRANK and their staffs for their work on this legislation in the House, and Senators DEWINE, LEAHY, and HATCH and their staffs for their assistance on this substitute amendment. We hope the House will agree to these changes and expeditiously send this legislation to the President for his signature.

Mr. LEAHY. Madam President, I appreciate the work that Senators KOHL and DEWINE have done on this bill. I want to point out that while this bill extends the antitrust exemption for participating institutions' methodologies and applications for need-based financial aid, that exemption is still limited to the institutions' dealings with potential students collectively. It has not, and does not, exempt those institutions from the prohibitions of the Sherman Act, 15 U.S.C. 1, with respect to awards to specific individual students. Independent of any antitrust concerns, the participating institutions also assure us that they do not discuss or compare awards for individual students, and we rely on their continuing that practice.

Mr. REID. Madam President, I ask unanimous consent that the substitute amendment be agreed to, the bill be read a third time and passed, the motion to reconsider be laid upon the table and any statements relating to the bill be printed in the RECORD, and that the title amendment be agreed to.

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

The amendment (No. 1844) was agreed to.

The bill (H. R. 768), as amended, was passed.

The title was amended so as to read:

An Act to amend the Improving America's Schools Act of 1994 to extend the favorable treatment of need-based educational aid under the antitrust laws, and for other purposes.

ORDERS FOR THURSDAY, OCTOBER 4, 2001

Mr. REID. Madam President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 10 a.m., Thursday, October 4; further, that on Thursday, immediately following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of the motion to proceed to S. 1447, the aviation security bill.

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

PROGRAM

Mr. REID. Madam President, the Senate will convene tomorrow at 10 a.m. and resume consideration of the motion to proceed to the aviation security bill. There is every hope we can complete that bill in the immediate future.

ORDER FOR ADJOURNMENT

Mr. REID. Madam President, I ask unanimous consent that the Senate stand in adjournment under the previous order, following the remarks of Senator GRAHAM of Florida and Senator TORRICELLI of New Jersey.

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

The Senator from Florida.

PROUD TO BE AN AMERICAN

Mr. GRAHAM. Madam President, throughout America the events of September 11 have touched our people and have brought forth a level of thoughtful eloquence which has contributed to our ability to understand and to be able to deal with the extreme shock and pain of those agonizing images we all hold of the events of September 11.

On Sunday, I attended the services at my church, the Miami Lakes Congregational Church, where our pastor, Rev. Jeffrey Frantz, delivered an exceptional sermon. I would like his words and thoughts and message to be made available to a broader audience, and therefore I ask unanimous consent, Madam President, that Reverend Frantz' sermon, ''Proud to be an American,'' be printed in the RECORD.

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

''PROUD TO BE AN AMERICAN!''

Living Out Our Faith in a Dangerous World

(By Dr. Jeffrey E. Frantz, Miami Lakes Congressional Church, Miami Lakes, FL)

Isaiah 42:5–9, Matthew 5:1–16

I

In these past few weeks, now, since the *September 11th* nightmare, our lives have been jolted and challenged, stretched and turned upside down, like never before. It's like so many have commented: *everything has changed*.

1. First, the sweeping impact, on all levels, of the tragic event itself . . . the anger and rage, coupled with the mourning and grief. We were left numb with disbelief.
2. And then, later, the realization that we have to somehow get on with our lives. We have to put our lives back together. We can't let fear tell us who we are. We have to dig deeply into our self-understanding, our identity as a people, and affirm the best of our traditions.
3. We've been dealt a deathly blow; and its reaches have touched virtually every part of our lives: the economy, all levels of our government, the entertainment world, our psychological and spiritual life.

I was reading an issue of Time Magazine this past week that predated the *September 11th* disaster. And it was like virtually all of the news seemed suddenly irrelevant and inconsequential. Suddenly Michael Jordan's possible comeback to the NBA seemed trifling and insignificant. We weren't much interested in who Jennifer Lopez might be marrying and where, or in the latest rumor about Julia Roberts or Tom Cruise.

Suddenly all of the usual quibbling and whimpering that clutter our lives seem out of place and so, so harmless. Indeed, it's a new day. And a swelling patriotism is everywhere. I've never seen America so united. We're coming together as we never have in the past fifty years or more.

People, all over, are coming together. There are problems, to be sure, with some of the understandable, but inexcusable profiling that has been going on. And we must do all we can to curb any such intolerance or injustice. It is a difficult time to be an Arab-American.

Also, there's an eerie frenzy about the prospect of biological warfare and chemical or germ warfare—scary stuff. Still, people are coming together. Literally hundreds, if not thousands, of relief efforts are underway around the nation, even the world. The amount of money being raised in relief support is already staggering.

American flags have never been in such resplendent display. Patriotic hymns and expressions of one kind or another are on every radio station and on every street corner.

American pride is rising to a magnificent height, and it makes us proud.

I say this because, at our best, America is a wondrous land, a delightful rainbow people of God's creative hand. Our freedom is our heartbeat, our pulse. But our marvelous diversity is freedom's precious child.

Reports suggest that people from as many as sixty nations perished in the rubble of the World Trade Center. You see, friends, we are the world! That's not a pronouncement of arrogance; but rather it is a description of the incredible variety of human beings that fill the reaches of our land.

II

Perhaps some of you saw the televised memorial observance last Sunday afternoon from Yankee Stadium in New York City. With some initial words from James Earl Jones, and emceed by Oprah Winfrey, it was a moving and touching service throughout.

Along with tear-streaked cheeks and broken hearts, the diversity of America was everywhere. In the stands, to be sure, with family members, deeply saddened, holding pictures of missing loved ones. And up front around the podium: clerics and clergy, holy men and women—arrayed in their sacred garments, gathered to pray and read holy writings—a magnificent diversity.

There were Christian and Jew, Muslim and Buddhist, Hindu and Sikh, believer and nonbeliever—from every imaginable ethnic group and tribe. America is the world!

O beautiful for spacious skies,
For amber waves of grain,
For purple mountain majesties,
Above the fruited plain.

I'm proud to be an American

America, America!
God shed God's grace on thee.
And crown thy good with brotherhood
From sea to shining sea.

III

This is our vision; this is our dream. It's part of our inheritance, part of our history and tradition. Almost from our inception, we have been what Second Isaiah called Israel, *a light to the nations*.

This wasn't always Israel's self-understanding. She had been *God's chosen people*, yes. But her chosenness didn't necessarily extend beyond her borders. But, now, in exile . . . seemingly defeated, a new vision of Israel emerged:

I will give you as a light to the nations,
said the prophet.
That my salvation may reach to the ends of the earth.

This universalizing of Israel's role and purpose marks a break-through for Israel's self-identity. Israel's *chosenness*, now, is to be shared . . . to the ends of the earth. *That my salvation may reach out to all people*, says the prophet.

Friends, America too, is such a light! Whether chosen or not, America has always felt that God's hand was on us in a special way. There is a tantalizingly thin line, that lingers: between the arrogance of presumption and the humility of endowment.

Still, no matter how we understand ourselves as Americans, we are a nation of vast resources, of tremendous power and wealth. We have so much to be grateful for. We have been so wondrously blessed.

Along with our power and wealth comes great responsibility. Whatever *salvation* God can work through us comes most abundantly and effectively through our humility. And no matter how we choose to construe our present national crisis, our responsibility—in the way we respond—is enormous. Clearly, all of the world is watching our every move, picking up cues from what we do.

1. I'm proud to be an American . . . in an America that indeed is a *light to the nations*. An America that stands tall, to be sure, but an America whose greatness is seen in its *humbleness of spirit*.

2. Such humbleness of spirit, grounded in the teachings and example of Christ, IS the key to our future, and indeed to the future of the world, as we work our way through the chaos and the complexity of these difficult times.

Blessed are the poor in spirit,
for theirs is the kingdom of heaven.
Blessed are the meek,
for they shall inherit the earth.
Blessed are those who hunger for righteousness,
for they shall be satisfied.
Blessed are the pure in heart,
for they shall see God,
Blessed are the peacemakers,
for they shall be children of God.

IV

There's been much talk, since *September 11th*, of our vulnerability. Our vulnerability is, however, nothing new. We've always been vulnerable. It's the human condition. These *blessed* conditions, *the beatitudes of Jesus*, are transparent reminders of this truth.

We cannot save ourselves. Understandably, we're frenzied in our rush to make our lives safe again, to get our life back. We see this abundantly exemplified, now, as we invest enormous dollars and effort to beef up our national security and intelligence on all fronts, as we clearly must do.

And yet, as people of faith, We've never lost our life. Our life is in God and in God's eternal love and saving grace that have no end.

Part of what is so vividly apparent in all of this is that we live in a world that is irreversibly interdependent and global; and we must increasingly see ourselves in this light.

In no way, therefore, can we isolate ourselves from the sufferings, deprivations and tribulations of any nation. We're too interconnected; our power and influence are too great.

I'm proud to be an American . . . in an America that indeed is a light to the nations. An America that rises to the challenge of the requirements of greatness. We are a great nation. And what are the requirements of our greatness.

1. *To be a good listener*. Humility and love demand this of us: to embrace the other life . . . the other tribe . . . the other religion with respect and honor.

2. *To think long-term* in whatever we do. We must be deliberate and wise in our consideration of what kind of a world—what kind of an Afghanistan, what kind of a Pakistan, or any other nation—do we want to see emerge on the other side of whatever action we take.

3. *To respond to evil run amok*. Evil of the proportions of the current global terrorism must be eradicated. Global terrorism must be stopped. Most likely, we cannot avoid some measure of violence and aggression. But how we proceed, and with what level of international support, is of the utmost importance.

V

Violence and war must never—too easily, too quickly—become options. Sometimes, when evil and demonic forces are too out-of-control, we may well have no choice. But even then, it is only with great mercy and sorrow in our hearts that we act.

All of which is to suggest that violence, and resolution through violence, are never as easy as we think. It's never just a matter of *going in and taking care of business*. Ethnic and tribal hatreds endure, as we are seeing today, for decades and decades . . . even centuries.

We see that in Northern Ireland. We've seen it in Kosovo and what was Yugoslavia, where ethnic and tribal hatreds have been warning for centuries on end. We see it, now, in Afghanistan: tribal warlords at odds, killing one another and perpetuating the cycle of violence for generations to come. And we see it, too, in the endless hostilities that continue to cast a pall of gloom over Israel and Palestine.

Martin Luther King, Jr. spoke prophetically to us about the problem with violence: ''*The ultimate weakness of violence is that it is a descending spiral, begetting the very thing it seeks to destroy. Instead of diminishing evil, it multiplies it. Through violence you may murder the hater, but you do not murder the hate. In fact, violence merely increases hate, returning violence for violence, adding deeper darkness to a night already devoid of stars. Darkness cannot drive hate out; only love can do that.*''

We're Christians, friends, children of God, before we are anything else. That does not mean that we should not take care of our own. It means that we understand that taking care of our own is rooted, first, in an impulse of love and respect, understanding and acceptance of all nations, all religions.

I'm proud to be an American in an America that understands that when the international community is strong and healthy—when freedom and hope are finding their way around the earth, when the dreams of people everywhere have hope of realization—then America is strong. And then America is safe.

VI

We're a light to the nations. I believe that. And I believe it at the foot of the cross.

We must spread the light of God's blessings to all peoples. This is not easy. In fact, it is very complex and will require great sacrifice on our part, as it has in the past. It will take time, even decades and more.

Yet, to work our way thru the rubble of *September 11th*, we must make international coalitions and networks of understanding our number one priority.

We must improve our sense of geography—our awareness of other cultures and religions. We must lead from a strength that exudes love, charity, compassion and historical understanding. Because then, and only then, will we begin to bring a healing and peace that endure to our fragmented world.

Blessed are the poor in spirit, for theirs is the kingdom of heaven . . . blessed are the meek, for they shall inherit the earth . . . blessed are the peacemakers, for they shall be called children of God . . .

You are the light of the world . . . let your light shine before all the world . . . that the world may see your faith and give glory to God in heaven . . .

America, America!
God shed God's grace on thee,
And crown thy good with brotherhood.
from sea to shinning sea . . .

How beautiful, two continents,
and islands in the sea . . .
That dream of peace, non-violence,
all people living free.

America, America!
God grant that we may be . . .
A hemisphere, indeed one earth,
living in harmony.

I'm proud to be an American, O yes; and to be a child of the living God, the God of the heavens and the earth and all that is in it. Amen.

Mr. GRAHAM. Thank you, Madam President. And to my colleague, Senator TORRICELLI, I say thank you for your forbearance.

The PRESIDING OFFICER. The Senator from New Jersey.

AIRPORT SECURITY

Mr. TORRICELLI. Madam President, I thank my colleague and friend from Florida. Indeed, it was a pleasure to hear his remarks.

In my service in the Congress through these years, I have rarely—indeed, I have never—witnessed the solidarity of the membership, the focus of purpose that has been evident since the tragedy of September 11. Partisan differences, differences of region and philosophy have been impossible to discern in the debates on the Senate floor.

Tomorrow the Senate resumes debate on legislation to deal with airline and airport security. There may be a slight fissure in this wall of solidarity. I rise to address it this evening.

It is not necessarily a difference of party affiliation or of philosophy, but it does have some regional implications where people of goodwill can differ because of different experiences. It needs to be put in perspective, but it is still important.

This body is right, indeed; the Senate has no choice but to deal with the issue of airport security. Our national economy has taken a terrible toll in the loss of employment and income. Lives have been lost. Families have been broken. Confidence in the freedom to travel in America has been shaken—all because of the acts of terrorists who hijacked planes and killed our citizens.

To the cynic, our legislation represents closing the barn door. The cynics may be right. But that does not mean the Senate has a choice. Whether it is providing armed marshals on aircraft or federalizing the check-in system, changing cockpit doors, it may be too late for thousands, but it is still not too late for our country. It is a responsibility we owe to the American people. It must be done, and it must be done quickly. We can lament that we did not forecast the problem, but we are left with the reality of dealing with it.

This, however, invites the question of whether the obligation of the Senate is simply to deal with the problem that is now before us, a problem made clear by the terrorists themselves in the means by which they hijacked these planes, their mode of operation, or whether our responsibility is to anticipate.

On September 11, it was the hijacking of aircraft. There was no reason to believe that would be the mode of operation in a future attack.

In some areas of the country, transportation is simply defined. It is either aircraft or it is driving automobiles. In our great metropolitan areas, it is far more complex. More people use trains every day, I suspect, in New York and Boston and Philadelphia and Chicago, perhaps in St. Louis or Miami or Los Angeles, perhaps in these places, but I can assure you certainly in the State of New Jersey more people ride on commuter rail, on Amtrak, than ride on every airliner combined. It is another spot of vulnerability. So are our reservoirs, our powerplants. All these are places of vulnerability that must be addressed.

If the Senate tomorrow is to address safety in transportation, that debate cannot be complete if we secure aircraft without dealing with railroads because they are equally vulnerable.

Indeed, every Metroliner that leaves New York for Boston or Washington potentially can hold up to 2,000 people. Every train represents three 747s with average loads. Under any time in a tunnel along the Northeast corridor where two trains pass, 3,000 or 4,000 people can be vulnerable at an instant.

Indeed, long before this tragedy occurred, the Senate was put on notice by Amtrak that its tunnels were aging and had safety difficulties. Indeed, the six tunnels leading to Penn Station in New York under the Hudson River were built between 1911 and 1920. The Senate has been told they do not have ventilation. They do not have standing firehoses, and they do not have escape routes.

The Senate would like to deal with transportation safety by securing airplanes. If only life were so easy. It is

more complex because transportation in our country is more complex.

Imagine the scenes of people attempting to escape the World Trade Center. You can get a concept of what it would be like for people trying to get from under the Baltimore tunnels or the Hudson River tunnels, if there were a fire or other emergency. Five hundred or 1,000 people under Penn Station alone would have to climb up nine stories of spiral staircases, which is also the only route for firefighters to gain access.

It is not just the New York tunnels. The tunnels in Baltimore were built in 1877. The engineering was done by the Army Corps of Engineers during the Civil War. They still operate. High-speed railroads purchased by this Senate at the cost of billions of dollars, which operate at 150 miles per hour, slow to 30 miles per hour in these tunnels to navigate their Civil War engineering. One hundred sixty trains carrying thousands and thousands of passengers go through each of these tunnels every day in New York, Philadelphia, Boston, Baltimore, and, indeed, Washington, DC, itself.

The tunnels to Union Station in Washington that travel alongside the Supreme Court annex building were built in 1907 and service up to 60 trains every single day and have the same difficulties.

This is not a new problem. It has been coming for years. It is a problem in efficiency. It is an economic problem. But what looms most large today is it is an enormous safety problem. All of us must do everything possible to secure air safety, but if this Senate acts upon air safety without dealing with these Amtrak and commuter trains, we have not fully met our responsibility. Closing the barn door is not good enough when we can see open doors all around us that are other invitations for attack.

Amtrak has proposed a $3.2 billion program to enhance safety: One, a $471 million security plan to assure that there are police in proximity to trains, bomb-sniffing dogs, and bomb detection equipment for luggage—uncompromisable, logical, and essential—two, a command center and new communications equipment to ensure that the police are in contact with all trains, all police units at all times, including a hazmat detection and response system and fencing to assure that access to stations and trains can be controlled; third, $1 billion in safety and structural improvements for tunnels in New York, New Jersey, Baltimore, and Washington, as I have outlined, for fire and escape, and a billion dollars in capacity enhancement for rail, bridges, and switching stations along the Northeast corridor to deal with what has been a 40- to 50-percent increase in ridership since the September 11 attacks. This is necessitated by the need to have 608 additional seats from 18 Metroliners and Acela trains to deal with this demand, and to assure that the Nation has at least a duplicity of service for our major northeastern metropolitan regions, so if air travel is interrupted again, or lost, there is some means of commerce, travel, and communication.

But indeed, while it is much of the Northeast, it is not entirely the Northeast. Amtrak trains, in a national emergency, could be the only communication with the South, great Western cities, and, most obviously, in the Midwest. This is a danger that confronts all Americans. But, frankly, if it only concerns a single city in a single State in a great Union, when our citizens are in danger and the Nation has been attacked, and a program of security and safety is required, we should deal with those safety requirements that affect all States, as with our airliners. But even the least among us should be part of that program—to assure that their unique transportation needs are safe and secure.

This debate will be held tomorrow. I know some people would like to avoid it entirely. It is unpleasant to have any differences. We all want to agree on everything. In this instance, it may not be necessary. But some of us have raised this issue of expanded rail capacity and rail safety not for months but for years. Forgive me, but across my State there are 3,000 families who have lost a son, or a daughter, or a mother, or a father—not to injury but to death. This is not a theoretical problem. Terrorism has struck my State, as it struck Washington and New York—only it may have consumed even more of our lives. While it is every American's loss, you can understand we feel it most acutely. For me, responding to the attack will never be enough. Our responsibility is to forecast the next problem and assure that it never happens. We are grateful for resources for the victims, but our duty is to assure that there are no more victims. That is what Amtrak and rail safety is all about. This debate will be had tomorrow. It is one we dare not lose.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. HARKIN. Madam President, I ask unanimous consent that notwithstanding the previous order entered, I be allowed to speak for up to 5 minutes, and then have the Senate adjourn at that point.

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

REOPENING NATIONAL AIRPORT

Mr. HARKIN. Madam President, I had a longer speech I wanted to give with charts and graphs and items such as that, but I want to take the time this evening to just register my deepest concern about the reopening of National Airport. This goes back a long way with me. I remember when however many billions of dollars was put into modernizing National Airport, and I have been saying for many years that it is just an accident waiting to happen. Quite frankly, we were very lucky when the Air Florida flight crashed into the bridge, in that it didn't get any higher and crash into downtown Georgetown or the Lincoln Memorial or the Jefferson Memorial.

I remember that day as though it were yesterday, when that Air Florida flight took off and crashed into the 14th Street Bridge. I thought at that time—maybe if it had a little bit less ice on the wings, a little bit more power, and a few things were different—about where that plane might have come down. Whatever the reason for having National Airport located where it was in the past, I think those reasons have been shunted aside and overcome, right now at least, by what happened on September 11.

Notwithstanding the act of the terrorists, I still believe National Airport is still an accident waiting to happen. The approaches—I don't care what anybody says—are intricate and hard to fly in the best of conditions. You have an airport where, as one of our briefings told us—I think one of the people who briefed us about National Airport said that if you are in a landing configuration, the time from the airport to the Capitol is less than 30 seconds; from there to the White House is less than 20 seconds, and to the Pentagon it is less than 15 seconds. There is no way you can put a perimeter or fence around Washington, DC, if you have an airport such as National right downtown. You can't do it.

So, therefore, I have thought for a long time that National Airport ought to be moved someplace further out in Virginia. It is true that we need an airport, but it ought to be either down 95 or out west someplace, outside the city, so you can put a 20-mile or so perimeter around this city into which no aircraft is allowed. And then you might have a good perimeter defense of Washington, DC.

But I have the sneaking suspicion that National Airport is being opened because it is convenient—convenient to the higher-ups in Government. It is convenient to us. It is convenient to me; personally, it is convenient. I love National Airport. It is 10, 15 minutes from my house. Otherwise, I have to drive to BWI or Dulles. But I have to put aside my convenience for what I think is the greater interest of this country.

There has been a lot of talk about how much money we put into National in upgrading it. It is a beautiful facility. But what would it cost to replace this Capitol? You could never do it. Or the White House or the Lincoln Memorial or the Jefferson Memorial or everything else that is so precious and almost sacred to our Nation?

So I disagree that somehow, if we kept it closed, it means the terrorists have won. I disagree. I think National ought to be opened somewhere else. There is plenty of open territory outside of Washington, DC, to the south and to the west. There are a lot of big areas out in Virginia. It would still be an economic income to the State of Virginia and the upper Virginia area. It is needed, but it is not needed where it is. So I wanted to register my concern about the reopening of National Airport, and, quite frankly, I don't think it should have been there in the first place. If you could turn the clock back, it should have been put somewhere else. Certainly, the amount of money that was put into upgrading it in the last few years, while it is a magnificent facility, I think was unwise. I said so at the time and I say it again today. There are a lot of things that could be done with that facility there. Look at what they did with Inner Harbor at Baltimore. Just think what that would do for tourism with tourist attractions beside an airport.

I see it from two standpoints: First, the defense of Washington, DC, and having an adequate perimeter of defense; and, second, because of the type of approaches in and out of National, there is an inherent danger.

I wanted to register my concerns. I hope we will take another look at this issue and rebuild National Airport some other place farther outside the city.

Madam President, my time has expired. I yield the floor.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 10 a.m. tomorrow.

Thereupon, the Senate, at 6:50 p.m., adjourned until Thursday, October 4, 2001, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate October 3, 2001:

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. JOHN P. ABIZAID, 0000

DEPARTMENT OF STATE

SICHAN SIV, OF TEXAS, TO BE REPRESENTATIVE OF THE UNITED STATES OF AMERICA ON THE ECONOMIC AND SOCIAL COUNCIL OF THE UNITED NATIONS, WITH THE RANK OF AMBASSADOR.

PEACE CORPS

GADDI H. VASQUEZ, OF CALIFORNIA, TO BE DIRECTOR OF THE PEACE CORPS, VICE MARK L. SCHNEIDER, RESIGNED.

IN THE COAST GUARD

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE GRADE INDICATED IN THE UNITED STATES COAST GUARD UNDER TITLE 14, U.S.C., SECTION 271:

To be captain

BRYON ING, 0000
MICHAEL D VALERIO, 0000
STEVEN D HARDY, 0000
STEVE M SAWYER, 0000
WILLIAM J UBERTI, 0000
NORRIS E MERKLE, 0000
BRIAN J FORD, 0000
DOUGLAS B LANE, 0000
BRUCE E VIEKMAN, 0000
STEPHEN L SIELBECK, 0000
RODRICK M ANSLEY, 0000
EDWIN H DANIELS, 0000
EVERETT F ROLLINS, 0000
STEPHEN J DANSCUK, 0000
PATRICK H STADT, 0000
SCOTT D GENOVESE, 0000
ROBERT E MOBLEY, 0000
DANNY ELLIS, 0000
GARY E DAHMEN, 0000
RONALD W BRANCH, 0000
RICHARD A MCCULLOUGH, 0000
DANIEL A CUTRER, 0000
WALTER J REGER, 0000
HAROLD W FINCH, 0000
ERIC J SHAW, 0000
MARY E LANDRY, 0000
KEVIN E DALE, 0000
PAUL D JEWELL, 0000
JACK V RUTZ, 0000
DENNIS M HOLLAND, 0000
MICHAEL A JETT, 0000
WILLIAM D BAUMGARTNER, 0000
LARRY R WHITE, 0000
STEPHEN E MEHLING, 0000
MICHAEL C GHIZZONI, 0000
WILLIAM R MARHOFFER, 0000
JAMES D MAES, 0000
MICHAEL A NEUSSL, 0000
GEORGE H HEINTZ, 0000
JOSEPH W BRUBAKER, 0000
MICHAEL D HUDSON, 0000
KEVIN J CAVANAUGH, 0000
GEORGE A ASSENG, 0000
CHRISTINE J QUEDENS, 0000
CHRISTOPHER D MILLS, 0000
TIMOTHY V SKUBY, 0000
HARRY E HAYNES, 0000
DAVID J REGAN, 0000
JEAN M BUTLER, 0000
GARY M SMIALEK, 0000
ROBERT E DAY, 0000
MICHAEL D INMAN, 0000
SHARON W FIJALKA, 0000
IAN GRUNTHER, 0000
STEPHEN D AUSTIN, 0000
DEREK H RIEKSTS, 0000
THOMAS D HOOPER, 0000
JAMES D BJOSTAD, 0000
THOMAS P OSTEBO, 0000
DANIEL J MCCLELLAN, 0000

To be commander

JAMES R DIRE, 0000
RICHARD W SANDERS, 0000
JOSEPH E VORBACH, 0000

CONFIRMATION

Executive nomination confirmed by the Senate October 3, 2001:

DEPARTMENT OF STATE

ROBERT W. JORDAN, OF TEXAS, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF SAUDI ARABIA.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

HOUSE OF REPRESENTATIVES—*Wednesday, October 3, 2001*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. LAHOOD).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
October 3, 2001.

I hereby appoint the Honorable RAY LAHOOD to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

Dr. James A. Scudder, Quentin Road Bible Baptist Church, Lake Zurich, Illinois, offered the following prayer:

Dear heavenly Father, because You are the Almighty Creator, the everlasting, omnipotent one, the one who loves more than we could ever imagine, we come before You right now to humbly seek Your face. I beseech You to watch over this great Congress of the United States of America as they make important decisions and endeavor to accomplish that which is best for our great Nation. We pray for the ongoing investigation for the attack on America. Oh, Lord, how we grieve at the atrocities that were performed within our borders.

Each of these men and women are facing decisions more significant, more extensive, and more intense than any decision they could have imagined just 3 weeks ago.

We are a Nation indivisible, undivided. We thank You for our amazing heritage of freedom, and we acknowledge right now that all of our blessings come from You. We thank You for the great patriotism that is sweeping our land, and pray that we will continue to fight, acknowledging You as the source of all our strength.

I pray You will put Your umbrella of protection over each Member of Congress. Please give Your great assistance for the essential responsibilities that You have assigned to them. I pray for each person here, that they might know the peace that passeth all understanding. I ask You this in Your Son's name, Jesus Christ. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Illinois (Mr. CRANE) come forward and lead the House in the Pledge of Allegiance.

Mr. CRANE led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair announces that we will have 10 1-minutes on each side.

WELCOMING DR. JAMES SCUDDER, SENIOR PASTOR OF QUENTIN ROAD BIBLE BAPTIST CHURCH IN LAKE ZURICH, ILLINOIS

(Mr. CRANE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRANE. Mr. Speaker, today it is my honor to welcome Dr. James Scudder as our guest chaplain. Dr. Scudder is a senior pastor of my church, the Quentin Road Bible Baptist Church, in Lake Zurich, Illinois.

In 1972, Dr. Scudder founded the Chicago Bible Church in a storefront. He migrated up to Chicago area from Kentucky. Well, actually, I do not know whether he went by way of Indiana en route, as Lincoln did, but he finally got to Illinois and he founded the church there. Then he expanded that church by moving out to Lake Zurich, Illinois. He has gone from a storefront church to a church that is 70,000 square feet. It is one of the biggest, or the biggest, in our area there. In addition to that, it has one of the largest congregations, in the thousands.

Dr. Scudder is the president also of Dayspring Bible College. He founded a school, grammar school, high school, and a college there. He is the host of the weekly TV broadcast, the Quentin Road Bible Hour, which is seen here on WGN–TV. He is the host of a radio program called Victory and Grace. In addition, Dr. Scudder is the author of several books.

He simultaneously is married to one of the most remarkable talents, Linda Scudder. She is an expert pianist, but she also leads the choir, and they have one of the largest choirs in the entire State of Illinois, and do remarkable performances every Sunday.

To show his additional talents, he has a son, one son named Jim, Jim, Jr., who is now also a pastor in his father's footsteps. He does as stirring a job in the pulpit, almost, as his father does. He is challenging him already. So whenever Pastor Scudder is traveling on missionary work, and he does that around the world, his son, Pastor Jim, Jr., fills in for him.

There is someone else, Pastor Bob Vanden Bosch, that I would like to recognize, who also works in the Quentin Road Bible Baptist Church, but spends a lot of time down in our State Capitol of Springfield, Illinois, trying to convert the heathen in Springfield.

I would like to ask all of the Members to join me in welcoming my good friend and our pastor, Dr. Scudder, as our guest chaplain.

HONORING KRISTI HOUSE FOR WORK WITH VICTIMS OF SEXUAL ABUSE

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, since the catastrophic events of September 11, Americans are learning to work through the trauma of terror and victimization. We have become stronger and more united, but we will never forget the malicious acts that were committed against us.

However, others live in terror every day. For example, many young victims of sexual abuse have fear each and every day of their lives. They, too, may not know when or how the perpetrator may strike, but unlike the victims of September 11, these children's own stories are often locked away in a family's conspiracy to ignore, deny, avoid, and even to forget the sexual abuse.

Without appropriate intervention, child sexual abuse may lead to numerous behavioral and psychological disorders. In my south Florida district, Kristi House services these victims, and on Sunday, November 11, they will host a benefit dinner and auction at Norman's Restaurant.

Kristi House works with law enforcement, protective services, medical and legal agencies, to provide treatment unique to a family's situation. Each year, almost 2,000 children are victimized by sexual abuse. I congratulate

Kristi House for their comprehensive and effective intervention which it provides each and every day.

INTRODUCTION OF THE I LOVE NEW YORK TAX DEDUCTION ACT

(Mrs. MALONEY of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MALONEY of New York. Mr. Speaker, I am thankful that 109 of my colleagues came to New York to view the devastation at Ground Zero. But the severe impact on New York City's economy is harder to see. Restaurants are empty, hotels are vacant, five Broadway shows have closed, and small businesses are suffering all over our State. Tourism is New York's second largest industry, and we need to bring people back to New York State.

Along with my bipartisan colleague, the gentleman from New York (Mr. REYNOLDS), and over 60 of my colleagues, including Senators SCHUMER and CLINTON, we have introduced the I Love New York Tax Relief Act. For the next year, it would allow individuals to deduct up to $500, and families up to $1,000, for spending money in New York City's restaurants, lodging, and entertainment outlets.

I urge my colleagues and the President to put our money where our heart is and give Americans another way to say, ''I love New York.''

SALUTING SOUTH FLORIDA BLOOD BANK AND LOCAL CHAPTERS OF AMERICAN RED CROSS, AND URGING CONTINUING SUPPORT FOR THEIR EFFORTS

(Mr. FOLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOLEY. Mr. Speaker, I want to take a moment to salute several organizations in my community, one particularly, the South Florida Blood Bank, and the local chapters of the American Red Cross and United Way of Palm Beach County for their outstanding contributions during these difficult past 3 weeks.

Our communities came together to fight an evil, and we have won. In the case of the blood bank, a typical week yields about 500 pints. In the first week after the event, we were blessed with over 7,600 pints of life. United Way and Red Cross had record contributions to assist in the effort in Washington and New York. I applaud them. I thank them. Their generosity speaks volumes about the great patriots who live in our country, particularly those I am proud to call constituents in my communities.

But I also ask my communities to now rally around those same local charities as they endeavor to continue their efforts for local communities. We have been generous to New York and Washington. We cannot forget those struggling at home, those that need our help. These charities need to go forward, now more than ever, to assist our localities.

I thank them more than ever; I appreciate that they are there for us in the time of need. I salute them.

CONGRESS SHOULD REVIEW OUR FOREIGN POLICY AND BORDER PROBLEMS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, it is time to face the facts: we cannot secure our home with our doors unlocked. America's borders are wide open, wide open.

The truth is, America remains vulnerable to terrorism. Yet some in this Congress still expect policemen to defeat these terrorists. Beam me up. Police departments deal with domestic crime, not invasions. Terrorism will not stop until Congress secures our borders and Palestinians have a homeland.

All America understands that commonsense approach, and Congress should objectively review our foreign policy and our border problems.

RECOGNIZING BRAVE HEROES IN THE THIRD CONGRESSIONAL DISTRICT OF TEXAS, MEMBERS OF THE COLLIN COUNTY COLLEGE FIRE ACADEMY, AND FIREFIGHTERS EVERYWHERE

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, today I rise to recognize some brave heroes in the Third Congressional District of Texas. Last week, I visited the Collin County Fire Academy. There were about 100 firefighters there from all over the area: Plano, Richardson, Frisco, McKinney. Those guys are just great.

I went to visit them with the sole purpose of expressing my sincere appreciation for their dedication and efforts to protect the home front and for raising over $36,000 for the New York Fire Department September 11 Fund.

September 11 is going to forever live in the hearts and minds of not just Americans but every single person who values freedom, peace, and security. The firefighters and those in training in Collin County recognize that. They make our neighborhood safer and our lives better. I am just sorry we had to have this devastating tragedy to thrust this heroic, selfless occupation into the spotlight.

Again, to all firefighters, please know that we appreciate all they are preparing to do or have done. I thank them, and God bless them all. God bless America.

URGING MEMBERS TO SUPPORT THE MILLER-MILLER AMENDMENT AND END AN OUTMODED, OUTDATED SUGAR PROGRAM

(Mr. DAVIS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS of Illinois. In the farm bill, the sugar program is outmoded, outdated. It is costing us jobs. It is monopolistic. It boils right down to being corporate greed or welfare.

I know that proponents will say, But it helps farmers. Yes, I believe in helping family farms, but here is a program where 1 percent or just 17 farms collect 58 percent of the subsidy. If this is not a monopoly, then I do not know what is.

This is one reason why I support the Miller-Miller amendment. It does not eliminate the sugar program; but it does save jobs, protects the environment, and helps to keep manufacturing business at home.

Let us stop playing sugar daddy to a few monopolistic plantations. Support the Miller-Miller amendment.

AMERICA'S RESPONSE TO TERRORISM

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, this great and powerful Nation of ours is about to respond. We will respond mightily. We will respond, not just against the terrorists themselves, but against those who harbor and protect them.

□ 1015

The Taliban of Afghanistan is at the very top of the list. As we prepare to deal with them, we have to remember the civilians of that country. We must be careful to minimize the impact on the innocent people of Afghanistan.

Mr. Speaker, I am a veteran. I know that sometimes innocent people die in war, but in the case of Afghanistan, perhaps more than any other, we will be at war with the terrorist organizations and with the government that aids and abets them, not with the people.

The people of Afghanistan are victims too. They have been brutalized by the Taliban, by the communists who were there before them. They have not known peace for decades. Millions have starved and become refugees. We will need to help those surrounding countries that will be impacted by the refugees. We need to communicate to the

people of Afghanistan, reach out to them and let them know that we are their friends, and that once Osama bin Laden and the Taliban are gone, and they will be gone, we want to be a friend and ally to the people of Afghanistan.

FARM SECURITY ACT OF 2001

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 248 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 248

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed two hours equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture. After general debate the bill shall be considered for amendment under the five-minute rule. In lieu of the amendments recommended by the Committees on Agriculture and International Relations now printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule an amendment in the nature of a substitute consisting of the text printed in part A of the report of the Committee on Rules accompanying this resolution, modified by the amendment printed in part B of the report. That amendment in the nature of a substitute shall be considered as read. All points of order against that amendment in the nature of a substitute are waived. No amendment to that amendment in the nature of a substitute shall be in order except those printed before October 3, 2001, in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII and except pro forma amendments for the purpose of debate. Each amendment so printed may be offered only by the Member who caused it to be printed or his designee and shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Washington (Mr. HASTINGS) is recognized for 1 hour.

Mr. HASTINGS of Washington. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. HALL), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. HASTINGS of Washington. Mr. Speaker, H. Res. 248 is a modified open rule providing for the consideration of H.R. 2646, the Farm Security Act of 2001. The rule provides two hours of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture. The rule waives all points of order against consideration of the bill.

The rule further provides that in lieu of the amendments recommended by the chairman of the Committee on Agriculture and the Committee on International Relations now printed in the bill, it shall be in order to consider, as an original bill for the purpose of amendment under the 5-minute rule, an amendment in the nature of a substitute consisting of the printed text in part A of the Committee on Rules report accompanying the resolution, modified by the amendment printed in part B of the report. The rule waives all points of order against the amendment in the nature of a substitute and provides that it be shall be considered as read.

The rule further makes in order only those amendments that have been preprinted in the CONGRESSIONAL RECORD before October 3, 2001, and provides that each such amendment may be offered only by the amendment who caused it to be printed or a designee and shall be considered as read. Finally, the rules provides one motion to recommit with or without instructions.

Mr. Speaker, H.R. 2646 provides $73.5 billion over the next 10 years to overhaul the 1996 farm bill. It reauthorizes a Food for Progress Program, which finances food grants to developing countries that are committed to democracy and free market system at $100 million per year through 2001. I am especially pleased that this bill reauthorizes the Market Access program, which helps producers, including many tree fruit growers in Central Washington, in my district, promote exports abroad and increases that funding by $110 million per year to $200 million annually.

The MAP funds have proven to be an effective means of assisting producers not normally provided for the federal farm legislation. Cherries, apples, grapes, dry peas, hops and lentils are just a few of the commodities in my district that benefit from this important program.

Mr. Speaker, H.R. 2646 is a balanced bill providing support for American agricultural through commodity assistance, conservation programs, nutrition programs, enhanced international trade, rural development, forestry initiatives, and a host of other important provisions.

The bill was reported by the Committee on Agriculture by a voice vote and is broadly supported by members of that Committee and our colleagues in the whole House. In order to permit Members seeking to improve the bill to the fullest extent possible, an opportunity was given to offer amendments. The Committee on Rules is pleased to report the modified open rule requested by the chairman and ranking minority member of the Committee on Agriculture.

Accordingly, Mr. Speaker, I urge my colleagues to support both the rule and the underlying bill, H.R. 2646.

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

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I want to thank the gentleman from Washington (Mr. HASTINGS) for yielding me the time.

This is a modified open rule. It will allow for the consideration of a bill which funds farm price supports, conservation programs, domestic nutrition programs, and international food assistance over the next 10 years.

As my colleague from Washington has described, this rule provides 2 hours of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture.

This allows germane amendments under the 5-minute rule. This is the normal amending process in the House. The rule requires that all amendments must be preprinted in the CONGRESSIONAL RECORD.

Mr. Speaker, there is no human need more basic than food. Ensuring that our citizens are fed is one of the most important duties of government. This bill establishes the basic framework of government support for farmers to maintain a stable, affordable source of good food for Americans. The bill also authorizes programs providing food for needy people in the United States and around the world.

I want to thank the Committee on Agriculture, the gentleman from Texas (Chairman COMBEST) and his staff for their diligent work in putting together this farm bill, as well as ranking minority member, the gentleman from Texas (Mr. STENHOLM). Members of the committee put a lot of energy and effort into this bill, including attending field hearings around the country. The result is a fair process and a bipartisan bill with support on both sides of the aisle.

The bill includes many compromises. The committee has done a good job in striking a balance between the different interests represented in this country and in this House.

I am glad that the bill includes necessary improvements to the Food Stamp Program and the Emergency Food Assistance Program, which is our Nation's first line of defense against

hunger. These programs are especially important in times of increasing unemployment.

Additionally, the legislation includes the Bill Emerson-Mickey Leland Hunger Fellows Program, and this is a fitting tribute for our two late colleagues, and it honors their legacy by training leaders in the fight against hunger.

Thanks to the gentleman from Texas (Chairman COMBEST) and the Committee on International Relations, the gentleman from Illinois (Chairman HYDE), the bill authorizes the George McGovern-Robert Dole International Food for Education and Child Nutrition Program, sometimes called the Global Schools Lunch program, and this will be a vital weapon in our arsenal in the worldwide fight against ignorance and disease.

However, I am concerned about the potential gap in funding between the current Global School Lunch program and the authorized program created under this bill. Later, I am hoping to engage Chairman COMBEST in a colloquy on this matter.

I also plan to offer an uncontroversial amendment which will give more flexibility in the management of the Food for Peace program. This was requested by the U.S. AID and the World Food Programme.

Mr. Speaker, our world has changed since September 11, and it is necessary to look at major legislation such as this in light of our new security concerns, and among those concerns are the hunger and the poverty and the misery around the world that, if ignored, can become breeding grounds for violence and hatred.

I have seen the effect of our food aid in dozens of countries, but nowhere more clearly than in North Korea. Five years ago, people would run when they saw Americans. That was before bags of American grain began reaching schools and orphanages there, helping to alleviate the crushing famine.

Today, there are 15 million of those U.S. AID ''handshake'' bags being used over and over, delivering the message that the American people are not the enemies of the Korean people, and that message is getting through, and the evidence is the way ordinary North Koreans now break into smiles at the sight of Americans.

As my colleagues know, I think we should send a lot more food aid to the more than 800 million hungry people in our world, and we should do it because it saves their lives and gives them hope. We should do it because it helps our farmers and instills goodwill towards Americans, and we should do it because we should not let terrible conditions fester and become even bigger problems for our Nation.

The food assistance programs authorized by this bill give the President additional tools in showing our allies, new and old, that we are in a war with terrorists and not the downtrodden people of any Nation.

Mr. Speaker, I support the rule on the underlying bill.

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

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Texas (Mr. COMBEST), the distinguished chairman of the Committee on Agriculture.

Mr. COMBEST. Mr. Speaker, I thank the gentleman for yielding the time, and I just want to rise in support of this rule.

I want to thank the gentleman from Washington (Mr. HASTINGS), the gentleman from Ohio (Mr. HALL) and others on the Committee on Rules for a very open process there in granting this rule.

As mentioned, the rule does provide the opportunity for Members to offer a wide variety of amendments. Some of those, I am sure, will create some extended discussion. That is, however, part of the process.

It is a good rule, and I particularly would again like to thank the Committee on Rules for granting the rule that was requested by the gentleman from Texas (Mr. STENHOLM) and myself.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

As I mentioned, I am pleased that the Committee on Agriculture and the Committee on International Relations have included provisions in the bill that would establish what is commonly known as the Global School Lunch program. This exports some of the best we have to offer, American food and compassion to developing countries around the world. The global food for education initiative currently operated by the Agriculture Department has worthy goals of feeding hungry children, promoting education, especially among girls, and assisting American farmers.

It was inspired by former Senators George McGovern and Bob Dole. It was announced at the G–8 summit last July, and it has broad bipartisan support. Authorization of the program is now part of the farm bill due to the exemplary work of the gentleman from Texas (Chairman COMBEST), the gentleman from Illinois (Chairman HYDE) and the ranking minority members, the gentleman from Texas (Mr. STENHOLM) and the gentleman from California (Mr. LANTOS).

I am concerned, however, that there is a possible gap between the end of the existing funding and the beginning of the appropriated funding for this bill.

Mr. Speaker, I will yield to the gentleman from Texas (Mr. COMBEST) for the purpose of engaging in a colloquy about this concern. I have also a note that the gentleman from Illinois (Mr. HYDE) wanted to be here to discuss this matter but is chairing an important hearing on terrorism.

So, is it the hope and understanding of the gentleman from Texas (Mr. COMBEST) that the Secretary of Agriculture should continue to operate the Global Food for Education initiative until such time as the International Food for Education and Child Nutrition Program is established?

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

Mr. HALL of Ohio. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Speaker, I thank the gentleman for yielding and want to assure him that I support the provisions of the McGovern-Dole International Food for Education Program contained in the bill in hopes that they and the rest of the bill will be enacted quickly.

□ 1030

I want to state that I agree that the current program should be continued so that there will not be a gap in the important work that is being done. The gentleman from Texas (Mr. STENHOLM) and I have requested that the General Accounting Office review the current Global Food for Education Initiative, and we expect that review to be completed in a few months. I will be happy to work with the gentleman to examine that GAO recommendation.

Mr. HALL of Ohio. Reclaiming my time, Mr. Speaker, I appreciate the gentleman's assurances and hope we can work together to ensure that the recommendations to improve the program will be implemented.

Mr. COMBEST. If the gentleman will continue to yield, I would certainly agree and again look forward to receiving the report. While I am concerned that this and any other new program achieve the goal set out for it, I share the concern of my colleague from Ohio that the needs of hungry children should not go unmet, especially when the United States is able to produce food in such abundance. I appreciate his intent and look forward to working with him on this program in the future.

Mr. HALL of Ohio. Reclaiming my time once again, I want to thank the chairman, and I also want to thank my colleagues, the gentleman from Massachusetts (Mr. MCGOVERN) and the gentlewoman from Missouri (Mrs. EMERSON), who have worked tirelessly on this important piece of legislation.

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

Mr. HASTINGS of Washington. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the distinguished chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding me this time.

At the beginning of this Congress, the Speaker of the House, the gentleman from Illinois (Mr. HASTERT),

said that he believed it important that on most of the issues we face we proceed under what he calls regular order, and that is exactly what we are doing here. We have basically an open amendment process. We call this a modified open rule because it offers just the slightest restriction, but under the structure that we have, every germane amendment will be able to be made in order.

I know there are some who have demonstrated some concern about that as we proceed with consideration of this farm bill. I believe that it is the most appropriate way for us to proceed. So I hope that my colleagues, Mr. Speaker, will join in strong support of this rule and allow us to move ahead with consideration of a wide range of issues.

I know there are some issues that they would like to have brought up under this structure that we have, but that would have required a waiver. We chose not to provide that waiver, and there are other mechanisms that exist in the institution where they will be able to address those concerns.

So I would simply like to say that I urge my colleagues to support this rule, and I thank the gentleman from Washington (Mr. HASTINGS) and the gentleman from Ohio (Mr. HALL) for their management of this effort. We are going to proceed in a bipartisan way with what will be a free and rigorous and interesting open debate on consideration of the farm bill.

Mr. HALL of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. STENHOLM), who is the ranking member on the Committee on Agriculture.

Mr. STENHOLM. Mr. Speaker, I rise to support the rule. As we have heard, it is essentially a fair rule; and I am grateful to my chairman, the gentleman from Texas (Mr. COMBEST), for requesting such a fair rule. I hope the entire House appreciates the fairness of the action of the request of the House Committee on Agriculture.

This rule restores a tradition of full and fair debate that always used to take place when farm bills came to the floor. While I feel the committee bill is a reasonable consensus product, I know that many of my colleagues believe it can be improved, and I very much look forward to the discussion before us. As a participant in its development, I believe that our debate will provide an excellent opportunity for all of our colleagues and for the American people to see the wisdom of the committee's work.

The open rule has become too rare in the debates we have had in the House in recent years. In the Committee on Agriculture we never considered having this bill considered on the floor in a restrictive way. Anticipating an open rule, we knew that every decision we made, every effort designed to set budgetary priorities would be subject to the full scrutiny of every Member of the House.

I fully believe that anticipation of an open floor debate helped us to build a better bill in committee. As a result, it has the support of a broad diversity of interests. And while the support of the agricultural community for our bill is gratifying, the validation of others is particularly rewarding.

Mr. Speaker, I very much look forward to our debate in the days ahead and I hope my colleagues will observe the benefits from this open and fair process.

Mr. Speaker, the bill reforms our foreign programs in a way that will prevent any future need for the billions of dollars of emergency spending that have been required in recent years. It greatly expands USDA's conservation programs. And I reemphasize that: an 80 percent increase in the conservation title in this bill. It reauthorizes and improves the food stamp program, and I am gratified for the support of the hunger community on this bill and in recognizing the significance of those things that we did in the nutrition component. It renews our emphasis on the importance of rural economic development, particularly water and agricultural research.

Mr. Speaker, this bill has been scored by the Congressional Budget Office, and its 10-year score is within the limit of the funds that were included within the budget resolution. Congress anticipated the need for farm policy reform; and its passage, I believe, is the fiscally responsible thing to do.

Though I strongly support this rule, Mr. Speaker, I wish to make moment of the state of affairs that has become apparent since budgetary reestimates were released in August. Although it is the case that the budget anticipated farm bill spending, the availability of the funds was made on a contingent basis. For fiscal years 2003 through 2011, funds are made available to provide for a bill from the Committee on Agriculture if the chairman of the Committee on the Budget makes an allocation subject to the condition.

Mr. Speaker, as my colleagues are well aware, and as my friend from South Carolina has clearly shown to all Members, only in the most technical sense can it be regarded that the conditions of the money in this bill has been met. Our budget is busted. The budget resolution is irrelevant. There is no on budget surplus. We are into Social Security and Medicare spending and we are on our way to a unified budget deficit, all as a result of the economy and of September 11.

Mr. Speaker, as we debate this rule and the farm bill, we must be thinking clearly about our budget responsibilities. Passage of this bill was anticipated in the budget and is crucial to forestall the need for Congress to continually provide emergency spending. However, we cannot avoid the fact that its passage and all other spending bills we have recently considered and that will remain to be considered take us deeper and deeper into Social Security revenue.

Mr. Speaker, I take this opportunity to appeal to my colleagues in a bipartisan way and to the administration to now develop a new budget. We need to unite on our budget now so that we do not make those mistakes today, with all good intentions, that will not be in the best interest of our country 10 years from today.

I believe the bill that we bring before the House today from the agriculture perspective meets all of that criteria; and therefore, I urge the support of the rule and of the bill.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Speaker, I want to express my appreciation to the chairman for producing this bill. I think the bill contains many good things. It reauthorizes the food stamp program, does a very good job on that; it provides a great deal of authorization for appropriate research in agriculture; and does many good things for the agricultural community across the country.

However, there is one glaring problem with the underlying bill and the rule that governs it. The underlying bill makes inadequate provision for the dairy industry. Specifically, the inadequate provision is the failure of the bill to recognize the need for dairy compacts, particularly in the East and Southeastern parts of the United States where the dairy industry is in great peril. This rule does not provide the opportunity for a debate on that issue, and that is a major defect in the rule.

Over and over again the leadership of this House has promised that there would be an opportunity to debate the issue of dairy compacts and that there would be an opportunity to have a vote one way or the other and allow the House to express its will on the issue of dairy compacts. This bill fails to do that and the rule fails to make in order such an amendment. This is a glaring deficiency.

Why are we concerned about that? We are concerned about it because the dairy industry is an important part of the agricultural industry in this country. Without the opportunity for dairy compacts, a major portion of that dairy industry, that which exists principally in the eastern part of the country, both north and south, is in grave danger of perishing. If we lose the dairy industry, we lose an important part of our communities all across New England and the middle Atlantic States.

So the rule should be corrected. A debate on the dairy compacts ought to be authorized. We ought to have an opportunity to discuss this very critical

issue. Without that, the rule is grossly deficient.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, while I do not have much problem with the rule, and I actually compliment the committee, I am concerned that this bill continues to provide protection for some of our antiquated, outmoded, and unneeded subsidies, especially in the sugar program, where 1 percent of 17 farms will receive 58 percent of the subsidy. That is one reason why I am asking people and urging support for the Miller-Miller amendment when it comes to the floor.

Mr. HALL of Ohio. Mr. Speaker, I yield back the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Pursuant to House Resolution 248 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2646.

□ 1041

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011, with Mr. LAHOOD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) each will control 1 hour.

The Chair recognizes the gentleman from Texas (Mr. COMBEST).

Mr. COMBEST. Mr. Chairman, I yield myself such time as I may consume.

Mr. COMBEST. Mr. Chairman, I want to begin by thanking my colleague, the gentleman from Texas (Mr. STENHOLM), for his great efforts in arriving at a very bipartisan, very well-thought-out bill.

I also want to thank the 51 members of the House Committee on Agriculture for the dedication and the time that they have put in to see us arrive today at the product that we bring before the House. This has been long in coming. And I would be remiss if I did not thank the staff, minority and majority staff, for the tireless, long, long nights, weeks, and months, that they have put into this process. We could not have done it without them.

Mr. Chairman, it is with great pride that I rise today to bring before the House H.R. 2646, the Farm Security Act of 2001. This bill represents comprehensive agricultural legislation, making important changes to all segments of our food and agricultural industries; and I look forward to today's debate. Most importantly, this bill provides a proactive market-oriented solution to the critical economic crisis that has been eroding the financial footing of our Nation's farmers and rural communities for the past 4 years. Just as important, this bill will prevent the need for further ad hoc assistance for farmers in the future.

Mr. Chairman, our committee has taken a very deliberate approach to crafting this farm bill. Over the past 2 years, the House Committee on Agriculture held some 47 hearings. We have traveled to all regions of the country to listen to the needs and the concerns of hardworking people from the farming and agri-business community. We have asked all farm and interest groups to provide very specific ideas on how they would improve current agricultural policy, which we received from them. And, most importantly, we have worked in a very open and bipartisan way to craft this bill, which enjoys an unprecedented level of support among the agricultural sector.

□ 1045

Mr. Chairman, the key factor of this bill's success in committee, and its outcome today, is balance. In addition to addressing just about every issue under the jurisdiction of the Committee on Agriculture, H.R. 2646 represents a bipartisan balance between several important issues, including: a safety net for America's farmers; unmet soil and water conservation needs; foreign trade and promotion program requirements; agricultural credit programs for America's farmers, ranchers and rural areas; important agricultural research initiatives; rural development programs that affect thousands of rural communities across the country; and the list goes on and on.

I mention this in order to make the point that there is not a single program or issue addressed by this farm bill that could not be further improved with additional resources.

However, as I stated, the bill represents balance and it represents a bipartisan balance that the Committee on Agriculture crafted based on the input that we received from America's farmers and ranchers, soil and water conservationists, agribusiness, private food aid organizations, and many others.

The economic crisis that farmers have been facing since 1998 is not of their own making. Rather, it is a result of large macroeconomic factors like increased supply resulting from favorable world-wide weather trends, tightening demand resulting from slow economic growth rates, and a strong U.S. dollar pushing our products out of competition and driving prices down on the world market. What is more, in the last 2 years farmers have been further squeezed by high energy prices which have dramatically increased their input costs.

All of these are just reasons why Congress has acted to provide relief in the last 4 years; but more importantly, these are reasons why we need to act today and establish a more stable farmer policy for the future.

H.R. 2646 establishes the critical safety net that our farmers and the entire agricultural sector need to help this important sector of our economy grow and prosper and create wealth for the future.

H.R. 2646 also represents a fiscally responsible approach to providing the assistance farmers need. The $73.5 billion in additional spending in H.R. 2646 was fully contemplated by the budget resolution. The average $12 billion per year that would be spent on commodity supports in this bill pales in comparison to the average $23.3 billion that has been spent over the last 4 years.

H.R. 2646 will provide our Nation's farmers with the footing they need to compete in the world marketplace. It is fully consistent with our obligations under the Uruguay Round Agreement on Agriculture as enforced by the WTO. In fact, there is a specific provision in this bill which authorizes the Secretary of Agriculture to make adjustments in expenditure levels in order to ensure compliance with our trade treaty obligations. Therefore, it is not only consistent, but complementary, to a proactive trade policy that will seek to level the international playing field and open new markets to our products for the future.

H.R. 2646 also has an unprecedented level of support among the agricultural community. The bill is supported by virtually all farm groups, agribusiness and industry groups, many conservation groups, rural advocates, towns and communities.

H.R. 2646 is a bipartisan and balanced way to address the needs of America's agriculture sector. I look forward to completing action on this very important legislation.

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

Mr. STENHOLM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of this bill, and I want to begin by expressing my appreciation to the gentleman from Texas (Mr. COMBEST) for his leadership in bringing us to this point today, and to our colleagues on both sides of the aisle who have participated in the many hours, weeks, months, yes, years in the development of this recommendation that we bring to the full House today.

The policies contained in the bill represent a truly balanced consensus approach that reflects well on the process by which it was designed. While there remain amendments to be considered, the product before us represents a true bipartisan consensus, and I believe it has broad support.

Mr. Chairman, the process for developing this bill and the one in which the 1996 farm bill was enacted are as different as night and day. The 1996 farm bill was a philosophical document written by the House leadership. There were no public hearings, no process for the Committee on Agriculture to build a consensus, and little optimism for its success. Many of us who voted for it did so because we had no other choice.

Mr. Chairman, I will not be the first to say that the 1996 farm bill is an utter failure. It has failed our farmers. This failure was so obvious to everyone involved that Congress and the White House have repeatedly in this and each of the previous 3 years poured out billions of unbudgeted additional dollars in the form of direct payments to farmers.

Mr. Chairman, much has been said about how difficult times have been for producers in those years. This point cannot be overstated, but it was the taxpayers of America who were most widely disserved as the emergency payments were spent without any repair being made to the underlying program. These payments were clear evidence that the 1996 farm bill was not working. Today's farm bill gives the House an opportunity to meet its responsibility to farmers, ranchers, and to the American taxpayers.

Congress included sufficient funds in this year's budget to ensure the Committee on Agriculture had the tools to develop a farm policy that helps farmers when crop revenues are low, while providing the predictability for government expenditures that taxpayers deserve, and the predictability that our bankers are demanding.

With all of its strength, Mr. Chairman, this bill is being considered under fiscal conditions that all of us had hoped to avoid. If there were any consensus in the Congress about budgetary matters as this year began, it was that we wanted to leave behind the era of deficit spending. To further that effort, many of us asked to be included in the process of developing our government's budget for fiscal year 2002 and beyond. The rhetoric that prevailed led us to believe that the budget was going to be developed in an inclusive, bipartisan manner.

The Blue Dogs, in particular, were prepared to bring to the table a plan that would have allowed for a tax cut, for an increase in defense spending, for solutions for Social Security and Medicare problems, and for increases in programs for agriculture, education, veterans, and health care.

At the same time, our proposal would have led to reduction in the Government's debt, and it provided a cushion sufficient to guard against unforeseen circumstances pushing us back into deficit spending.

Mr. Chairman, our expectations for bipartisanship were not met; and whatever its other flaws, the Congressional budget clearly failed to prepare for the circumstances we now face. As a result, we are moving forward today with essentially no budget. Once again we will be adding to our Nation's debt.

Mr. Chairman, for all practical purposes, we have no budget. We are approaching major spending decisions without a plan. In the confusion, however, there is an opportunity to develop this unity budget; and if my colleagues need a model for the development of a new budget, they need to look no further than the process used for developing the bill which we present today.

The American people are asking us to be unified, and now more than ever we have a clear obligation to the taxpayers of this Nation to make the best of our resources. In that spirit, I urge our leadership and the administration to begin the process of developing a new budget so that discipline and some kind of rationale can guide our fiscal decision-making.

Mr. Chairman, H.R. 2646 is a good bill. It is good for America's farmers while providing predictability for our taxpayers. It would fit within the budget I have just described. It greatly expands USDA's conservation programs while extending and improving the food stamp program. In addition, it renews our emphasis on the importance of rural development and agricultural research.

In closing, I would like to once again thank the gentleman from Texas (Mr. COMBEST) for his leadership and skill in developing a consensus product. I urge all of my colleagues to vote for passage of this bill.

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

Mr. COMBEST. Mr. Chairman, I yield 7 minutes to the gentleman from Oklahoma (Mr. LUCAS), the chairman of the Subcommittee on Conservation, Credit, Rural Development and Research.

Mr. LUCAS of Oklahoma. Mr. Chairman, I rise to urge my colleagues to support H.R. 2646 and its conservation title, what might accurately be described by some as the greenest ever.

American farmers and ranchers are the original conservationists of this country. We are the people the farm bill is intended to help. The farm bill's purpose is to assist in providing us with the tools to competitively produce food and fiber in the domestic and world markets.

Furthermore, Congress encourages producers to do so in an environmentally friendly manner, while continuing to provide the American consumer with the cheapest, safest and most reliable food supply in the history of the world.

After listening to 23 organizations and coalitions testify at three subcommittee hearings, and in an effort to accommodate the American producer and the environment, I laid out a plan in my own conservation bill to help producers and the American public by providing sound assistance to U.S. producers.

It is critical to remember that not just one time but many times numerous groups asked us to place more money than we were able to place in every single existing program, and in most new programs.

On the committee, both Republican and Democrat members worked to find a balanced bill so we would not have to come back to Congress and ask for ad hoc disaster bills year after year. We have found that balance in the manager's amendment to H.R. 2646.

The centerpiece of the conservation title is the Environmental Quality Incentives Program, EQIP. Farmers and ranchers have to deal with a number of State and Federal environmental rules, regulations and laws; and many just want to be even better stewards of the land.

The current program is only $200 million per year. The livestock coalition testified before us this year and asked for $2.5 billion per year. H.R. 2646 provides producers with $1.285 billion per year. Fifty percent of the money goes to crop producers and 50 percent goes to livestock producers. This is the exact requirement under current laws. This is the most important working-lands provision in the conservation title. Crop and fruit and vegetable producers are counting on this program to help them with all types of conservation efforts.

The problem with EQIP was that there were priority areas that determined how and where the money was to be spent. If a producer was in an area that fell outside of these priority areas, chances were slim to none that they could receive Federal help. By reforming priority areas and allowing each contract to be considered on its own merit, I believe that we provided more money in the program that will help Congress assist all producers fairly and not penalize someone simply because their county is outside a designated priority area.

The bill provides a maximum of $50,000 per year or $200,000 total over 10 years for all EQIP contracts. Some people want to ignore large animal feeding operations and contract growers. It would be hard for Congress to reach a desired environmental result if we ignore the needs of some producers. The payment limitation will ensure that the money is spread out fairly between small, medium, and large operations. As a matter of fact, the bill even

changes EQIP contracts so that smaller producers can sign up for 1- to 10-year contracts. Plus, they can be paid in the same year in which they sign the contract. Both of these provisions were taken from my bill to help small producers.

The Conservation Reserve Program is another important program. Many groups wanted to leave the program at its current level, while others wanted CRP to increase to as high as 45 million acres. H.R. 2646 reaches a balance by allowing nearly 40 million acres, or 39.2 million acres, to be exact, into the CRP.

The new Grasslands Reserve Program is another important program based on my idea that allows 10- and 15- and 20-year contracts. To build consensus, the full committee added 30-year contracts and permanent easements. The committee supports permanent easements in GRP because it is a true working-lands program, not a land-idling program.

The Committee on Agriculture followed the subcommittee's recommendation by including 150,000 acres per year of Wetland Reserve Program acreage, a million and a half over the life of the bill. And yes, it comes with a price tag of $1.84 billion. This is the largest increase of all of the major programs.

H.R. 2646 provides $500 million worth of funding for the Farmland Protection Program. Since States must match 50 percent of its funding, it is hard to gauge whether all of this money will be used or simply go to the wealthiest States.

□ 1100

Finally, H.R. 2646 provides $25 million per year, ramping up to $50 million per year for the wildlife habitat incentives program.

My goal as the Conservation Subcommittee chairman was to secure a large sum of money for the conservation title in the new farm bill. I am thrilled to stand here today and say that we have an increase of over 75 percent in funding. The current programs spend $2.1 billion per year. H.R. 2646 will spend nearly $3.7 billion per year. Yes, $37 billion on conservation over the life of this farm bill.

I heard concerns regarding some of the changes the committee made in its draft. I worked diligently to address the problems presented to me by various groups and am happy to say that we found compromise on issues such as swampbuster regulation and many wildlife concerns. Furthermore, I worked with the National Association of Conservation Districts and the committee to reach an agreement on technical assistance funding.

In closing, I would simply say that this is a zero sum game. If we need more money in one area of the farm bill, it must come out of one of the other areas or programs or our own conservation funding.

Simply, Mr. Chairman, support America's producers and the environment. Support H.R. 2646.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Chairman, I want to thank the ranking member and the chairman of this committee for the wonderful work that they have done in crafting a bill that is the best that we could do given the resources at our disposal. I think they did an outstanding job, along with the staff of the Committee on Agriculture on both sides of the aisle. I want to compliment them for the great work that they have done.

Mr. Chairman, the United States of America has the safest, most abundant, and the most reasonably priced food and fiber supply of any nation in the world by more than half. We do twice as well in that respect as any other nation. It is something that we can be very proud of and very thankful for.

The Farm Security Act of 2001 ensures our ability to continue to produce our own supply of affordable food and fiber. Without this assistance to our farmers, production will move offshore, forcing the U.S. to depend on other nations for our food. This is, in fact, a national security issue.

I believe, I have not read it, but I am told that there is a story in a national newspaper today criticizing and ridiculing that idea. If we did not have the ability to feed ourselves and produce that food right here in this country, our national security would indeed be threatened.

Nearly every farm organization in the country has endorsed this bill. They support the 80 percent increase in conservation spending to help make this the greenest farm bill ever and to make sure that we continue the effort to improve our water quality, to improve the protection of our soil, and the air quality in this country.

This will benefit not only rural, but urban communities. It helps support the rural economy by helping farmers break even. I have heard many stories in the last few months, and particularly in the last couple of weeks, and especially just yesterday about this bill just goes to subsidize farmers and inefficient producers and so-called fat cat producers.

Mr. Chairman, today no one is getting into farming. If this is such a lucrative idea and a lucrative piece of legislation, we would have people lined up trying to get in this business instead of lined up trying to get out of it. If we do not pass this farm bill this week, or before this Congress goes out of session, I can tell you that it is a threat to our ability to continue to feed and clothe this country in an efficient manner.

I want to be on record as being supportive of this bill, the way it came out of committee with almost no amendments. There will be an amendment offered that will attempt to totally reorganize food policy in this country, and I think we should oppose it.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska (Mr. OSBORNE), one of the most active members of our committee.

Mr. OSBORNE. Mr. Chairman, I rise to support H.R. 2646, and really for several reasons.

One is I have been very impressed by the process that the committee has gone through. This bill has been in development for 2 years. We have had hearings all across the country. We have had roughly 50 different agriculture, environmental, conservation groups appear before the committee. They have been asked to write the bill as they see it ought to be. So everyone has had input. It has not been done in a closet. I think that the chairman has been very fair in the way he has approached it.

This is the only comprehensive farm bill in existence in this Congress or in the Senate as well. It deals with commodities; it increases conservation expenditures by 80 percent; it deals with rural development; research increased by 20 percent; and trade.

There are some questions that have been raised already, and I am sure they will come up later today. Why do we have payments to wealthy farmers? In Nebraska, there are 54,000 farms. We have roughly nine entities that receive payments of $500,000 or more. These are multiple entities where you have aunts and uncles and brothers and sisters, so they are not single farmers that are receiving this amount of money.

This is one out of every 6,000 farms that receives a large payment. The return on equity is roughly 4 percent. If you take the government subsidies out of farming, you go to a zero balance, or below zero. Three-fourths of our farms in the United States currently rely on off-the-farm income for survival, so we have both the farmer and the farm wife often working off farm and most of the time the farm wife, too.

Some have said this is too expensive. Over the last 4 years, we have averaged $22 billion a year on agriculture. Much of that has been in emergency payments. In this bill, we will average $17 billion a year which is $5 billion less, and obviously we have to get away from emergency payments.

Some have also said why do we provide a safety net for agriculture? In Europe, the average subsidy is $300 to $500 per acre because they have experienced what hunger is like at one point or another. In South America land is $300. The idea is that in the United States our subsidies are very reasonable, very cheap.

I certainly urge the passage of this bill.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman's courtesy in giving me some time to speak on this issue.

One might ask why a city boy is on the floor dealing with the agriculture bill. Well, in my State, agriculture is the third largest industry. In my district, agriculture has a prominent role. I deeply care about food and water supply and its price. And, most important, we are all influenced by agriculture, whether we live in cities, suburban or rural areas, particularly as it impacts the environment, as it deals with water, land use and the environment for us all.

This is an opportunity for us to enter into a new era for agriculture. The United States launched an unprecedented effort during the Depression to rescue our agricultural system, and it was a dramatic success. It has developed the most productive agricultural system in the world. There is no disputing that. But the problem is that today, two-thirds of a century later, the system drives decisions to the detriment of many farmers, consumers, our trade position and the environment.

The 1996 Freedom to Farm Act was a bad solution to this admitted problem. We can, in fact, do better. I have met with the agricultural producers and the people on the board of agriculture in my State. This summer they were unanimous in saying that the system misses the mark for them. They do not benefit; the wrong people, by and large, do; they do not need what we have now, but they do need assistance. I agree with the Bush administration that this current bill does not hit the mark.

I look forward to a series of amendments that we are going to be discussing in the course of the day, particularly the Boehlert-Kind-Dingell-Gilchrest bill that will help us make a modest shift towards giving what Americans and the agricultural community really need. It is an opportunity to provide benefit for all farmers, not a chosen few. It is an opportunity for us to do a far better job of protecting the environment.

It is true, the underlying bill has an 80 percent improvement or whatever. But that speaks to the point that we are not adequately funding the provisions that we have now. We run out of money. There are people that are standing in line to use it.

I commend the leadership of the committee for the consensus effort that they have attempted, reaching out. There are some things in this bill that I appreciate. I urge my colleagues, however, to not settle for this incremental step. We can take another important step to create a new direction for agriculture for this new century.

Mr. COMBEST. Mr. Chairman, I yield 3½ minutes to the gentleman from Alabama (Mr. EVERETT), chairman of the Subcommittee on Specialty Crops and Foreign Agriculture Programs.

Mr. EVERETT. Mr. Chairman, I thank the chairman and the ranking member for the outstanding work they have done to produce this bill that had to compete with a lot of interests.

The U.S. farm economy is experiencing one of the worst cycles of depressed prices since the Great Depression, while the costs for major inputs such as fuel and fertilizer are up 25 percent over the last 4 years. This has resulted in a growing crisis in much of rural America. Without the disaster assistance funds Congress has provided to farmers over the last 4 years, thousands of U.S. farmers and ranchers would have no doubt been put out of business and seen their livelihoods disappear.

Our producers are some of the most efficient in the world, but they cannot possibly be expected to compete with their counterparts in other countries when those countries subsidize their producers at levels much higher than our own and the tariffs on agricultural products in other countries are five times higher than those in the U.S.

These represent only a few of the obstacles faced by the Committee on Agriculture when trying to develop farm bill legislation that would ensure America's producers are given a proper safety net to allow them to remain viable, while providing us with the safest, most affordable food and fiber supply in the entire world. The food and fiber supply constitutes a major component of our national defense, our national security, and I do not really care who says otherwise. If you cannot feed your people, then you cannot defend your people. It is that simple.

This bill, H.R. 2646, the Farm Security Act of 2001, is the product of almost 2 years of work by the Committee on Agriculture which held dozens of hearings throughout the country and here in Washington with most major farm and commodity groups represented. Over 300 witnesses presented testimony before the committee.

In the subcommittee I chair on specialty crops and foreign agriculture programs, we saw the necessity to reform the peanut program to ensure the survival of the peanut industry in this country and restore profitability for our peanut producers. We heard from peanut producers, shellers and manufacturers alike, and critics of the program, and they all realized it was time for a new program that moved away from the two-tiered pricing system, which would be impossible to maintain in the future.

The need for change was real, with tariffs on Mexican peanuts decreasing each year until they completely disappear in 2008. Also, Argentina is seeking NAFTA-like access to our market for their peanuts. Without a change to the current program, increasing imports would continue to put pressure on domestic production to the point where the Secretary would be required to lower quotas, which would decrease the safety net for producers.

We looked to make the peanut program much like other program crops, combining proven and successful components like the marketing loan and fixed-decoupled payments with the new counter-cyclical component, while also providing a quota compensation payment to quota holders. This new program will provide producers with a safety net that gives some price protection while also helping to regain our market share that has been lost to imports. It will also save the industry in this country.

The bill not only contains a strong program for peanut producers, but strong and balanced programs for all producers of all commodities, in addition to an improved conservation title, which does indeed receive an 80 percent increase in funding. The bill also contains strong and improved trade, nutrition, credit, research, rural development, and forestry titles.

□ 1115

The Committee on Agriculture had a lot of hard decisions to make among many competing interests. What we have developed is a very balanced bill which works to address the needs that are facing rural America today.

Again, I say I appreciate the strong leadership that we received from our full committee chairman and from our ranking member.

Mr. STENHOLM. Mr. Chairman, I yield 6 minutes to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Chairman, I thank the gentleman from Texas for yielding me time.

Mr. Chairman, I was reminded when we called our farm bill the Farm Security Act of 2001, which I think is appropriate, I remember Chairman Kika de la Garza, when I first came to Congress, gave this analogy of what it meant to secure the Nation by making this analogous story about going into the bowels of a submarine and how the submarine had secured the safety of our country. They wanted to know what was the magic of the submarine being able to sustain so long. They said, as long as the food lasted. I am reminded that a Nation that cannot feed itself, indeed, cannot secure its food, cannot secure its population.

In his book The Third Freedom, former Senator and the 1972 nominee for President candidate was George McGovern. He reflects on the shame he felt watching a 1968 CBS documentary, Hunger in the USA.

Senator McGovern remembers a young hungry boy silently watching as his classmate ate his lunch. When the reporter asked the boy what he was thinking as he stood and watched his

classmate eat, the boy replied, ''I am ashamed.'' He said, ''I am ashamed, because I ain't got no money.''

Senator McGovern writes that he was ashamed. He, the powerful Senator who was in authority to do much, he was ashamed. He said, ''I felt ashamed, because I had not known more about hunger in my own land. I was ashamed that a Federal program, that I was supposed to know about and allowed, permitted youngsters to go hungry; and as they watched their paying classmate eat before their eyes they felt ashamed that they had no money.''

Well, I rise today to tell my colleagues that while the problem of hunger, both in the United States and abroad, continues to plague us, this bill takes significant steps to alleviate and to mitigate the suffering of millions, millions, of people. I hope no one feels ashamed that they have voted for this, but feel empowered as human beings that they have allowed people to eat.

I want to thank the Chair and the ranking member of the committee for working to ensure that this farm bill, like past farm bills, includes a nutritional title. Once again we can see the powerful connection between American agricultural producers and working families who struggle to put food on the table.

We also can see the connection between a large segment of this Congress, who have no farmers in their area, in fact, the vast majority of our Members have no farmers in their area, but they do have hungry people in their area, and this farm bill makes the connection between those who are struggling to put food on their table and the producers who produce the food for them to eat.

H.R. 2646 makes several significant changes to the food stamp program. In fact, this bill provides one of the most significant and sensible investments in the program in recent years. The improvements are bipartisan and they are supported by nutritional groups throughout the Nation, as well as State administrators alike. As in the past, we can see today that hungry people transcend partisan divide. There is not a Republican nor a Democratic view on this.

I am especially happy to know that this bill provides transitional benefits to families leaving welfare for work, thus supporting the aims of welfare reform and ensuring that we support those families who make a good faith effort even to enter the workplace. The bill updates the standard and the deduction and simplifies the operation of the program, much to the delight of those who administer the program.

All in all, while the nutrition title does not by any means include everything that some of us, including myself, would have wanted, it is a good compromise, a sensible compromise, a bipartisan compromise, and, most importantly, a compromise that will benefit millions of Americans who live under the spector of hunger day in and day out.

I would like to also briefly note that this bill includes another important authorization in combination with the Committee on International Relations, the Global Food for Education Initiative, also known as the McGovern-Dole International School Lunch Program. This important program exports to developing countries what we have already learned here, that good nutrition is a foundation of learning. This provides millions and millions of young children in developing countries, whether it is India, Africa, or China, to have the opportunity of having nutrition be a part of their learning experience. I look forward to continued work to see the implementation of this important program.

Once again, I would like to thank the chairman and ranking member for their effort, and the committee. They have been fair and they have worked hard with me to ensure that the farm bill does not leave behind millions of Americans and also have offered the opportunity that both our commodities and our compassion will be seen in foreign countries.

I urge my colleagues, those who support hungry and working families, to also support the Farm Security Act of 2001.

Mr. COMBEST. Mr. Chairman, I yield 7 minutes to the gentleman from Georgia (Mr. CHAMBLISS), the chairman of the Subcommittee on General Farm Commodities and Risk Management.

Mr. CHAMBLISS. Mr. Chairman, I rise in strong support of H.R. 2646, the Farm Security Act of 2001.

The Farm Security Act is the result of the undying passion of the gentleman from Texas (Chairman COMBEST) for the betterment of American agriculture. The comprehensive bipartisan process that was participated in by my good friend the gentleman from Texas (Mr. STENHOLM) gave us Committee on Agriculture members the opportunity to listen to producers all across the country. The open door process gave us the ability to craft a balanced bill that is good for all.

The Farm Security Act is a culmination of 2 years work. The House Committee on Agriculture has held 47 field hearings and one forum between March of 2000 and July of 2001 in preparation for this farm bill.

In the full committee, field hearings held across the committee this year, and the hearings held by the Subcommittee on General Farm Commodities and Risk Management this year, producers expressed to us their desires to continue planting flexibility and also to establish a safety net. The commodity title of H.R. 2646 does just that. It preserves the planting flexibility from the current law; it provides a safety net for commodity prices; it significantly reforms the peanut program and puts it on par with traditional commodity programs.

The safety net provided in the bill is a more responsible way of providing assistance to producers. Rather than sending off-budget, ad hoc assistance to farm country, which we have done over the last several years because it has been absolutely needed, a countercyclical mechanism will provide economic assistance when triggered.

The commodity title is a plan that is ideal, not only for Texas, not only for Georgia, but good for the whole country. And in the words of Dean Gale Buchanan of the College of Agriculture at the University of Georgia, ''It is important to realize that while farmers are directly impacted, the magnitude and importance of agriculture ultimately touches every single American.'' Over 80 national and regional producer, processor, banking, and environmental groups have voiced their support for the Farm Security Act.

Some groups which are unfamiliar with agriculture and farming, will try to make you believe that big farms are bad farms; that these big farms are corporate farms rather than family farms. Well, I want to give you an actual example of what is sometimes referred to by the opponents of agriculture of a corporate farm that is actually a family farm.

This is a farm that exists in the State of Alabama. I have titled it the Walker Farm. There are three brothers who are the primary farmers in this operation. This operation this year tills 7,000 acres, and it is comprised of these three brothers and their children, a total of seven individuals who are actually engaged in farming under the FSA regulations. Each one of those thus is responsible basically for a 1,000-acre operation, but this in and of itself is looked to as a corporate farm.

What we have here is we have Mike Walker, who is the primary operator of the farm. His wife, Michelle, is actively engaged in the operation because she keeps all the books, and she has for years. His brother, Jack, is part of the farming operation, is actually one of the guys who drives a tractor on a regular basis; and, again, his wife Jill participates in the bookkeeping and management operations of the farm. They have another brother, Paul, who is an active participant. Then each of them have children and wives of those children that are actively engaged in farming.

This particular operation this year had 7,000 tillable acres, and they grew peanuts, cotton, hay, and corn. These individuals participated in the crop insurance program, which was of benefit to the local community, provided funds in the local economy through the insurance industry. They participate in all types of conservation practices, like

no till farming, like terracing their land. They are good stewards of the land.

They, in addition, participate in the Boll Weevil Eradication Program, which is a program that is creative and innovative that the government put in place several years ago, that has allowed cotton farmers all across the country to eradicate the boll weevil, which has been a significant problem for years.

At the same time, these farmers have challenges. They have challenges that the ordinary businessman does not have, challenges like drought. For the last several years in our part of the country, we have had significant drought, and that has been one of the reasons why we had to come forward with disaster programs in this town to send out to ag country.

In addition to drought, on the opposite end of that, at the end of the year we have been subject to having hurricanes. Once we had the drought, then it came time to harvest the crop, and hurricanes blew in from the Gulf of Mexico and did not allow the farmers to get into the field to harvest what crops they did make. These are the everyday challenges that farmers all across America have to face.

Land acquisition is another problem. Land that our folks have rented in past years is now being developed. They simply are having to pay too high a price for land when they buy it, and they are having to pay too high a price when they rent it, because it is now being developed from a commercial standpoint because farmers cannot make a living.

The other issue that is critically important in agriculture today is low commodity prices. Commodity prices are currently at the lowest point they have been in the last 30 years.

I asked some of these Walker folks about some particular issues they deal with. I asked Mr. Walker about cotton prices, for example, which today are the lowest they have been in the last 16 years. He said, ''Most farmers are going to have to make extraordinary yields this year on cotton production just to break even.''

I said, ''Well, what about the size of your operation? Why are you a 7,000-acre operation?''

He said to us, ''Staying in business required getting bigger. Our margins per acre are so small that in order for our family to make a living, we had to keep growing.''

I asked him about surviving. What about survival of the family farm?

He said, ''We don't indulge in extravagancies. When it is possible, we reinvest in the business. We are still here today because we work together, we have continued to adapt to change, and we have reinvested in our business.''

□ 1130

Now, I come from a State where agriculture is the number one industry. My home county is the most diversified agriculture county east of the Mississippi, and I know firsthand what the problems are. The problems are real. This bill addresses the problems that farmers all across America have by providing a safety net; and, Mr. Chairman, I urge its passage.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Chairman, I thank the gentleman from Texas for yielding me this time.

Mr. Chairman, I am a proud member of the Committee on Agriculture, and I am a representative from the State of Wisconsin. In Wisconsin, the dairy industry is still the number one industry in the entire State. The district I represent, the Third Congressional District of western Wisconsin, has approximately 10,500 family farms still existing, still operating, today, all of which are producing some commodity crops. Therefore, I have had a strong interest, and all of the members of the committee have had a strong interest, in putting together a farm bill that is going to provide the assistance that our family farmers need across the country and not just in one particular region.

In Wisconsin, over the last couple of years, we have been losing between four and five family farms a day, because of the low prices, because of the low milk prices, because of low commodity prices. So obviously, the farm bill that we have been operating under over the last 5 years has not inured to the benefit of most family farmers across the country. That is why I feel that it is time for a new approach with farm policy.

I certainly appreciate the hard work of the chairman, the gentleman from Texas (Mr. COMBEST); and the ranking member, the gentleman from Texas (Mr. STENHOLM); and all the members on the committee throughout the course of the last couple of years in putting together a comprehensive farm bill approach for the next 10 years. It has got to be one of the most difficult jobs in this place to do, to deal with all of the competing interests and all of the competing ideas and the policy proposals, and how do we weave that into a workable document to reach consensus. I commend them for their work, and I commend them for agreeing to an open rule, so that we can have an honest discussion and policy debate on some points of difference that some of us might have in regards to the direction that the base bill would take us in over the next 10 years.

That is why I am going to be offering an amendment, along with the gentleman from New York (Mr. BOEHLERT) and the gentleman from Maryland (Mr. GILCHREST) and the gentleman from Michigan (Mr. DINGELL) that would take a little bit of the money that would go to an increase in the commodity subsidies to the largest producers in this country and move those resources into the voluntary and incentive-based land and water conservation programs. We do that to help more family farmers in all regions of the country, especially those regions and farmers who are currently excluded under the current farm bill and would continue to be excluded under the direction of this new farm bill. We think that is the fair thing to do. We think the equitable thing to do is to include more regions and more farmers in supporting them in their time of need.

Why is this important? Well, we can provide economic assistance to more farmers, including large commodity producers, through these conservation programs. They would still qualify under these programs, but we would also derive a certain societal benefit through better watershed management, quality drinking supplies, the protection of wildlife and fish habitat and, ultimately, the protection of valuable cropland itself through the farmland protection program that would receive more resources under our amendment. We are hoping that the next crop that is planted on these family farms is not a shopping mall, because we see the unbridled sprawl and the loss of productive farmland occurring throughout the country today.

So I would encourage my colleagues to listen to the debate on this amendment and I ask for their support; and I again commend the leadership, given the work that they have put in thus far on the farm bill.

Mr. COMBEST. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa (Mr. NUSSLE), who has a tremendous interest in agriculture, as well as being the chairman of the House Committee on the Budget.

Mr. NUSSLE. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise in strong support of this legislation, the Farm Security Act of 2001. This is important to meet the needs of our changing national agricultural community, and it is within the framework of the budget resolution that we passed earlier this year.

The fiscal year 2002 budget provided for this important bill $7.3 billion in fiscal year 2002, and $40 billion over the first 5 years and $73 billion over 10 years. This is on top of the $5 billion it provided for agriculture emergencies in 2001. The budget resolution accommodated these amounts by establishing a 302(a) allocation for the Committee on Agriculture for fiscal year 2002 that could be used at the committee's discretion for emergency relief and could also be used to authorize this farm bill.

This is the context in which we find ourselves here today. The Committee

on Agriculture, under the leadership of Chairman COMBEST and Ranking Member STENHOLM, have done yeoman work over the last 10 months and beyond to bring us to this particular point.

For those people, including the administration, who wandered up here to Capitol Hill today and said, why are we doing a farm bill: they have not been paying attention. I was shocked moments ago to get a statement of administration policy that makes it sound like they do not know why we are doing this.

When the Agriculture Secretary came before my Committee on the Budget earlier this year, we put her on notice that we were going to write the farm bill this year; we were going to budget for it this year; that farmers were tired of ad hoc emergencies on top of ad hoc emergencies; that we were tired of administrations in the past who got new farm bill legislation and then did not implement it; we are tired of the fact that we are writing farm bills during a time of contracting markets overseas and thinking that a farm bill, in and of itself, will solve the problem, because we are not expanding our trade, the farm bill does not work. When we do not implement the farm bill, how can we expect farmers to survive under this kind of a situation?

I know that there are people around the country that are waking up today finding out for the first time, maybe in quite a few years, that their 401(k) has collapsed. This is not news that the economy is in trouble in farm country. It has been that way for over 4 years. So for the administration or anybody else to wander to this floor today and express disbelief and wonderment, why are you writing a farm bill, because it is time to react to a very serious situation in farm country.

Now, I will tell my colleagues that there is no farm bill that these two gentlemen and their committee could have created that would solve all of the problems. First of all, one size does not fit all. We all know that. Every farm is different, every ranch is different, every producer is different. They have different needs. There is not one farm bill we could create, particularly by a committee or by a Congress that could address it, but they have tried. They have addressed the trouble from the last few years. The countercyclical nature of agriculture, they have addressed it in this bill. Is it perfect? Of course not. Of course it is not perfect.

But for people to say after 10 months of work to all of a sudden wake up today and say, oh, my gosh, you mean to tell me they are writing a farm bill up there on Capitol Hill? You mean to tell me that we are actually budgeting for these things instead of just shelling out money on an emergency basis? For people to wake up and assume that is a mistake, and it is a pattern that troubles me that this administration may be, in fact, falling into a similar trap of previous administrations.

If this administration fails to implement, fails to expand these markets, and fails to react to the changing economics in farm country, we will not be able to compete in the global markets.

Pass this bill. It fits within the budget. It deserves our careful attention during this economic situation across the country.

INTRODUCTION

Mr. Chairman, I rise in strong support of H.R. 2646, the Farm Security Act of 2001. This important legislation meets the needs of our Nation's agricultural community within the framework established by the budget resolution.

I take special interest in this bill, not only as a representative of an agricultural district, but also as the chairman of a committee that worked very hard to establish a fiscal framework under which this bill could be considered.

ASSUMPTIONS IN THE BUDGET RESOLUTION ON FARM BILL

This fiscal year 2002 budget provided for this important bill $7.3 billion in fiscal year 2002, $40.2 over five years, and $73.5 billion over ten years. This is on top of the $5.5 billion it provided for agricultural emergencies in fiscal year 2001.

The budget resolution accommodated these amounts by establishing a 302(a) allocation for the Committee on Agriculture for fiscal years 2002 that could be used at the committee's discretion for emergency relief or reauthorization of the farm bill. It set aside the rest in a reserve fund that can only used for a reauthorization of the farm bill.

In providing the necessary funds for this bill, the Budget Committee's interest was both in meeting the immediate needs of our Nation's farmers for the fiscal year just concluded and in facilitating efforts to overhaul or Nation's agricultural support system.

While the budget resolution left the details of the farm bill to the Agriculture Committee, it was carefully crafted to encourage efforts to address the underlying weaknesses in existing farm programs instead of resorting to the ad hoc emergency assistance of recent years.

POLICY ISSUES

As you know, the Committee on Agriculture already availed itself of $5.5 billion of the resources provided in the budget resolution when it reported legislation providing additional farm income support payments in fiscal year 2001, which was enacted in August of this year.

The committee now brings before the House a bill that addresses some of the longer term problems confronted by the agricultural community.

It does so by combining fixed crop payments with counter cyclical assistance. This affords our Nation's farmers a more stable source of income, given the wide market fluctuations we've seen in the past few years. I believe that this approach provides both the planting flexibility of the Freedom To Farm Act and the income stability of traditional agricultural programs.

At the same time, the bill addresses some of the broader needs of rural America by reauthorizing key conservation programs.

Obviously everyone can find something to disagree with in a bill as comprehensive as this. I for one will encourage any future conferees on this bill to fine tune some of its policies. Nevertheless, this bill represents huge progress over the ad hoc emergency assistance of the last four years.

BUDGET IMPLICATIONS

As the Chairman of the Budget Committee, I am especially pleased that Chairman COMBEST, Ranking Member STENHOLM and the entire Agriculture Committee have succeeded in developing these reforms within the appropriate levels established by the budget resolution.

As modified by the manager's amendment, the bill would increase new budget authority by $3 billion in fiscal year 2002, $35.8 billion through fiscal year 2006 and $73.1 billion through fiscal year 2011.

As permitted under sections 213 and 221 of the budget resolution (H. Con. Res. 83), I am exercising my authority to increase the Agriculture Committee's 302(a) allocation to the levels necessary to permit the consideration of this bill. The letter making the adjustment has already been submitted for printing in the CONGRESSIONAL RECORD.

COMPLIANCE WITH BUDGET RESOLUTION

According to estimates provided by the Congressional Budget Office, this bill comes in under the Agriculture Committee's adjusted allocation by fully $4.3 billion in fiscal year 2002 and $4.4 billion over five years.

Accordingly, the bill fully complies with section 302(f) of the Congressional Budget Act, which prohibits the consideration of measures that exceed the reporting committee's 302(a) allocation.

Although bills such as this are only required to meet the first and five-year limits imposed by the budget resolution in the House, I would observe that over 10 years the bill comes in almost $367 million under the levels assumed in the resolution. Clearly the Agriculture Committee went to considerable pains to comply with both the letter and spirit of the budget resolution.

While I would observe that this bill exceeds the budget resolution's $66 billion threshold cited in section 313 for the cost of the farm bill over the period of fiscal years 2003 and 2011 by around $3 billion. This overage is more than offset in fiscal year 2002, when the bill uses up only $3 billion of a $7 billion allocation.

CONCLUSION

Once again, the Farm Security Act is a unique measure that manages to address many of the needs of our Nation's farm community within the fiscally responsible framework of the fiscal year 2002 budget resolution. I strongly urge all my colleagues to support this important legislation.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Puerto Rico (Mr. ACEVEDO-VILÁ).

Mr. ACEVEDO-VILA. Mr. Chairman, I would like to thank the chairman and the ranking member for their commitment to bring about a complete farm bill with all titles. This bill is the fruit of dedication and commitment that committee members have for the people that this House represents. I applaud the committee's work to increase

funds to titles such as conservation, rural development and trade, all of which are extremely important areas for the Nation and for the people of Puerto Rico that I represent, especially our farmers and growers.

I would like to emphasize the importance the nutrition title contained in this bill has for the 430,000 Puerto Rican families that depend on nutrition assistance to keep their children fed and healthy. Title IV reauthorizes the Nutritional Assistance Program, better known in Puerto Rico as PAN, for the next 10 years, with increases in funding for each year. The Puerto Rican nutritional assistance program serves the same purpose in Puerto Rico as the food stamps program serves in the States: to reduce hunger, to improve the health of our children, and ensure our Nation a brighter future. We cannot afford hungry children in our school rooms. Nutrition assistance is an essential foundation for building a better future for all of us. Especially in today's changing world, ensuring that every family has food on their table no matter what financial circumstances beset them is of utmost importance.

Mr. Chairman, I urge all Members of this House to vote in favor of this bill, and especially support the efforts to guarantee a decent meal to every family in Puerto Rico and across the Nation. I am very thankful that this farm bill assures this for every American.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from South Dakota (Mr. THUNE), a very active member of the committee.

Mr. THUNE. Mr. Chairman, I thank the gentleman for yielding me this time.

Let me just say what has already been said and that is that America's farmers need a new farm bill. I appreciate the work that the chairman and the ranking member on this committee have done in a bipartisan fashion to put together a bill that is written by producers and for producers. I appreciate the fact that there have been hours upon hours and pages upon pages of testimony from producers all across this country; and I want to thank the chairman and ranking member for coming to Sioux Falls, South Dakota, to my home State, to hear from my constituents. They have listened to producers.

I would also like to thank the chairman and the ranking member for many of the good provisions that are in this bill. We increase substantially our commitment to conservation, which is something that I had wanted made a priority in this bill. Other increases in the area of value-added agriculture, which is something that people in my State are very interested in, what can we do to revitalize rural economies. And value-added agriculture is an important component part of that, and this bill addresses that. Another concern that my producers had is a countercyclical payment program and that is also a part of this piece of legislation. My farmers have expressed support for planting flexibility, something that is retained in this bill.

Now, granted, there are issues that were not addressed in this bill, things that farmers have expressed concerns about in my State: updating yield bases, addressing the issue of competition in the marketplace, a farmable wetlands pilot program that was not made a permanent part of the CRP program. These are all issues that I hope to address in the form of amendments as this bill moves forward.

The chairman has kept this committee on a very strict time line and the farmers of South Dakota thank him for his diligence.

This is a small step in what will be a very long process, we know that. While this is not a perfect bill, someone around here once said that we should not let the perfect become the enemy of the good in a place where we are lucky if the adequate even survives. This is a good start. The farmers across this country need a predictable and stable farm policy. It is important that we help them secure America's food security as we move into the future. So it is important that we move this process along.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi (Mr. SHOWS).

Mr. SHOWS. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, today I rise in strong support of the Farm Security Act, farm policy that is balanced, bipartisan, and in the best interests of our Nation with its rural and urban families.

The Farm Security Act assures that communities, farmers, and families across America's heartland that farm policy, which encourages conservation, supports our farmers, and feeds every family, must remain a domestic priority, even under the international threats we face today. Heartland security and homeland defense walk hand in hand. This partnership will remain intact when the House passes H.R. 2646.

Our strength and power is due in a large part to having the most abundant and the most affordable food supply in the world. America's farm families have been doing this for years.

The Farm Security Act makes substantial increases to conservation programs. The well-crafted conservation title increases the number of acres eligible for the CRP from 35.4 million to 39.2 million acres. H.R. 2646 increases eligible WRP acreage by 133 percent, or 1.5 million acres. Under the conservation title of the farm bill, sufficient funds are available to expand the Wildlife Habitat Incentives Program and finally end the program backlog.

The Farm Security Act supports America's forests as well as its croplands. H.R. 2646 increases the ability of the Forest Service to protect our forests and communities from wildfire devastation through the National Fire Plan. In Mississippi's Homochitto National Forest, this is a real threat to the safety and security of the surrounding areas.

Heartland security and homeland defense walk hand in hand. H.R. 2646 fulfills our promise to America's communities that consumers' food should be available and affordable. Our land and our farmers should be protected.

□ 1145

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina (Mr. HAYES), a very able member of the Committee.

Mr. HAYES. Mr. Chairman, I rise in strong support of this bill. We have taken our time and done it right. H.R. 2646 is a product of more than 2 years' work by the Committee on Agriculture.

In March 2000, the committee held field hearings in my home State and many others. Many producers and agricultural groups testified as to what they wanted to see in the next farm bill. They said they wanted to keep their planning flexibility that was part of the 1996 bill. This bill does that.

They said they wanted an economic safety net that provided countercyclical assistance through times of low prices that farmers have faced during these past 4 years. This bill does that.

They said they wanted a bill that will help them export their products to overseas, open new markets for North Carolina's valuable agricultural products. Again, this bill does just that.

Finally, they asked for increased spending in conservation programs. Many producers in North Carolina have taken advantage of the successful conservation programs in past farm bills. I am proud to say that this bill provides more spending in conservation than any other farm bill in history, 80 percent more, to be exact. These programs will go far in achieving cleaner water, cleaner air, cleaner soil for our farmers and our communities.

I want to thank the chairman and the ranking member for their efforts coming to all the counties in our district, and also for lending the support that our farm community needs. This is a good bill. I strongly urge its support.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. PHELPS).

Mr. PHELPS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today in support of H.R. 2646, the Farm Security Act of 2001. I want to thank the chairman and the ranking member for their hard work on this balanced farm bill; and as a member of the Committee on Agriculture, I was pleased to have been a part of crafting this new farm bill.

This important piece of legislation will govern the funding and reauthorization of programs administered by the Department of Agriculture. This bill is a product of 2 years of bipartisan work that included extensive input from a wide spectrum of agriculture and conservation groups.

This farm bill will benefit farmers in my congressional district of central and southern Illinois, as well as across the country. This bill provides a continuation of agriculture programs, presents a balanced approach to addressing the issues that face producers of crops, livestock, fruits and vegetables, and provides a needed $73 billion in additional funding for agriculture, which has been facing historic low prices, low income, and increased costs.

As vice-chairman of the Sportsmen's Caucus, I feel this legislation is a balanced approach to meeting conservation needs. This legislation provides an unprecedented 80 percent increase in soil and water conservation programs above current spending levels.

The 2001 farm bill provides producers with more options to implement progressive, conserving practices on their land, with a bank of increased technical assistance to producers using any private or government contractors.

Several conservation programs were increased in this bill, such as the Conservation Reserve Program, Wetlands Reserve Program, Wildlife Habitat Incentive Program, and Grasslands Reserve Program. These increased levels firmly meet the needs of America's family farms.

While this is not a perfect bill, I am pleased with the balance that was struck between the commodity title and the conservation title. I feel this bill will work in the best interests of the agriculture community and that producers will have an adequate safety net to rely on when times are hard.

Mr. Chairman, I urge Members to join me in support of H.R. 2646, the Farm Security Act of 2001.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to a good hand, the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I am privileged to rise in support of this bill. Today we are going to have a debate about farm policy. Many of the people who are going to get involved in the debate have not been involved in the hearings and listening sessions we have had around the world in the last couple of years.

Let me compare what is happening to American farmers to what is happening in the world market. Many people are saying, why do we subsidize agriculture here in the United States?

The truth of the matter is, most farmers do not like subsidies, either. They want to make their living from the market; but it is not a level playing field, Mr. Chairman. We need to understand that. The latest numbers that we have here in the United States, we subsidize agriculture to the tune of about $43 an acre. In Europe, they subsidize agriculture $342 an acre. That is not a level playing field.

Our trade negotiators in the last round of the Uruguay trade talks agreed to limit the United States' export enhancement funding to about $200 million. In Europe, it is $6.5 billion. That is not a level playing field.

In the area of currency, right now we are at a disadvantage to the Canadians of about 23 percent; the Brazilian real, it is 55 percent. If there were a level playing field out there, we probably would not need to do as much as we are doing.

This bill is about predictability. I want to congratulate the chairman and the ranking member. It is about predictability for our farmers; but most importantly, it is about predictability for us on the Committee on the Budget and here in Congress.

With a countercyclical payment program, when prices are high, it will be less expensive to us. When prices are low, then we are going to have to subsidize a bit more. But at the end of the day, it will provide predictability for the Committee on the Budget, for the Congress, and most importantly, for our farm producers.

This is a good farm bill, just as it is. Some people are going to say, we do not spend enough money on conservation. Mr. Chairman, this bill will increase conservation programs by 78 percent. Some will say that that is not enough. I disagree. There will be negotiations between the House, the Senate, and the White House as this bill goes forward; but I hope we can move it off the floor today just as it is written. This is a good bill. It ought to pass today as written.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. PETERSON).

Mr. PETERSON of Minnesota. Mr. Chairman, I rise today in strong support of this bill. I want to thank the chairman and the ranking member and all the members of the Committee on Agriculture for the hard work and the tremendous leadership they have provided in coming up with the final bill here.

As has been said before, we have spent 2 years working on this bill, and it is not perfect. If any of us that are from farm country wrote this bill, we would probably write it a little differently; but it is what is possible.

The farmers in my district not only support this bill, they need this bill if they are going to survive. We have had a lot of problems up in my country, and this is one of the things that we really need to make it out to the long term.

One of the most important things this bill provides is stability. We have been through a period where we have had a lot of problems, and every year we respond; but it is after the crop year, and it causes problems because people at the beginning of the year are not really sure what we are going to do.

One of the most important parts of this bill is that they are going to know before they plant their crop what the Government involvement is going to be and what the safety net is going to be. That is a very important feature of this bill.

Another thing that this bill includes is a dairy provision, the only dairy provision that all dairy farmers support, and that is, the extension of the $9.90 price-support system for the next 10 years.

There has been a lot of discussion already about conservation. I want to talk a little bit about that. There is a big increase in this bill for conservation. Over the last 2 years, the Sportsmen's Caucus, which I have had the privilege to co-chair the last 2 years, has worked with the wildlife groups on these conservation measures.

I want to say that the Sportsmen's Caucus and most of the wildlife groups are supporting this bill and the conservation provisions that are in this bill because what we are doing is we are putting money into the programs that are already there, that we know work, and that there is a backlog for.

For example, the Conservation Reserve Program, this bill increases the cap there 3 million acres. That means we are going to have another four or five sign-ups of CRP, which has been arguably the most successful conservation and wildlife program in this country's history.

We increase the WRP almost 50,000 acres a year, which will allow us to catch up the backlog that is in the pipeline for WRP.

We increase the WHEP program, the Wildlife Habitat Enhancement Program, by $385 million, to work on the 3,087 applications that are waiting in that program.

We also establish a Grasslands Reserve Program, which is a new program that will allow grasslands that have never been broken to be put into long-term contracts to be preserved, and also to take some of the grasslands that were broken up, put into production, and then put into CRP, really in a way that should not have happened, allow them to get back into the grassland program and restore that land to grasslands.

Lastly, we put significant new money into the EQIP program, which has a backlog of 196,000 applications.

This bill is a good bill, Mr. Chairman. I ask my colleagues to support it.

Mr. COMBEST. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. PUTNAM), a very active member of the Committee.

Mr. PUTNAM. Mr. Chairman, I commend the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) on their work on crafting a bipartisan solution to a number of agricultural problems.

There is an old proverb that when there is food, there are many problems. When there is no food, there is only one problem. We have the luxury of having this debate on the floor today. We in America grow the safest, cheapest, most bountiful, healthful, and abundant food supply the world has ever known. If Members do not believe me, the next time they sit down to a big meal, look at each of the items on our plate and think about what it took to go through all of the processes to get it there.

We have been so far removed from the land in our country that we have forgotten what it takes to produce the food and fiber that this economy depends on. Where tillage goes, civilization follows, Mr. Chairman.

As we have moved away from the land, we have an entire generation of young people who think that milk comes from the grocery store, that the hamburger committed suicide. Beyond even agriculture, they think that electricity comes from a switch, that gasoline comes from a pump. There is little or no concept that men and women get up before the sun comes up all across this Nation to make agriculture happen; that young people grow up and go to school and get science degrees to be better farmers, to be more efficient users of the inputs, to be more gentle on the environment as we produce that safe and abundant food supply.

It is a dangerous precedent, but we have the luxury of having this debate about the future of agriculture because those farmers are so efficient. There are people all around the world, even our enemies who we are about to drop hundreds of millions of dollars of food upon, who would kill to have the luxury to argue over whether or not to spend more on cotton or soybeans or sugar or peanuts or wheat. We have that luxury because we have a generation of Americans who get up every day to produce that food and to make it happen.

It is important for us to keep in mind, when we talk about commitments to conservation and commitments to the environment, that those water recharge areas are on farms, that those wildlife habitats are on ranches; that the original stewards of the land are landowners and farmers; that the reason why we have debates about government ownership of land is because some private person, some farmer, some rancher for generations has taken care of the land such that it is worth buying and preserving forever.

This is the farm bill, not the environmental bill, not the conservation bill. This is the farm bill. It is about making sure that America's food security is sound, so that we do not become dependent on food and fresh fruits and vegetables and meat and dairy the way that we are for oil and gas, lest we ever forget the lessons of history about being dependent upon a foreign Nation for our food.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. DOOLEY).

Mr. DOOLEY of California. Mr. Chairman, I thank the gentleman for yielding time to me. I also want to commend the gentleman from Texas (Chairman COMBEST) and the ranking member, the gentleman from Texas (Mr. STENHOLM), for their work on crafting this proposal.

I am going to vote for this measure today on the floor, or when we vote on final passage; but I also want to assure Members that there is more work that we need to do on this bill before it is going to be drafted in a responsible manner that can, I think, give us great confidence that it is the best policy for agriculture when it is signed into law.

This bill does take the appropriate direction in terms of moving forward with an increased investment in conservation, nutrition, as well as rural development; that those are important components of our rural economy and the fabric of our communities in rural America. I commend the chairman and the ranking member for moving in that direction.

I also understand, as a farmer as well as a Member of Congress, that we are facing as tough times in the agriculture sector as we have faced in a century. We have the lowest sustained commodity prices that we have ever seen. Farmers are on the ropes. The additional financial assistance we are providing through the fixed payments, as well as the countercyclical programs, are important to these farmers.

However, I hope as we move this legislation through the House in the next day, and move hopefully into a conference committee with the Senate this year, that we will be open to making some modifications that will ensure that this significant increase in investment of taxpayer dollars will in fact go to the farmers.

I am very concerned that a lot of our programs, and even some of the programs that are in this bill today, are designed in a way where too much of that financial benefit is being derived by landowners and has resulted in increased property values and land grants.

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We are going to be paying $90 billion in fixed payments and countercyclical payments to farmers over the next 10 years. Unfortunately, a lot of that money is not going to go to the actual producers of the crops. In my area is a good example. We have some farmers who have not farmed an acre of cotton in the last 10 years that, under this program, could get as much as $125,000 a year for a cotton payment without ever growing an acre of cotton. I think that is a problem and I think we need to make some reforms.

Later in the consideration of this bill, I will be offering an amendment that will provide for a different approach on a countercyclical program that will ensure that payments go directly to the farmers, which I think is very, very important.

I am also a little concerned about the special consideration that we are giving to the peanut program. We will be spending $3.2 billion additional taxpayer dollars for peanuts, a crop I consider a specialty crop. A crop that is going to result in having taxpayer payments of $320 million a year in a commodity that only has a gross annual product value of $1 billion.

I represent the Central Valley of California that is home to a lot of specialty crops. I have the almond industry in my district, which is a $1.8 billion industry. In this bill, they get absolutely no support. I think that we need to find a way that we can assure greater equity and that we are providing support to all of our commodities that are specialty crops in an equitable manner.

Mr. COMBEST. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas (Mr. MORAN).

Mr. MORAN of Kansas. Mr. Chairman, I thank the chairman for yielding me time. I appreciate the leadership of both gentlemen from Texas (Mr. COMBEST, Mr. STENHOLM) on this very important issue.

I am here today in part because I care about farmers and ranchers. But the reason I care about farmers and ranchers is because I care about America and I care especially about rural America. What we do today will affect the outcome of whether or not those farmers and ranchers are in business next week, next month, next year and for the next generation.

If Members care about America, they have to care about rural America as well. The average age of a farmer in Kansas is 58 years old. I have talked to many young farmers, sons of farmers who want to come back to the family farm, but because of the economy, it is simply not possible. There has not been profitability in agriculture for so long that we do not have anyone stepping forward to replace this generation of farmers and ranchers in our country.

What that means, in much of America is there are fewer kids in school, there are fewer shoppers on main street and our rural communities continue to see a demise in their way of life.

It is that way of life, it is farming and ranching and that rural way of life throughout our history that has enabled us to pass character and values

from one generation to the next. In very few places in America today do sons and daughters work side by side with moms and dads and with their grandparents.

The history of our country, the heritage of our Nation, was built around the opportunity for that family farming operation, not only to provide food and fiber to the world, but to provide character and judgment and values to children and grandchildren.

So when I talk about the importance of agriculture and farming and ranching in this country, it is important to me that farmers and ranchers have an economic viability, but it is important to me that that way of life that they represent, that they exhibit, is preserved for another generation.

Economic times in agriculture are tough. It is the fourth year in which the economy has declined. The headline in one of my local papers this week, ''Kansas Farm Income Falls 38.9 Percent.''

Net farm income in Kansas last year without government assistance would have been a loss of $6,417. These issues matter to whether or not our farmers and ranchers can survive with low commodity prices and terribly high input costs, fuel and fertilizer. It is about farms and family farms and it is about the communities that they live, shop and send their kids to school in. This issue is one of many that is important to rural America.

We care about health care and its delivery in rural America. We care about access to technology. We care about small business. Certainly we care about education. Those issues are important, but we have to have the economic base in our part of the world, in our part of the country that can support those services. It seems to me in agriculture it is important to talk about a farm bill and farm policy, but we also have issues before us related to trade and exports.

Grain and agriculture commodities must be consumed. We can have low prices and high prices for farm commodities in every farm bill. The ultimate goal must be to export and to consume grain around the world and domestically in a way that provides profitability to agriculture. But we face tremendous obstacles as we compete in the world.

One of the realizations that I have come to over the last several years is that the rest of the world does not play by the same rules we do. So when we talk about assistance to agriculture and, yes, it is lots of dollars, it is a lot fewer dollars than what the other countries, what the European community, what Japan, what Korea, what other countries in the world provide in assistance to their farmers, because they understand the importance of agriculture, they understand the importance of providing food and fiber not only to their own citizens but exporting around the world.

Look at the charts. When you look at export assistance, we provide a very small sliver in support of agriculture and exports around the world. The rest of the countries, in fact, the European community is 83, 84 percent. Ours is 2½ percent, and yet we tell our farmers to compete in the world, to farm the markets.

So we need to not only address farm policy, but we have to come back and address issues of trade, of exports, of sanctions, of our inability to export agricultural products around the world, and to make certain that we find new and better uses of agriculture products at home.

Finally, we need to make certain that we do the things necessary to make certain that agriculture has competition. I am all for the free enterprise system, but we need to make certain that our farmers are not caught in the squeeze, as everybody they buy from and everybody they sell to gets larger and larger.

Mr. Chairman, I support the bill. I urge my colleagues to pass it. I thank the chairman for the opportunity to address this important issue today.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas (Mr. ROSS).

Mr. ROSS. Mr. Chairman, I fought hard for an appointment to the Committee on Agriculture when I got here in January, and I did so because, one, I understand agriculture. I grew up on my grandfather's farm. Secondly, agriculture is critical to the economy of my district in South Arkansas.

This new farm bill was written after months of testimony. It was written in a bipartisan spirit and it is fair. It is fair to our farm families. It is fair for conservation. In fact, we increase baseline spending for conservation by 75 percent. This bill addresses the needs of our farm families.

We all know that the 1996 farm bill did not work. We might as well have called it ''Freedom to Fail.''

I will lose farm families and perhaps a few banks in the delta without this new farm bill. We are already too dependent on foreign oil. The last thing we need to do is to lose our farm families and become dependent on Third World countries for our food and fiber. My farmers do not want to be welfare farmers. They do not want to be insurance farmers. They simply want to feed America.

This bill ensures America will be there for our farm families when market prices are down, just as our farm families have been there for America for many, many generations.

I rise in support of this bill.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. PENCE), a very able member of the committee.

Mr. PENCE. Mr. Chairman, I thank the gentleman from Texas (Mr. COMBEST) for yielding me the time.

I thank the gentleman from Texas (Mr. COMBEST) and the ranking member, the gentleman from Texas (Mr. STENHOLM), for their aggressive yet prudent approach to writing a bill that Hoosier farmers need, and if I may say so, with clarity, Hoosier farmers need this farm bill now and need this Congress to act now in support of this bill.

The House Committee on Agriculture has drafted a bill that is globally competitive, market responsive and environmentally responsible. I want our colleagues to know the Farm Security Act is a product of years of hard work. We listened to farmers and ranchers during field hearings in my District. We met with hundreds of farmers in 10 separate town hall meetings alone. This bill was truly written by America's farmers and ranchers.

My colleagues know that I have always called this body to maintain fiscal discipline and this Farm Security Act, as we heard the gentleman from Iowa (Mr. NUSSLE) describe, fits into the guidelines of the budget that has been adopted by this Congress and supported by the leadership.

Also, the Farm Security Act is environmentally sensitive. It increases conservation funding by 80 percent overall, despite some criticism by certain environmental groups. An 80 percent increase in conservation spending is a hard number to argue with.

Finally, Mr. Chairman, I think it is important to know that United States farm policy is not only about standing up for ranchers and farmers, despite the sneering from some in the national media in the left column of The Wall Street Journal this morning.

I believe that farm security is about national security. As we consider ways and diverse means to strengthen America by strengthening our economy, we must not only remember Wall Street, but we must remember rural main street U.S.A. A strong farm economy means a strong American economy, and a strong American economy means a strong America.

The Good Book tells us, Mr. Chairman, that without a vision the people perish. I would paraphrase that without a vision for farm policy over the next decade, many farmers and ranchers will lose their economic lives, and I stand in strong support of the Farm Security Act accordingly.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. HINOJOSA).

Mr. HINOJOSA. Mr. Chairman, I rise in strong support of H.R. 2646, the Farm Security Act of 2001.

First, I would like to thank the gentleman from Texas (Chairman COMBEST) and the gentleman from Texas (Mr. STENHOLM), the ranking member, for their hard work and dedication in

bringing this legislation to the floor today. This bill not only benefits farmers and ranchers across the country, but the American consumers as well. It is the most balanced and fair farm bill that could be produced for all of the agricultural interests involved.

My congressional District, the lower Rio Grande Valley of Texas has been in a stressed economic situation due to droughts for the past 6 years. Farm families have squeezed budgets to the limit to keep from being pushed to failure. Farm incomes have declined because of plummeting commodity prices while production costs continue to rise, and the rural economy has suffered.

The support in my District for H.R. 2646 comes from all sectors of the agricultural community including the producers of commodity crops, livestock, fruits and vegetables, as well as their lenders, equipment dealers, manufacturers and service companies.

It is imperative that we pass H.R. 2646 today in order for the legislative process to continue. This bipartisan bill provides the structure for U.S. agriculture to provide the safest, most reliable food and fiber supply in the world. It will ensure that U.S. ag remains competitive in foreign markets. The 2002 farm bill delivers a comprehensive package that will propel U.S. agriculture into a dependable and productive future.

I urge my colleagues to support this bill.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. KENNEDY), one of the most interested members of our committee.

Mr. KENNEDY of Minnesota. Mr. Chairman, I am very impressed by the process that we have used in bringing this bill to the floor. It has been very bipartisan. We passed it by, in essence, a unanimous voice vote in our committee. We sought input from every organization that could have any interest in this bill, whether they be agriculture conservation or otherwise. It is a very balanced bill that maintains the freedom to plant, not making the farmers turn off the last two rows of the corn plan as they go around the field the last time, maintains the market price, gives a better safety net.

In the past, we have had to have emergency payments. This tries to come up with a more efficient, effective way of doing that, and I think it does, and we need to make sure that we are not unilaterally disarming when our other competitors in Europe and Japan are providing far more support than we are.

It has an 80 percent increase in conservation program investments with good programs like the conservation reserve program, our wildlife habitat and others. We also have efforts in there to get our price ultimately from the market so we do not have to depend on government programs by expending our sales overseas and investing in research, and it does have good investments in there for rural development with high speed telecommunications and others.

Many people asked why do we have to do this, but unfortunately, too many of our people around the country think that bread comes from the bakery, that meat comes from the meat counter, that milk comes from the cooler, and that sugar comes in a candy bar, and they have a hard time understanding this and really wonder why.

I encourage them to think about who they listen to. When your sink is leaking, you do not call a dentist, and when you have a tooth ache, you do not call the plumber. Listen to those who have listened to their farmers. Many Members of the Committee on Agriculture, like me, have talked to hundreds of farmers since we passed this out of committee. They support this bill. This Congress should as well.

I support the farm bill and encourage the Members to do the same.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Maine, Mr. BALDACCI.

Mr. BALDACCI. Mr. Chairman, I want to compliment both the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) for doing a wonderful job in working this piece of legislation. As a Member of the committee these last four terms and working on two farm bills, I have to say I felt the collegiality and productivity of the committee in this 10-year reauthorization has been something we can all be very proud about.

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Like anything that we deal with that is this large and covering this expansive an area, there will be areas of concern.

I first want to compliment the conservation title in the manager's amendment. I want to compliment the nutrition and WIC provisions that are here. I want to compliment the export enhancement and market assessment programs, research, the monies that are going to be available for colleges and university and land grant facilities, and especially improving fruits and vegetables and specialty crops.

The areas of concern for me are the dairy and the dairy compact issues that we are unable to address, recognizing that it was not necessarily the jurisdiction of our committee, but also recognizing it is pretty hard to separate agriculture and dairy from each other in terms of the procedural issues that lie before both committees. Having only an opportunity between now and the end of the month to be able to address these issues, I felt it was imperative to work with our colleagues in a bipartisan fashion to get this issue addressed. So later today and tomorrow, and as long as it takes, we are going to make sure that the dairy compact and the issues surrounding it are brought foursquare in front of this Congress so that we will have an opportunity to vote up or down on this compact.

I would like to inform the Members that in terms of the compact we are not talking about forcing anything down anybody's throat. This is something that has been approved by the State legislatures. Twenty-five States want this kind of opportunity to provide a floor for dairy farmers. It is not there if they are doing well, and they are doing well now; but it is a floor for them so that it maintains their farm income and their farm viability.

In Maine and in the Northeast, we have seen less reduction in farm families with the compact, we have seen less production in the compact area, and we have actually seen less price increases in those compact areas versus the national average. So it has actually worked in terms of production, supply and demand, and having the countercyclical features that our committee has advocated with all of agriculture as we have tried to develop a 10-year farm reauthorization program.

This is a program that States want, that governors want, and they have asked us to give them the approval to be able to maintain something that has been working for 4 years. This program has been working for 4 years. I ask the Members on both sides of the aisle and in leadership in Congress to allow us an opportunity to vote up and down. We were not able to get the amendment protected in terms of the germaneness issue in the Committee on Rules.

I know the concern of the committee and the membership, where there is over 160 Members that are cosponsoring this legislation. It is a very important piece of legislation. It provides a floor for dairy farms, for small dairy farms, which there are many of. And not just in New England but in the Northeast and in the Southeast, which also wants this to be part of their program. So I look forward to that discussion.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri (Mr. GRAVES), who understands the difficulties firsthand of agriculture.

Mr. GRAVES. Mr. Chairman, I rise today in support of H.R. 2646, the Farm Security Act. This is important legislation, critical to our Nation's farm families. And on behalf of the thousands of farm families across northwest Missouri, I want to thank Chairman COMBEST and Ranking Member STENHOLM for their leadership and their efforts in crafting this bill.

Mr. Chairman, I raise corn and soybeans in northwest Missouri, and I understand all too well the challenges facing farmers today. Every weekend,

when I return to Missouri, I hear from farmers all across my district who are struggling just to stay in business. Not only are farmers faced with the 4th consecutive year of record low commodity prices, costs for inputs, including fuel, fertilizer and seed, have skyrocketed during the last year further reducing the bottom line.

While the previous farm bill provided flexibility and opportunities that farmers desperately needed, its provisions for emergency aid were inadequate. Our Nation's farmers should not have to rely on a supplemental bailout every year. Producers need support that provides stability and predictability, and that is exactly what this bill does.

In preparation for today, the Committee on Agriculture heard testimony from dozens of farm groups representing thousands of producers all across America. All of them agreed that this bill should include a mechanism that would kick in automatically when prices fall below equitable levels. With this bill, and with the countercyclical program, it eliminates the need for that annual agriculture bailout and replaces it with a reliable program we can depend on.

In 1996, Congress gave farmers a good bill. However, that bill's success depended on new and expanding overseas markets. Those markets never materialized. This bill combines the flexibility and market stability that farmers need while renewing our efforts to promote American agriculture abroad without abandoning our previous trade agreements.

Additionally, this bill strengthens our commitment to the environment, providing greater resources to ensure that our land, air, and water remain fertile and clean.

Mr. Chairman, in America we have the safest, most abundant and cheapest food supply in the world. No other Nation, absolutely no other Nation in this world today, has the luxury of taking its food supply for granted.

Again, I want to urge my colleagues to support this legislation and protect our Nation's food supply, our natural resources, and our family farmers.

Mr. STENHOLM. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, I thank the gentleman for yielding me this time, and I want to begin by commending Chairman COMBEST and Ranking Member STENHOLM of the Committee on Agriculture for their work in bringing this bill to the House floor.

This has been a tandem that has persevered when others said it could not be done; persevered in holding hearings, persevered in crafting a bill, and even in the wake of tragic events thereafter hit our Nation, persevered in bringing this bill to the House floor, the first major nonattack bill considered since that morning 3 weeks ago, September 11.

Since that time, without flinching, we were all proud to stand together and vote $15 billion worth of relief to the airline industry, to be spent this year, shoring up the critical component of our economy that they represent. This bill represents $73 billion over 10 years, shoring up the family farmer base of our food supply and investing in our Nation's food supply, every bit as critical a component to our economy as anything else one can think of.

The way we achieve security, abundant production, highest quality, and affordability in food supply is with diversified production. And the way to achieve diversified production is to keep family farmers right at the heart of who grows the food for this Nation.

Now, worldwide commodity prices have collapsed, collapsed to the point where what the farmer has been getting at the elevator after harvest is actually lower than what it costs to grow that crop. Nobody can stay in business under circumstances like that. And that is why we see the wholesale departure of families from the land, families that have been there for generations. Depopulation, meaning we lose so many people we cannot even support basic infrastructure in critical regions of the State, is a major issue that North Dakota is dealing with and other issues through the Great Plains. The way we attack it head on is to preserve profitability in farming, and that means farmers need some help.

Let me give my colleagues a little Economics 101 on family farming. It does not matter how good a farmer someone is, you cannot control the price of your product. And if you cannot recover even costs, much less make a little money to put shoes on your kids and pay the light bill, you cannot stay in business. We are going to continue to drive out the smaller producer and drive production to larger and larger corporate enterprises, the enterprises that have the deep pockets to go through this kind of price trough, unless we have a farm bill that helps our families stay in the business. And that is what this bill is all about.

I'd have constructed this bill somewhat differently. I hope it is changed in the Senate and continues to improve as the process goes forward. But make no mistake about it, the heart of this bill is price support for family farmers. We have for most of the last 4 years had price support as part of the farm program. We removed it with the Freedom to Farm bill, because we hoped that with improving markets that was not going to be necessary any more. Well, sadly, in a bipartisan way, we have recognized that support is needed. And that is why over the last 4 years we have passed $30 billion in disaster payments helping farmers through these tough times.

There is a better way to go than ad hoc year-to-year disaster bills that leave the farmer and their lenders and their creditors not knowing where they stand. The better way is to put it in the farm bill, just like this bill does, with price supports so the farmers know where they stand. That is what this bill is all about.

But the bill is about more than helping those who grow the food, there is a very important component to this bill that helps those who struggle to afford the food to feed their families. We have made cuts in the nutrition programs, WIC, food stamps, that have, I believe, been too severe, that have actually hindered families from obtaining the critical nutrition they need. We address that in this legislation with $3.5 billion in additional funding for the food programs to help those who need to eat to be able to get the food they need to feed their families. I sure do not want that funding jeopardized, and it is a critical part of this bill.

As I mentioned, the bill is not perfect, but we are not at a point in time, colleagues, where perfection can be the enemy of the good when it comes to moving this farm bill forward. Thanks to the leadership of Chairman COMBEST and Ranking Member STENHOLM, we have new momentum, represented by having this bill on the floor today, new momentum to getting farmers the protection they need to stay in business. We have got to keep this momentum going by moving this bill along and continuing it down the legislative process.

I urge my colleagues to vote for the bill. I am proud to stand with this bill and commend the Committee on Agriculture for their good work.

Mr. COMBEST. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. FORBES).

Mr. FORBES. Mr. Chairman, I wish to engage in a colloquy with the gentleman from Texas (Mr. Combest), the chairman of the Committee on Agriculture; but I would first like to thank the gentleman from Texas and his colleague, the gentleman from Alabama (Mr. EVERETT), the distinguished chairman of the Subcommittee on Specialty Crops and Foreign Agriculture Programs, for working with me to improve the provisions of this bill relating to Federal peanut programs.

The fourth district of Virginia is home to one of the largest peanut producing populations in the Nation. Though I have not been a member of this august body for long, I have worked hard since being sworn in to make the views of this community known to the House Committee on Agriculture during their consideration of this legislation. I have been very grateful for the cooperation and attention that their concerns have gotten from the committee.

As reported from the committee, I have very serious concerns that this bill would severely strain the financial

resources of Virginia's peanut farmers, particularly the small family farmers. While I recognize that times have changed and that the Federal programs must adapt as to the farmers that I represent, I remain apprehensive about the effect that these dramatic changes may hold for the future of peanut farming in my State.

I appreciate the difficult balance that the chairman and his panel had to reach in addressing the needs of America's taxpayers at the same time as meeting the needs of America's agriculture community, and I am hopeful that I will be able to continue to work with the chairman as this bill goes to conference with the Senate.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. FORBES. I yield to the gentleman from Texas.

Mr. COMBEST. Like the gentleman from Virginia, I recognize and respect the role that the farmers have played in our Nation's history and the importance of their work to our national economy. The development of this bill represents the best package we could achieve in balancing critical needs for commodity, conservation, trade, nutrition, credit, rural development, and research programs, while fitting into the fiscal restraints given to us by the budget resolution.

I appreciate the gentleman's concern about the peanut provisions of the bill, and I am pleased that we have been able to work with him to accommodate some of those concerns. Specifically, we have proposed a change in the manager's amendment that would allow a producer to establish a base, at which point the producer would have a one time ability to set the base on any land that he chooses. This would give the producer the ability to put the base on land he owns or will give the producer a better bargaining position if he sets down this base on the land he rents.

I thank the gentleman for his work and concern on this issue and I look forward to working with him to continue to address the problems and concerns that he has of the producers of Virginia as this bill goes forward to conference with the Senate.

Mr. FORBES. Mr. Chairman, reclaiming my time, I wish to thank the gentleman from Texas for his comments.

Mr. Chairman, I rise in support of the Farm Security Act of 2001. Though I have some serious concerns with provisions of the bill that dramatically alter the peanut program, I realize how important this bill is to farmers across America and that this legislation must still go through a conference committee. I thank the Chairman for his hard work.

Our farmers are the heart of our nation, and Virginia's peanut farmers are the heart of the Commonwealth. Peanut farming is important to the economic livelihood of Virginia, bringing $55 million in cash-receipts to the state. Virginia peanuts are in high demand for gourmet-style fried peanuts and roasted in-the-shell ballpark peanuts that we all have enjoyed at baseball games. It is important to remember the peanut program does not just impact farmers who exclusively grow peanuts but it also dramatically impacts other farmers who depend on peanut production to keep them alive and all those who insure, supply, or assist peanut production in any capacity, including local governments who depend on taxes from these farms for survival.

There are four specific concerns that I have had with the Committee-passed bill, and I worked hard with the Chairman to accommodate each of them.

The first was that the new program would begin with the 2002 crop. My concern was that there would not be enough time for the farmer to adjust to these changes, with contracts that have already been made based on the assumption that the current program would run through 2002.

Second, I was concerned that the bill focused on the farm and not the farmer. My goal was to see that the base be tied to the producer.

Third, I was concerned that the financial return for the producers was so low that there would be no incentive for young farmers to enter the farming business, and that those retiring would not be replaced.

Last but not least, I was concerned that the Peanut Administrative Committee was being phased out and replaced with a board without the means to ensure higher quality standards.

Since my swearing in, Mr. Chairman, in late June, I have been working hard to represent these views to the Committee on behalf of Virginia's peanut farmers. I have greatly appreciated the full and subcommittee chairmen's attention to these concerns. I am particularly thankful for their determination that some of these points warranted changes in the Committee-passed bill.

Specifically, the manager's amendment includes a provision, which should improve the overall income that a producer can earn by allowing the producer to establish the base on any land he chooses. Virginia's peanut farmers have been farming the land for generations because they love it. But we must be mindful of the fact that they must be able to make a living in order to continue doing what they love.

Del Cotton, manager of the Franklin-based peanut marketing cooperative, said some producers will be happy and others will not with the proposed quota buyout. I hope Congress will continue to take the necessary steps to keep the peanut program viable.

Mr. Chairman, I recognize, as do the farmers I represent, that times have changed and that our federal farm programs must change as well. But, we must never forget that our farmers have always been the backbone of this nation.

That was true at our country's founding, and it is true today as we prepare to wage a long, hard war against terrorism. Food security is just as vital to our national defense as a strong military and strong economy. Our farmers are our partners in this endeavor.

I look forward to continuing to work with the Chairman on this legislation as it goes through conference negotiations with the Senate.

That said, Mr. Chairman, I encourage my colleagues to support this bill and to support the Chairman during conference deliberations.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. BISHOP).

Mr. BISHOP. Mr. Chairman, I thank the gentleman for yielding me this time.

I would like to commend the chairman and the ranking member for the hard work that they and the committee staff have put into this very important bill. We in Congress have joined the President in urging America to get back to business, and our job today is a monumental one: to enact a farm bill that enables farmers and agribusinesses to survive during this economically challenging decade.

After 4 years of depressed commodity prices and inflationary production costs, droughts and disasters, our whole agricultural system is at risk. This is not just rhetoric, it is simple math. Farm income has not been sufficient to sustain most producers, even though they adhere to sound farming practices. If it were not for a Federal farm safety net, the country would have experienced a catastrophic loss of farm operations and agri-businesses that serve them. Like oil, we would have become much more dependent on foreign producers for our food and fiber, the necessities of life.

□ 1230

Mr. Chairman, the farm bill enacted in 1996 was a visionary bill that gave farmers greater flexibility, but which failed to provide the help needed when prices slumped and costs increased.

The farm bill that we consider today continues that same flexibility, but with a stronger safety net that should eliminate the need for billions of dollars of ad hoc appropriations. It includes a more market-oriented peanut program which makes it possible for our growers to compete as tariff rates decline and that phases out the quota system.

The bill provides a significant level of compensation to quota holders within the budget restraints that we face; but I believe the funding level should be higher, and I will continue to work for that.

It includes a 75 percent increase for soil, water and wildlife conservation, a food stamp program that includes new transitional assistance for families moving from welfare to work, $785 million for rural development, including funds to improve drinking water, expand telecommunications and promote value-added market development, a 100 percent increase in funding for the market access program helping producers and exporters finance promotional initiatives abroad.

Mr. Chairman, I urge my colleagues to vote for the Farm Security Act of 2001 and to help ensure a brighter future for America, for rural America, for our farmers, our agribusinesses, and especially for our consumers across the country.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Chairman, first let me say that I am a farmer. I have been involved in farm programs since the 1960s, and never has there been such a complete effort to get the input of American producers and those associated with agriculture into this final result, into this piece of legislation.

The gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) held 47 field hearings across the United States, 10 of those were full committee hearings, in addition to the dozens of hearings held in Washington. We tried to come up with legislation that faces a predicament which is now confronting American agriculture. That predicament is: Do we let other countries subsidize their farmers to the extent that it puts our farmers out of business?

Right now we are in competition, if you will, with countries like Europe, who subsidize their farmers five times as much as we subsidize our farmers. To project what happens with that kind of subsidy, their additional production goes into what would otherwise be our markets. It is not a good way to do business.

The taxpayer, one way or the other, is going to end up paying more for their food supplies to keep farmers producing agricultural products. One way is through farm subsidies. That is what is happening in the United States. I mentioned Europe, five times the subsidies as the U.S. Members can compare that to countries like Japan, which goes up to almost 12 times in subsidies as we pay our farmers.

Eventually there has to be a more market-oriented solution in all countries to let the buyers of those products pay for them at the marketplace rather than through tax dollars distributed through government programs that are ultimately going to be unfair.

Mr. Chairman, look at this bill carefully and let us move ahead. For the time being, we have to keep American agriculture in place.

Mr. STENHOLM. Mr. Chairman, I reserve the balance of my time.

Mr. COMBEST. Mr. Chairman, I yield such time as he may consume to the gentleman from Idaho (Mr. SIMPSON).

Mr. SIMPSON. Mr. Chairman, I thank the gentleman from Texas (Mr. COMBEST), the chairman; and I thank the ranking member, the gentleman from Texas (Mr. STENHOLM), and staff for all of the hard work that they have put into this legislation.

Mr. Chairman, I traveled the Nation with my colleagues on the House Committee on Agriculture last year and heard first hand from farmers in numerous States about the challenges facing them and the way in which they felt those challenges could best be addressed.

I can state unequivocally that this bill meets the needs of the farmers we have heard from and provides dramatic new investment in areas like trade promotion and conservation funding. As has been mentioned, there is a 78 percent increase in conservation funding.

I spent the summer talking to farmers and ranchers across Idaho; and with rare exception, they have told me that they want this bill passed in its current form. They believe that this bill provides them the flexibility that they need to operate their farms the way that they want to; and it provides the predictability they need to keep their family farms operating for themselves, their children, and great grandchildren.

Mr. Chairman, it is not without some regret that I say that I wish the administration had been with me as I talked to Idaho farmers and as we held field hearings across this great country. I listened as I read the statement of administration policy this morning, the first statement that I have heard from the administration on their position on this farm bill. I was dismayed and disappointed. I would like to talk for just a minute about the points that they make in their concerns in this agriculture bill. They make four bullet points.

First, that this bill encourages overproduction while prices are low. With price supports, we are trying to keep farmers in business when prices are low. I guess the answer that they have, and they give no specific answer in their statement of policy, is to let those farmers go out of business. I certainly hope that is not their policy; but if they have a different idea, they ought to share it with us.

Their second bullet point is that it fails to help farmers most in need. They state in their statement of policy, and I quote: ''Nearly half of all recent government payments have gone to the largest 8 percent of farmers, usually very large producers, while more than half all of U.S. farms share only 13 percent of the payments.''

Mr. Chairman, the USDA considers large farms those farmers that have $250,000 or more gross sales. Those farms account for 15 percent of farms reporting government payments, and produce 54 percent of the value of program crops eligible for payments. They are 15 percent of the farms; they produce 54 percent of the value of program crops. Only 0.5 percent of the large farms were nonfamily farms. The average transition payments in 1998 for these large farms was $21,870.

These farms received 47 percent of the payments, while producing 54 percent of the value of program crop production. Small farms, those that produce less than $250,000, on the other hand, produced 46 percent of the value of program crop production, but received 53 percent of the payments.

Mr. Chairman, I think we have been going in the right direction trying to help the small family farms, those under $250,000 in gross sales. They have gotten a larger percentage of the actual payments. Also consider that over 77 percent of all large family farms operate with debt, 80 percent greater than average for all family farms. These farms carry debt liabilities equal to 47 percent of their maximum feasible debt load, 54 percent greater than the average for all family farms.

Mr. Chairman, 12.2 percent of all large family farms have negative household incomes, 91 percent greater than the average for all family farms.

Mr. Chairman, this bill is a farm bill. Payments are based on production. Large producers are obviously going to get a larger share of the payments. They also put more at risk. I think we have been going in the right direction trying to address this and making sure that we address the needs of small family farms and all farmers.

The third bullet point from the statement of administration policy is that it jeopardizes critical markets abroad.

Mr. Chairman, one of the real problems we have in agriculture today is that we have not been able to level the playing field between us and our competitors around the world. American farmers are at a competitive disadvantage to producers in other countries. We all know that. They get subsidized more in other countries than we support our farmers in this country. That puts us at a competitive disadvantage.

This bill enhances our Export Enhancement Program, funds it further; and we need to create a level playing field. We cannot have a free market and fair trade when there is not a level playing field. It is a myth to think that there is a level playing field right now.

I hope that the administration is serious, and I believe they are serious, when they say that agriculture will be a top priority in trade negotiations as they try to negotiate new trade agreements in the WTO.

Lastly, they say that this boosts Federal spending at a time of uncertainty. As the chairman of the Committee on the Budget has stated, we reached an agreement on the budget resolution. This piece of legislation is crafted to stay within that budget resolution. It does exactly what the Committee on the Budget requested that we do, and I compliment the chairman and the ranking member for keeping this bill within the budget restraints that were imposed upon us.

Mr. Chairman, this bill is the result of over 2 years of listening, learning, and hard work. It is the result of intense commitment, meaningful debate, and constructive compromise.

Today we have a chance to endorse not only the legislation language in this bill, but the fair and open process that fostered its development. We also

have a chance to bring new hope to rural communities and to bring real stability to our Nation's producers.

Mr. Chairman, I urge my colleagues to support the Farm Security Act for America's farmers.

The CHAIRMAN. The time of the gentleman from Texas (Mr. COMBEST) has expired.

Mr. STENHOLM. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. COMBEST) for his utilization.

The CHAIRMAN. Without objection, the gentleman from Texas (Mr. COMBEST) will control 5 additional minutes.

There was no objection.

Mr. COMBEST. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. NORWOOD).

Mr. NORWOOD. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of the Farm Security Act of 2001. I cannot say enough good things. I cannot commend the gentleman from Texas (Mr. COMBEST) enough for his leadership and for the very thorough and deliberate manner the gentleman has followed in crafting this important farm bill.

This bill answers a question, a vital question to this country, a very important question to the people of this country: Do we want the American people fed and clothed by the American farmer? That is a question that is before us because it is possible if something does not change, that we will not be fed and clothed by the American farmer. We will have to depend on other nations.

When Congress passes this bill, the Farm Security Act, we are saying in a very loud voice, yes, we do intend for the American farmer to be the backbone of our industry in this country, and we will depend on them for our food and fiber.

Recently American farmers have struggled through increasing difficulties. It is no secret. Talking to farmers while traveling through the 10th Congressional District of Georgia, I have listened to their concerns. The farmers in this country need our help if we want them to stay in business.

Earlier this year Congress made a firm commitment of support. My colleagues all remember setting aside $73.5 billion over the next 10 years. We have the opportunity, we should take the opportunity today to take the next important step.

As evidenced by annual emergency agriculture spending, many policies in the 1996 farm bill have not been effective. This farm bill is well balanced and remedies these inequities, addressing critical farm program needs while also increasing conservation program dollars by approximately 80 percent.

Within the commodity title, farmers are provided a three-piece safety net and the option to update base acreage. What that safety net really is, it is a safety net for the American citizen, a safety net for the American consumer, not just the farmer, but for all of us who are fed and clothed by the American farmer. While maintaining the fixed decoupled payments and the marketing loan payment, this farm bill adds a countercyclical payment, too.

□ 1245

This allows the farmer flexibility and security in planning for the future, a prescriptive answer to many of their concerns that I have heard since 1996.

Finally, I want to talk about the peanut program just a minute. It is a critically important issue to Georgians. Recognizing the new challenges within the program and the need for reform, I am pleased with what this great committee has done. While it may not be perfect in the eyes of everyone, I believe this historic reform is an equitable one and is well crafted to ensure the viability of the American peanut farmer.

Mr. Chairman, U.S. farmers have been asking for our help. I am happy to tell my friends in Georgia that help is on the way. I hope all my colleagues will vote for this bill.

Mr. COMBEST. Mr. Chairman, I yield myself such time as I may consume.

I would just want to say in closing, Mr. Chairman, I want to thank all of the members of the committee and all of the Members not on the committee who have come over and taken such an active role in this. As we can see, the interest of agriculture spans well beyond just those members on the Committee on Agriculture. I thank the gentleman for the courtesy with his time.

Mr. Chairman, I yield back the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have no further requests for time on this side. I would just use a portion of the remaining part of my time to emphasize a few points.

To say I am rather disappointed in the statement of administration policy today would be the understatement of the day. I believe I am correct that we have had 47 subcommittee hearings, I know we have had 10 full committee hearings in which at each time we were considering the various parts of what always ends up being a very controversial bill, the agricultural bill, I asked what the administration's position was. We wanted to consider that.

I remember 1995 and 1996 when the committee and the House leadership refused to allow the administration witnesses in the room when we were conferencing. We made some mistakes when we did that. We usually do better legislative work when we have due and proper consideration by the legislative body with administrative input. I suspect and I hope and I really believe that we will get that when we get to a conference on the bill. But to come in the day before, actually a few minutes after we had passed the rule, by stating your position is not helpful, especially when you make some specific allegations that this bill encourages overproduction when prices are low. You have not read the bill, whoever wrote this. I am sure it was OMB. You have not read our bill. We deliberately made changes in the loan rates in order that we might accomplish some of the criticisms of the current bill.

It fails to help farmers most in need. Where were you when we were asking for recommendations of how we do a better job of that? As we asked over and over as to farm witnesses and farm groups, how do we attack this particular problem? Where were you when we asked?

Jeopardizes critical markets abroad. I have been around here now for almost 23 years. I have seen trade negotiators and trade negotiations begin and I have listened to administrations in which they have always emphasized the importance of agriculture when we go into the negotiations. But I have also noted when they complete that work, that somewhere over the Atlantic, agriculture is dumped out with a parachute.

This time around, I said, and it was one of my prevailing judgments into our bill that we present to you today, I wanted to be sure that our government was standing shoulder to shoulder with our producers in these upcoming negotiations, and in the manager's amendment, we specifically say that if there is anything in this bill that makes us illegal under WTO agreements, we give the Secretary of Agriculture the authority to make those changes so that it reconforms, because no one on the House Committee on Agriculture wants to be part of any law that causes us to break a law or an agreement that we have agreed to in the good faith of the United States of America.

Boosts Federal spending at a time of uncertainty. They have got us there. But let me point out we are boosting it by $2 billion next year. That is the total. $2 billion. Of which a portion of that, as we heard the gentlewoman from North Carolina (Mrs. CLAYTON) speak a moment ago, is designed to do some of the things that both sides of the aisle have already agreed we need to do, and, that is, to recognize unemployed people, people who have lost their jobs and need some additional help in the transition into a new job. That is in this bill. Is it enough? You can probably say no, it is not. In fact, I predict when we get to the stimulus package, that you are going to have the administration agreeing to many more billions of dollars than 2. Why pick on the 2 at this stage of the game?

We are going to hear a little bit about the sugar program and prices. Here again, we have the lowest prices for our producers since the Great Depression, in the last 30 years. I am going to be asking the question over and over to those that seem to believe that the only thing we can do to stay competitive is lower our prices, this bill that we bring forward that is being criticized by those that believe we are doing too much for the commodities is guaranteeing our farmers 1990 prices. Now, I ask anyone in this Chamber, anyone listening, anyone downtown, anyone at any of the newspaper editorials that have criticized us, if you and your employees are going to be guaranteed 1990 wage levels, how happy would you be and how exorbitant would your company be? That is what we do in this bill. Would we like to do more? Absolutely. But we operated under the good faith restraint of a budget that was passed by this House. I did not agree with it, but it became the law of the land and, therefore, I do as I try to do quite often, and, that is, work together. On the Committee on Agriculture, we do a darn good job at that.

I commend again the chairman, the subcommittee chairmen, all of the folks on that side of the aisle and my own colleagues for the spirit in which we bring this bill to the House today.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, just so the record is clear and for those people who have not followed this quite as carefully as we have on this committee, this process started well before the decision about who the current administration was, I think before either nominee actually even was nominated. This year, we started very early on in this calendar year having hearings all throughout the process, asking people what it was that they wanted.

Let me ask the gentleman from Texas, how many times did the Secretary of Agriculture or anyone from the Department of Agriculture come before our committee and give us any suggestions?

Mr. STENHOLM. To the best of my recollection, Mr. Chairman, zero.

Mr. COMBEST. The gentleman's recollection is correct.

Mr. LARSON of Connecticut. Mr. Chairman, I rise in support of H.R. 2646, the 2001 Farm Bill, but also to express my support for several amendments that will be offered, specifically the Boehlert/Kind/Gilchrest/Dingell amendment that would provide a more equitable distribution of government resources to farms and farmers throughout the United States, and the Sherwood/Etheridge/McHugh amendment to permanently authorize the Northeast Dairy Compact.

For most people in this country, talking about farming does not conjure up images of my home state of Connecticut. For most people, Connecticut likely generates images of insurance companies, or submarine and aerospace manufacturers, rather than farms. But farming is a critical part of the Connecticut economy and our traditions. In fact, the Connecticut Department of Agriculture estimates that Connecticut receives a $900 million income from agriculture production, and adds about $2.1 billion to the state's economy. There are approximately 4,000 farms holding approximately 370,000 acres of land in Connecticut. In a state that is only 4,872 square miles, that represents over 11 percent of our land devoted directly to farming.

In the 370,000 acres committed to farming, Connecticut ranks first in the nation in the density of egg laying poultry and the density of horses. We are fifth in mushroom production, seventh in pear production, eighth in the density of dairy cows and tenth in milk production per dairy cow. Aquaculture in Connecticut is an $18 million industry, and the value of oyster farming ranks Connecticut among the top five in the nation. In addition, nursery and greenhouse production was valued at $168 million, and bedding and garden plant production was valued at $50 million in 1999.

Exacting so much agricultural production within such a small geographic area has meant seamlessly integrating our farms within our communities and as well as working to harvest the resources of natural environment in ways not duplicated in other places in the United States. But Connecticut is the home of ''Yankee Ingenuity'', and our farmers carry this tradition proudly, pursuing a dynamic range of enterprises and farming practices that leave the ''traditional farming'' label far behind. Innovative methods and creative planning, combined with one of the nation's best and original agriculture land grant universities at the University of Connecticut, put Connecticut farms at the forefront of exploring new ways of agriculture production.

One of the issues that is raised repeatedly in my district and throughout Connecticut is the increasing ''multifunctionality'' of our farms. In New England, our farms are not just producing commodities for direct consumption, they interact with the foundation of our communities and economy in subtle ways often overlooked by most people. The open space and rolling hills protected by Connecticut farms are critical areas of open space in an increasingly urbanized environment. They provide a continuous source of local community income through a thriving agritourism industry.

So for all of these reasons, we in Connecticut and the Northeast need a farm bill that recognizes the needs of our farmers and the region. The underlying bill has many important programs that our farmers need, but the Boehlert/Kind/Gilchrest/Dingell amendment greatly improves it, paying more attention to the diverse and unique needs of farmers in the Northeast.

I also strongly support the Sherwood/Etheridge/McHugh amendment to permanently authorize the Northeast Dairy Compact. The Compact, as many of you know, was authorized in the 1996 Farm Bill, but was designated to sunset in 1999 pending reform of the federal milk marketing order program, a program that still fails to take into account the needs of dairy production at small family farms. Therefore the compact is still needed and Congress has twice extended its authority, the last time through September 30, 2001. But today is October 3, 2001 and this Congress, under pressure from special interests, has still not acted to address this critical issue for the people of my State and instead has allowed the compact to expire.

Now I understand that opponents are moving to block consideration by attempting to rule the amendment out of order because it is not germane to debate in the context of the Farm Bill. Action on the Dairy Compact is the number one priority for the Connecticut agriculture community. Legislation to permanently authorize the Compact has been introduced by Congressman Hutchinson and carried forward by Congressman SHERWOOD and Congressman ETHERIDGE that has the support of over 160 cosponsors. There is strong local support for this bill and this amendment. All of the state legislatures included in the Northeast Dairy Compact have approved it, as have the state legislatures in numerous states around the country who are waiting for this Congress to act so that they can join and form additional regional compacts.

The compact is necessary because the federal minimum farm milk price is not sufficient to cover the cost of producing milk in the small family farms throughout New England, forcing the region's dairy farmers out of business. Simply put, dairy farming is the lifeblood of the Connecticut agricultural economy. As dairy farms are forced to close, demand for feed and other support crops, farm machinery, open space and agri-tourism all follow suit, creating a devastating and unrecoverable fallout of the local economy for those reliant on the business created by dairy farming. The loss of these resources and farms is unacceptable and irrecoverable, and in my opinion speaking now as a Member of the Armed Services Committee, a weakening of our domestic national security.

Despite arguments by opponents, the compact does not cost the federal government or the taxpayers of the United States anything. This is not a subsidy program. In fact, the compact specifically, requires the Compact compensate USDA for the amount of federal price support purchases it makes a result of potential overproduction of milk, and for an technical assistance it receives from USDA's Agricultural Marketing Service. Additionally, the Compact reimburses participants in the Women, Infants and Children (WIC) Supplemental Food Program to offset any increase cost of fluid milk caused by premiums within the Compact. The Compact is also expressly prohibited from discriminating in any way against the marketing of milk produced anywhere else in the United States. As for arguments that the Compact artificially increases prices, the record has shown that price increases have been negligible to consumers, who in general have also strongly support the Compact.

The Congress produces a major Farm Bill only once every five years. Debate and consideration of the amendment is critical at this time and germane. There is no other more germane legislation within which to address this issue, and our farmers cannot wait another five years for the next Farm Bill. It is

time for us to have this debate and proceed with an up or down vote on this issue, and I urge my colleagues to support the Sherwood/Etheridge/McHugh amendment, or at least support its fair consideration.

Finally, Mr. Chairman, I would like to bring to the House's attention an important provision in the bill, aimed at rural development. Section 615 of the bill establishes a National Rural Development Partnership composed of the Coordinating Committee and the state rural development councils.

State Rural Development Councils, like the Connecticut Rural Development Council, were established to promote interagency coordination among federal departments and agencies that administer policies and programs that impact rural areas and to promote intergovernmental collaboration among federal agencies and state, local, and tribal governments and the private and non-profit sectors.

These local councils have done tremendous work and are an important local resource for our communities. They continue to prove extremely successful at local levels, and have worked at the local level to leverage the roughly $35 million annually appropriated by Congress in the past into more than $1 billion annually for conservation, as well as rural and urban development projects. For every dollar appropriated by Congress, local Councils have leveraged an average of $14 from non-federal sources.

The Rural Development Councils are an example of how local governments and the federal government should work together, and I am pleased to see that this bill recognizes their importance by establishing this partnership. This is a step in the right direction, and as much as could be accomplished in the Farm Bill at this time. However, Congressional Rural Caucus Agricultural Task Force Co-Chairs Congressman PICKERING and Congressman TURNER are working to introduce a more comprehensive proposal in the near future, and I would urge my colleagues to support their legislation to further this important initiative.

Mr. BEREUTER. Mr. Chairman, despite this Member's very strong reservations about the fundamental lack of necessary policy reforms in the overall bill, he rises in strong support of Title III of H.R. 2646, the Farm Security Act of 2001. Since Nebraska's 1st Congressional District's economy relies heavily on agriculture-related trade, the export and humanitarian programs authorized in Title III impact this Member's district more directly than perhaps any other provisions passed in this body. Also, this Member would remind his colleagues that these programs impact many Americans as the United States Department of Agriculture (USDA) estimates that for every $1 generated by agriculture exports, an additional $1.30 is generated through export-related activities.

Therefore, this Member would like to thank the distinguished Chairmen and Ranking Minority Members of the House Agriculture and International Relations Committee (Mr. COMBEST, Mr. STENHOLM, Mr. HYDE, and Mr. LANTOS). In addition, this Member would like to thank the distinguished gentlelady from Missouri (Mrs. EMERSON) for her unwavering support for the George McGovern-Robert Dole International Food for Education and Child Nutrition Program. Furthermore, this Member also especially would commend the distinguished gentlelady from North Carolina (Mrs. CLAYTON), for her dedication to the Farmers for Africa and Carribean Basin Program which builds on the current Farmer-to-Farmer Program, previously established by this Member, by linking African-American volunteers engaged in farming and agribusiness with their counterparts in Africa and the Carribean Basin to provide technical assistance. Their efforts are much appreciated.

Mr. Chairman, for the United States to remain competitive in the world agriculture markets it is crucial to support market development activities which encourage the sale of U.S. commodities and value-added ag products overseas. Our European, Asian, and South American competitors have funneled significant government monies into market development. Indeed, our competitors individually outspend the U.S. at a rate of at least 4 to 1.

In the competitive arena of ag trade, it is critical to provide U.S. ag-industry components with appropriately funded market development tools for effectively fostering new overseas markets, entering existing overseas markets, and maintaining overseas markets. Title III more than doubles funding levels for the Market Access Program (MAP) from $90 million to $200 million and increase funding levels for the Foreign Market Development Program (FMDP) from $28 million to $37 million a year.

On a related note, this Member is pleased that the current version of Title III of H.R. 2646 includes language supporting a study on fees for services provided by the Foreign Agriculture Service (FAS) rather authorizing the USDA collect such. This Member has previously expressed his concerns about the collection of fees for commercial services provided overseas by the FAS. For small and medium businesses attempting to broaden their operations overseas, assessing fees for FAS services and impressive expertise could prove to hinder such businesses' expansion.

In addition to authorizing ag trade and export programs, Title III of H.R. 2646 authorizes what are among our strongest foreign policy tools—U.S. food aid programs. In this regard, Mr. Chairman, this Member is pleased to note that he has on several occasions toured Crete Mills in Crete, Nebraska, a milling facility in his own district which produces much of the fortified grain and soy products used in food aid programs. This Member would like to convey to his colleagues that the company and its employees are enthused about continuing to play a role in meeting the needs of their hungry neighbors around the world. Additionally, of course, it has noticeably raised the market prices for farmers' grain in a wide radius around Crete.

In supporting the George McGovern-Robert Dole International Food for Education and Child Nutrition Program, this Member hopes that the U.S. attain its frequently articulated goal of stability in sub-Saharan Africa, Central America, South America, and Asia. Indeed, following the horrific terrorist attacks of September 11, 2001, it is increasingly important that the U.S. make investments in the health and education of the children in particularly unstable regions. Upon the foundation of a healthy, educated population, the U.S. can continue to work toward other foreign policy goals—building democratic institutions, addressing human rights concerns, developing economic stability, and countering terrorism.

Finally, as the author of the original Farmer-to-Farmer Program as earlier noted, this Member is pleased to support the Farmers for Africa and Carribean Basin Program, an initiative introduced as freestanding legislation by the distinguished gentlewoman from North Carolina (Mrs. CLAYTON). The Farmers for Africa and Carribean Basin Program builds upon the current Farmer-to-Farmer Program, which is reauthorized in this bill, by linking African-American volunteers engaged in farming and agribusiness with their counterparts in Africa and the Carribean Basin to provide technical assistance. This approach has worked in Asia, South America, and the Newly Independent States of the former Soviet Union; therefore, the renewed emphasis and extension of this program to Africa and the Carribean Basin certainly is appropriate.

Mr. Chairman this Member urges his colleagues to strongly support Title III of H.R. 2646.

Mr. ACEVEDO-VILÁ. Mr. Chairman, I would like to thank Chairman COMBEST and Ranking Member STENHOLM for their commitment to bring about a complete Farm Bill with all titles. This bill is the fruit of dedication and commitment that Committee Members have for the people this House represents. I applaud the Committee's work to increase funds to titles such as Conservation, Rural Development and Trade, all of which are extremely important areas for the Nation and people of Puerto Rico and especially, to our farmers and growers.

I would like to emphasize the importance the Nutrition Title contained in this bill has for the 430,000 Puerto Rican families that depend on nutrition assistance to keep their children fed and healthy. Title IV reauthorizes the Nutritional Assistance Program, better known in Puerto Rico as PAN for the next ten years, with increases in funding for each year. The Puerto Rican Nutritional Assistance Program serves the same purpose in Puerto Rico as the Food Stamps program serves in the states: to reduce hunger, to improve the health of our children, and ensure our nation a brighter future. We cannot afford hungry children in our schoolrooms. Nutrition Assistance is an essential foundation for building a better future for all of us. Especially in today's changing world, ensuring that every family has food on their table, no matter what financial circumstances beset them, is of utmost importance. I urge all Members of this House to vote in favor of this bill and especially support the efforts to guarantee a decent meal to every family in Puerto Rico and in the Nation. I am very thankful that this Farm Bill assures this for every American.

Mr. STENHOLM. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in part A of House Report 107–226, modified by the amendment printed in part

B of that report, is considered as an original bill for the purpose of amendment and is considered read.

The text of the amendment in the nature of a substitute, as modified, is as follows:

Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Farm Security Act of 2001''.

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

TITLE I—COMMODITY PROGRAMS

SEC. 100. DEFINITIONS.

In this title (other than chapter 3 of subtitle C):

(1) AGRICULTURAL ACT OF 1949.—The term ''Agricultural Act of 1949'' means the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), as in effect prior to the suspensions under section 171 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301).

(2) BASE ACRES.—The term ''base acres'', with respect to a covered commodity on a farm, means the number of acres established under section 103 with respect to the commodity upon the election made by the producers on the farm under subsection (a) of such section.

(3) COUNTER-CYCLICAL PAYMENT.—The term ''counter-cyclical payment'' means a payment made to producers under section 105.

(4) COVERED COMMODITY.—The term ''covered commodity'' means wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, and other oilseeds.

(5) EFFECTIVE PRICE.—The term ''effective price'', with respect to a covered commodity for a crop year, means the price calculated by the Secretary under section 105 to determine whether counter-cyclical payments are required to be made for that crop year.

(6) ELIGIBLE PRODUCER.—The term ''eligible producer'' means a producer described in section 101(a).

(7) FIXED, DECOUPLED PAYMENT.—The term ''fixed, decoupled payment'' means a payment made to producers under section 104.

(8) OTHER OILSEED.—The term ''other oilseed'' means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, another oilseed.

(9) PAYMENT ACRES.—The term ''payment acres'' means 85 percent of the base acres of a covered commodity on a farm, as established under section 103, upon which fixed, decoupled payments and counter-cyclical payments are to be made.

(10) PAYMENT YIELD.—The term ''payment yield'' means the yield established under section 102 for a farm for a covered commodity.

(11) PRODUCER.—The term ''producer'' means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced. In determining whether a grower of hybrid seed is a producer, the Secretary shall not take into consideration the existence of a hybrid seed contract and shall ensure that program requirements do not adversely affect the ability of the grower to receive a payment under this title.

(12) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(13) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(14) TARGET PRICE.—The term ''target price'' means the price per bushel (or other appropriate unit in the case of upland cotton, rice, and other oilseeds) of a covered commodity used to determine the payment rate for counter-cyclical payments.

(15) UNITED STATES.—The term ''United States'', when used in a geographical sense, means all of the States.

Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments

SEC. 101. PAYMENTS TO ELIGIBLE PRODUCERS.

(a) PAYMENTS REQUIRED.—Beginning with the 2002 crop of covered commodities, the Secretary shall make fixed decoupled payments and counter-cyclical payments under this subtitle—

(1) to producers on a farm that were parties to a production flexibility contract under section 111 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211) for fiscal year 2002; and

(2) to other producers on farms in the United States as described in section 103(a).

(b) TENANTS AND SHARECROPPERS.—In carrying out this title, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(c) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of fixed, decoupled payments and counter-cyclical payments among the eligible producers on a farm on a fair and equitable basis.

SEC. 102. ESTABLISHMENT OF PAYMENT YIELD.

(a) ESTABLISHMENT AND PURPOSE.—For the purpose of making fixed decoupled payments and counter-cyclical payments under this subtitle, the Secretary shall provide for the establishment of a payment yield for each farm for each covered commodity in accordance with this section.

(b) USE OF FARM PROGRAM PAYMENT YIELD.—Except as otherwise provided in this section, the payment yield for each of the 2002 through 2011 crops of a covered commodity for a farm shall be the farm program payment yield in effect for the 2002 crop of the covered commodity under section 505 of the Agricultural Act of 1949 (7 U.S.C. 1465).

(c) FARMS WITHOUT FARM PROGRAM PAYMENT YIELD.—In the case of a farm for which a farm program payment yield is unavailable for a covered commodity (other than soybeans or other oilseeds), the Secretary shall establish an appropriate payment yield for the covered commodity on the farm taking in consideration the farm program payment yields applicable to the commodity under subsection (b) for similar farms in the area.

(d) PAYMENT YIELDS FOR OILSEEDS.—

(1) DETERMINATION OF AVERAGE YIELD.—In the case of soybeans and each other oilseed, the Secretary shall determine the average yield for the oilseed on a farm for the 1998 through 2001 crop years, excluding any crop year in which the acreage planted to the oilseed was zero. If, for any of these four crop years in which the oilseed was planted, the farm would have satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (Public Law 105–277; 7 U.S.C. 1421 note), the Secretary shall assign a yield for that year equal to 65 percent of the county yield.

(2) ADJUSTMENT FOR PAYMENT YIELD.—The payment yield for a farm for an oilseed shall be equal to the product of the following:

(A) The average yield for the oilseed determined under paragraph (1).

(B) The ratio resulting from dividing the national average yield for the oilseed for the 1981 through 1985 crops by the national average yield for the oilseed for the 1998 through 2001 crops.

SEC. 103. ESTABLISHMENT OF BASE ACRES AND PAYMENT ACRES FOR A FARM.

(a) ELECTION BY PRODUCERS OF BASE ACRE CALCULATION METHOD.—For the purpose of making fixed decoupled payments and counter-cyclical payments with respect to a farm, the Secretary shall give producers on the farm an opportunity to elect one of the following as the method by which the base acres of all covered commodities on the farm are to be determined:

(1) The four-year average of acreage actually planted on the farm to a covered commodity for harvest, grazing, haying, silage, or other similar purposes during crop years 1998, 1999, 2000, and 2001 and any acreage on the farm that the producers were prevented from planting during such crop years to the covered commodity because of drought, flood, or other natural disaster, or other condition beyond the control of the producer, as determined by the Secretary.

(2) The contract acreage (as defined in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202)) used by the Secretary to calculate the fiscal year 2002 payment that, subject to section 109, would be made under section 114 of such Act (7 U.S.C. 7214) for the covered commodity on the farm.

(b) SINGLE ELECTION; TIME FOR ELECTION.—The opportunity to make the election described in subsection (a) shall be available to producers on a farm only once. The producers shall notify the Secretary of the election made by the producers under such subsection not later than 180 days after the date of the enactment of this Act.

(c) EFFECT OF FAILURE TO MAKE ELECTION.—If the producers on a farm fail to make the election under subsection (a), or fail to timely notify the Secretary of the selected option as required by subsection (b), the producers shall be deemed to have made the election described in subsection (a)(2) to determine base acres for all covered commodities on the farm.

(d) APPLICATION OF ELECTION TO ALL COVERED COMMODITIES.—The election made under subsection (a) or deemed to be made under subsection (c) with respect to a farm shall apply to all of the covered commodities on the farm. Producers may not make the election described in subsection (a)(1) for one

covered commodity and the election described in subsection (a)(2) for other covered commodities on the farm.

(e) TREATMENT OF CONSERVATION RESERVE CONTRACT ACREAGE.—

(1) IN GENERAL.—In the case of producers on a farm that make the election described in subsection (a)(2), the Secretary shall provide for an adjustment in the base acres for the farm whenever either of the following circumstances occur:

(A) A conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) with respect to the farm expires or is voluntarily terminated.

(B) Cropland is released from coverage under a conservation reserve contract by the Secretary.

(2) SPECIAL PAYMENT RULES.—For the fiscal year and crop year in which a base acre adjustment under paragraph (1) is first made, the producers on the farm shall elect to receive either fixed decoupled payments and counter-cyclical payments with respect to the acreage added to the farm under this subsection or a prorated payment under the conservation reserve contract, but not both.

(f) PAYMENT ACRES.—The payment acres for a covered commodity on a farm shall be equal to 85 percent of the base acres for the commodity.

(g) PREVENTION OF EXCESS BASE ACRES.—

(1) REQUIRED REDUCTION.—If the sum of the base acres for a farm, together with the acreage described in paragraph (2), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of base acres for one or more covered commodities for the farm or peanut acres for the farm as necessary so that the sum of the base acres and acreage described in paragraph (2) does not exceed the actual cropland acreage of the farm. The Secretary shall give the producers on the farm the opportunity to select the base acres or peanut acres against which the reduction will be made.

(2) OTHER ACREAGE.—For purposes of paragraph (1), the Secretary shall include the following:

(A) Any peanut acres for the farm under chapter 3 of subtitle C.

(B) Any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.).

(C) Any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(3) EXCEPTION FOR DOUBLE-CROPPED ACREAGE.—In applying paragraph (1), the Secretary shall make an exception in the case of double cropping, as determined by the Secretary.

SEC. 104. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS.

(a) PAYMENT REQUIRED.—For each of the 2002 through 2011 crop years of each covered commodity, the Secretary shall make fixed, decoupled payments to eligible producers.

(b) PAYMENT RATE.—The payment rates used to make fixed, decoupled payments with respect to covered commodities for a crop year are as follows:

(1) Wheat, $0.53 per bushel.
(2) Corn, $0.30 per bushel.
(3) Grain sorghum, $0.36 per bushel.
(4) Barley, $0.25 per bushel.
(5) Oats, $0.025 per bushel.
(6) Upland cotton, $0.0667 per pound.
(7) Rice, $2.35 per hundredweight.
(8) Soybeans, $0.42 per bushel.
(9) Other oilseeds, $0.0074 per pound.

(c) PAYMENT AMOUNT.—The amount of the fixed, decoupled payment to be paid to the eligible producers on a farm for a covered commodity for a crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (b).

(2) The payment acres of the covered commodity on the farm.

(3) The payment yield for the covered commodity for the farm.

(d) TIME FOR PAYMENT.—

(1) GENERAL RULE.—Fixed, decoupled payments shall be paid not later than September 30 of each of fiscal years 2002 through 2011. In the case of the 2002 crop, payments may begin to be made on or after December 1, 2001.

(2) ADVANCE PAYMENTS.—At the option of an eligible producer, 50 percent of the fixed, decoupled payment for a fiscal year shall be paid on a date selected by the producer. The selected date shall be on or after December 1 of that fiscal year, and the producer may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

(3) REPAYMENT OF ADVANCE PAYMENTS.—If a producer that receives an advance fixed, decoupled payment for a fiscal year ceases to be an eligible producer before the date the fixed, decoupled payment would otherwise have been made by the Secretary under paragraph (1), the producer shall be responsible for repaying the Secretary the full amount of the advance payment.

SEC. 105. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS.

(a) PAYMENT REQUIRED.—The Secretary shall make counter-cyclical payments with respect to a covered commodity whenever the Secretary determines that the effective price for the commodity is less than the target price for the commodity.

(b) EFFECTIVE PRICE.—For purposes of subsection (a), the effective price for a covered commodity is equal to the sum of the following:

(1) The higher of the following:

(A) The national average market price received by producers during the 12-month marketing year for the commodity, as determined by the Secretary.

(B) The national average loan rate for a marketing assistance loan for the covered commodity in effect for the same period under subtitle B.

(2) The payment rate in effect for the covered commodity under section 104 for the purpose of making fixed, decoupled payments with respect to the commodity.

(c) TARGET PRICE.—For purposes of subsection (a), the target prices for covered commodities are as follows:

(1) Wheat, $4.04 per bushel.
(2) Corn, $2.78 per bushel.
(3) Grain sorghum, $2.64 per bushel.
(4) Barley, $2.39 per bushel.
(5) Oats, $1.47 per bushel.
(6) Upland cotton, $0.736 per pound.
(7) Rice, $10.82 per hundredweight.
(8) Soybeans, $5.86 per bushel.
(9) Other oilseeds, $0.1036 per pound.

(d) PAYMENT RATE.—The payment rate used to make counter-cyclical payments with respect to a covered commodity for a crop year shall be equal to the difference between—

(1) the target price for the commodity; and

(2) the effective price determined under subsection (b) for the commodity.

(e) PAYMENT AMOUNT.—The amount of the counter-cyclical payment to be paid to the eligible producers on a farm for a covered commodity for a crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (d).

(2) The payment acres of the covered commodity on the farm.

(3) The payment yield for the covered commodity for the farm.

(f) TIME FOR PAYMENTS.—

(1) GENERAL RULE.—The Secretary shall make counter-cyclical payments under this section for a crop of a covered commodity as soon as possible after determining under subsection (a) that such payments are required for that crop year.

(2) PARTIAL PAYMENT.—The Secretary may permit, and, if so permitted, an eligible producer may elect to receive, up to 40 percent of the projected counter-cyclical payment, as determined by the Secretary, to be made under this section for a crop of a covered commodity upon completion of the first six months of the marketing year for that crop. The producer shall repay to the Secretary the amount, if any, by which the partial payment exceeds the actual counter-cyclical payment to be made for that marketing year.

(g) SPECIAL RULE FOR CURRENTLY UNDESIGNATED OILSEED.—If the Secretary uses the authority under section 100(8) to designate another oilseed as an oilseed for which counter-cyclical payments may be made, the Secretary may modify the target price specified in subsection (c)(9) that would otherwise apply to that oilseed as the Secretary considers appropriate.

(h) SPECIAL RULE FOR BARLEY USED ONLY FOR FEED PURPOSES.—For purposes of calculating the effective price for barley under subsection (b), the Secretary shall use the loan rate in effect for barley under section 122(b)(3), except, in the case of producers who received the higher loan rate provided under such section for barley used only for feed purposes, the Secretary shall use that higher loan rate.

SEC. 106. PRODUCER AGREEMENT REQUIRED AS CONDITION ON PROVISION OF FIXED, DECOUPLED PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

(1) REQUIREMENTS.—Before the producers on a farm may receive fixed, decoupled payments or counter-cyclical payments with respect to the farm, the producers shall agree, in exchange for the payments—

(A) to comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

(B) to comply with applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.);

(C) to comply with the planting flexibility requirements of section 107; and

(D) to use the land on the farm, in an amount equal to the base acres, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary.

(2) COMPLIANCE.—The Secretary may issue such rules as the Secretary considers necessary to ensure producer compliance with the requirements of paragraph (1).

(b) EFFECT OF FORECLOSURE.—A producer may not be required to make repayments to the Secretary of fixed, decoupled payments and counter-cyclical payments if the farm has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate to provide fair and equitable treatment. This subsection shall not void the

responsibilities of the producer under subsection (a) if the producer continues or resumes operation, or control, of the farm. On the resumption of operation or control over the farm by the producer, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

(c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

(1) TERMINATION.—Except as provided in paragraph (4), a transfer of (or change in) the interest of a producer in base acres for which fixed, decoupled payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the base acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a). The termination shall be effective on the date of the transfer or change.

(2) TRANSFER OF PAYMENT BASE.—There is no restriction on the transfer of a farm's base acres or payment yield as part of a change in the producers on the farm.

(3) MODIFICATION.—At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the objectives of such subsection, as determined by the Secretary.

(4) EXCEPTION.—If a producer entitled to a fixed, decoupled payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

(d) ACREAGE REPORTS.—

(1) IN GENERAL.—As a condition on the receipt of any benefits under this subtitle or subtitle B, the Secretary shall require producers to submit to the Secretary acreage reports.

(2) CONFORMING AMENDMENT.—Section 15 of the Agricultural Marketing Act (12 U.S.C. 1141j) is amended by striking subsection (d).

(e) REVIEW.—A determination of the Secretary under this section shall be considered to be an adverse decision for purposes of the availability of administrative review of the determination.

SEC. 107. PLANTING FLEXIBILITY.

(a) PERMITTED CROPS.—Subject to subsection (b), any commodity or crop may be planted on base acres on a farm.

(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on base acres:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) Wild rice.

(2) EXCEPTIONS.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in such paragraph—

(A) in any region in which there is a history of double-cropping of covered commodities with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on base acres, except that fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such an agricultural commodity; or

(C) by a producer who the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

(i) the quantity planted may not exceed the producer's average annual planting history of such agricultural commodity in the 1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(ii) fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such agricultural commodity.

SEC. 108. RELATION TO REMAINING PAYMENT AUTHORITY UNDER PRODUCTION FLEXIBILITY CONTRACTS.

(a) TERMINATION OF SUPERSEDED PAYMENT AUTHORITY.—Notwithstanding section 113(a)(7) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7213(a)(7)) or any other provision of law, the Secretary shall not make payments for fiscal year 2002 after the date of the enactment of this Act under production flexibility contracts entered into under section 111 of such Act (7 U.S.C. 7211).

(b) CONTRACT PAYMENTS MADE BEFORE ENACTMENT.—If, on or before the date of the enactment of this Act, a producer receives all or any portion of the payment authorized for fiscal year 2002 under a production flexibility contract, the Secretary shall reduce the amount of the fixed, decoupled payment otherwise due the producer for that same fiscal year by the amount of the fiscal year 2002 payment previously received by the producer.

SEC. 109. PAYMENT LIMITATIONS.

Sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3) shall apply to fixed, decoupled payments and counter-cyclical payments.

SEC. 110. PERIOD OF EFFECTIVENESS.

This subtitle shall be effective beginning with the 2002 crop year of each covered commodity through the 2011 crop year.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

SEC. 121. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR COVERED COMMODITIES.

(a) NONRECOURSE LOANS AVAILABLE.—

(1) AVAILABILITY.—For each of the 2002 through 2011 crops of each covered commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for covered commodities produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under section 122 for the covered commodity.

(2) INCLUSION OF EXTRA LONG STAPLE COTTON.—In this subtitle, the term ''covered commodity'' includes extra long staple cotton.

(b) ELIGIBLE PRODUCTION.—Any production of a covered commodity on a farm shall be eligible for a marketing assistance loan under subsection (a).

(c) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this subtitle, the Secretary shall make loans to a producer that is otherwise eligible to obtain a marketing assistance loan, but for the fact the covered commodity owned by the producer is commingled with covered commodities of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the producer obtaining the loan agrees to immediately redeem the loan collateral in accordance with section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286).

(d) COMPLIANCE WITH CONSERVATION AND WETLANDS REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.) during the term of the loan.

(e) DEFINITION OF EXTRA LONG STAPLE COTTON.—In this subtitle, the term ''extra long staple cotton'' means cotton that—

(1) is produced from pure strain varieties of the Barbadense species or any hybrid thereof, or other similar types of extra long staple cotton, designated by the Secretary, having characteristics needed for various end uses for which United States upland cotton is not suitable and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties or types; and

(2) is ginned on a roller-type gin or, if authorized by the Secretary, ginned on another type gin for experimental purposes.

(f) TERMINATION OF SUPERSEDED LOAN AUTHORITY.—Notwithstanding section 131 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231), nonrecourse marketing assistance loans shall not be made for the 2002 crop of covered commodities under subtitle C of title I of such Act.

SEC. 122. LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.

(a) WHEAT.—

(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for wheat shall be—

(A) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding five crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $2.58 per bushel.

(2) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(A) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(B) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(b) FEED GRAINS.—

(1) LOAN RATE FOR CORN AND GRAIN SORGHUM.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for corn and grain sorghum shall be—

(A) not less than 85 percent of the simple average price received by producers of corn or grain sorghum, respectively, as determined by the Secretary, during the marketing years for the immediately preceding five crops of the covered commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $1.89 per bushel.

(2) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn or grain sorghum to total use for the marketing year will be—

(A) equal to or greater than 25 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 10 percent in any year;

(B) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 12.5 percent, the Secretary may not reduce the loan rate for the covered commodity for the corresponding crop.

(3) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan under section 121 for barley and oats shall be—

(A) established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn; but

(B) not more than—

(i) $1.65 per bushel for barley, except not more than $1.70 per bushel for barley used only for feed purposes, as determined by the Secretary; and

(ii) $1.21 per bushel for oats.

(c) UPLAND COTTON.—

(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(A) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during three years of the five-year period ending July 31 of the year preceding the year in which the crop is planted, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(B) 90 percent of the average, for the 15-week period beginning July 1 of the year preceding the year in which the crop is planted, of the five lowest-priced growths of the growths quoted for Middling 1 3/32-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year preceding the year in which the crop is planted between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(2) LIMITATIONS.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

(d) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan under section 121 for extra long staple cotton shall be—

(1) not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during three years of the five-year period ending July 31 of the year preceding the year in which the crop is planted, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(2) not more than $0.7965 per pound.

(e) RICE.—The loan rate for a marketing assistance loan under section 121 for rice shall be $6.50 per hundredweight.

(f) OILSEEDS.—

(1) SOYBEANS.—The loan rate for a marketing assistance loan under section 121 for soybeans shall be—

(A) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding five crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $4.92 per bushel.

(2) OTHER OILSEEDS.—The loan rate for a marketing assistance loan under section 121 for other oilseeds shall be—

(A) not less than 85 percent of the simple average price received by producers of the other oilseed, as determined by the Secretary, during the marketing years for the immediately preceding five crops of the other oilseed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.087 per pound.

SEC. 123. TERM OF LOANS.

(a) TERM OF LOAN.—In the case of each covered commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under section 121 shall have a term of nine months beginning on the first day of the first month after the month in which the loan is made.

(b) SPECIAL RULE FOR COTTON.—A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the month in which the loan is made.

(c) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan for any covered commodity.

SEC. 124. REPAYMENT OF LOANS.

(a) REPAYMENT RATES FOR WHEAT, FEED GRAINS, AND OILSEEDS.—The Secretary shall permit a producer to repay a marketing assistance loan under section 121 for wheat, corn, grain sorghum, barley, oats, and oilseeds at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodity by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodity; and

(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally.

(b) REPAYMENT RATES FOR UPLAND COTTON AND RICE.—The Secretary shall permit producers to repay a marketing assistance loan under section 121 for upland cotton and rice at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary); or

(2) the prevailing world market price for the commodity (adjusted to United States quality and location), as determined by the Secretary.

(c) REPAYMENT RATES FOR EXTRA LONG STAPLE COTTON.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary).

(d) PREVAILING WORLD MARKET PRICE.—For purposes of this section and section 127, the Secretary shall prescribe by regulation—

(1) a formula to determine the prevailing world market price for each covered commodity, adjusted to United States quality and location; and

(2) a mechanism by which the Secretary shall announce periodically the prevailing world market price for each covered commodity.

(e) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—

(1) IN GENERAL.—During the period beginning on the date of the enactment of this Act and ending July 31, 2012, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under subsection (d) shall be further adjusted if—

(A) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under section 122, as determined by the Secretary; and

(B) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) 1 3/32-inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe (referred to in this section as the ''Northern Europe price'').

(2) FURTHER ADJUSTMENT.—Except as provided in paragraph (3), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:

(A) The United States share of world exports.

(B) The current level of cotton export sales and cotton export shipments.

(C) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(3) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under paragraph (2) may not exceed the difference between—

(A) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling 1 3/32-inch cotton delivered C.I.F. Northern Europe; and

(B) the Northern Europe price.

(f) TIME FOR FIXING REPAYMENT RATE.—In the case of a producer that marketed or otherwise lost beneficial interest in a covered commodity before repaying the marketing assistance loan made under section 121 with respect to the commodity, the Secretary shall permit the producer to repay the loan at the lowest repayment rate that was in effect for that covered commodity under this section as of the date that the producer lost beneficial interest, as determined by the Secretary.

SEC. 125. LOAN DEFICIENCY PAYMENTS.

(a) AVAILABILITY OF LOAN DEFICIENCY PAYMENTS.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to producers who, although eligible to obtain a marketing assistance loan under section 121 with respect to a covered commodity, agree to forgo obtaining the loan for the commodity in return for payments under this section.

(b) COMPUTATION.—A loan deficiency payment under this section shall be computed by multiplying—

(1) the loan payment rate determined under subsection (c) for the covered commodity; by

(2) the quantity of the covered commodity produced by the eligible producers, excluding any quantity for which the producers obtain a loan under section 121.

(c) LOAN PAYMENT RATE.—For purposes of this section, the loan payment rate shall be the amount by which—

(1) the loan rate established under section 122 for the covered commodity; exceeds

(2) the rate at which a loan for the commodity may be repaid under section 124.

(d) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This section shall not apply with respect to extra long staple cotton.

(e) TIME FOR PAYMENT.—The Secretary shall make a payment under this section to a producer with respect to a quantity of a covered commodity as of the earlier of the following:

(1) The date on which the producer marketed or otherwise lost beneficial interest in the commodity, as determined by the Secretary.

(2) The date the producer requests the payment.

(f) CONTINUATION OF SPECIAL LDP RULE FOR 2001CROP YEAR.—Section 135(a)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(a)(2)) is amended by striking ''2000 crop year'' and inserting ''2000 and 2001 crop years''.

SEC. 126. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

(a) ELIGIBLE PRODUCERS.—Effective for the 2002 through 2011 crop years, in the case of a producer that would be eligible for a loan deficiency payment under section 125 for wheat, barley, or oats, but that elects to use acreage planted to the wheat, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of the wheat, barley, or oats on that acreage.

(b) PAYMENT AMOUNT.—The amount of a payment made to a producer on a farm under this section shall be equal to the amount determined by multiplying—

(1) the loan deficiency payment rate determined under section 125(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

(2) the payment quantity determined by multiplying—

(A) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of wheat, barley, or oats; and

(B) the payment yield for that covered commodity on the farm.

(c) TIME, MANNER, AND AVAILABILITY OF PAYMENT.—

(1) TIME AND MANNER.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 125.

(2) AVAILABILITY.—The Secretary shall establish an availability period for the payment authorized by this section that is consistent with the availability period for wheat, barley, and oats established by the Secretary for marketing assistance loans authorized by this subtitle.

(d) PROHIBITION ON CROP INSURANCE OR NONINSURED CROP ASSISTANCE.—A 2002 through 2011 crop of wheat, barley, or oats planted on acreage that a producer elects, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

SEC. 127. SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.

(a) COTTON USER MARKETING CERTIFICATES.—

(1) ISSUANCE.—During the period beginning on the date of the enactment of this Act and ending July 31, 2012, the Secretary shall issue marketing certificates or cash payments, at the option of the recipient, to domestic users and exporters for documented purchases by domestic users and sales for export by exporters made in the week following a consecutive four-week period in which—

(A) the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price by more than 1.25 cents per pound; and

(B) the prevailing world market price for upland cotton (adjusted to United States quality and location) does not exceed 134 percent of the loan rate for upland cotton established under section 122.

(2) VALUE OF CERTIFICATES OR PAYMENTS.—The value of the marketing certificates or cash payments shall be based on the amount of the difference (reduced by 1.25 cents per pound) in the prices during the fourth week of the consecutive four-week period multiplied by the quantity of upland cotton included in the documented sales.

(3) ADMINISTRATION OF MARKETING CERTIFICATES.—

(A) REDEMPTION, MARKETING, OR EXCHANGE.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton. Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subsection.

(B) DESIGNATION OF COMMODITIES AND PRODUCTS.—To the extent practicable, the Secretary shall permit owners of certificates to designate the commodities and products, including storage sites, the owners would prefer to receive in exchange for certificates

(C) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations issued by the Secretary.

(b) SPECIAL IMPORT QUOTA.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—The President shall carry out an import quota program during the period beginning on the date of the enactment of this Act and ending July 31, 2012, as provided in this subsection.

(B) PROGRAM REQUIREMENTS.—Except as provided in subparagraph (C), whenever the Secretary determines and announces that for any consecutive four-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

(C) TIGHT DOMESTIC SUPPLY.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, for the value of any certificates issued under subsection (a).

(D) SEASON-ENDING UNITED STATES STOCKS-TO-USE RATIO.—For the purposes of making estimates under subparagraph (C), the Secretary shall, on a monthly basis, estimate and report the season-ending United States upland cotton stocks-to-use ratio, excluding projected raw cotton imports but including the quantity of raw cotton that has been imported into the United States during the marketing year.

(2) QUANTITY.—The quota shall be equal to one week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent three months for which data are available.

(3) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under paragraph (1) and entered into the United States not later than 180 days after the date.

(4) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by paragraph (1), except that a special quota period may not be established under this subsection if a quota period has been established under subsection (c).

(5) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

(A) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(B) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(C) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(D) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(6) DEFINITION.—In this subsection, the term ''special import quota'' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(7) LIMITATION.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of five week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the three months immediately preceding the first special import quota established in any marketing year.

(c) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND COTTON.—

(1) IN GENERAL.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available.

(B) QUANTITY IF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) DEFINITIONS.—In this subsection:

(i) SUPPLY.—The term ''supply'' means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(II) production of the current crop; and

(III) imports to the latest date available during the marketing year.

(ii) DEMAND.—The term ''demand'' means—

(I) the average seasonally adjusted annual rate of domestic mill consumption during the most recent three months for which data are available; and

(II) the larger of—

(aa) average exports of upland cotton during the preceding six marketing years; or

(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

(iii) LIMITED GLOBAL IMPORT QUOTA.—The term ''limited global import quota'' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(E) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(2) NO OVERLAP.—Notwithstanding paragraph (1), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (b).

SEC. 128. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON.

(a) COMPETITIVENESS PROGRAM.—Notwithstanding any other provision of law, during the period beginning on the date of the enactment of this Act and ending on July 31, 2012, the Secretary shall carry out a program to maintain and expand the domestic use of extra long staple cotton produced in the United States, to increase exports of extra long staple cotton produced in the United States, and to ensure that extra long staple cotton produced in the United States remains competitive in world markets.

(b) PAYMENTS UNDER PROGRAM; TRIGGER.—Under the program, the Secretary shall make payments available under this section whenever—

(1) for a consecutive four-week period, the world market price for the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is below the prevailing United States price for a competing growth of extra long staple cotton; and

(2) the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is less than 134 percent of the loan rate for extra long staple cotton.

(c) ELIGIBLE RECIPIENTS.—The Secretary shall make payments available under this section to domestic users of extra long staple cotton produced in the United States and exporters of extra long staple cotton produced in the United States who enter into an agreement with the Commodity Credit Corporation to participate in the program under this section.

(d) PAYMENT AMOUNT.—Payments under this section shall be based on the amount of the difference in the prices referred to in subsection (b)(1) during the fourth week of the consecutive four-week period multiplied by the amount of documented purchases by domestic users and sales for export by exporters made in the week following such a consecutive four-week period.

(e) FORM OF PAYMENT.—Payments under this section shall be made through the issuance of cash or marketing certificates, at the option of eligible recipients of the payments.

SEC. 129. AVAILABILITY OF RECOURSE LOANS FOR HIGH MOISTURE FEED GRAINS AND SEED COTTON AND OTHER FIBERS.

(a) HIGH MOISTURE FEED GRAINS.—

(1) RECOURSE LOANS AVAILABLE.—For each of the 2002 through 2011 crops of corn and grain sorghum, the Secretary shall make available recourse loans, as determined by the Secretary, to producers on a farm who—

(A) normally harvest all or a portion of their crop of corn or grain sorghum in a high moisture state;

(B) present—

(i) certified scale tickets from an inspected, certified commercial scale, including a licensed warehouse, feedlot, feed mill, distillery, or other similar entity approved by the Secretary, pursuant to regulations issued by the Secretary; or

(ii) field or other physical measurements of the standing or stored crop in regions of the United States, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

(C) certify that they were the owners of the feed grain at the time of delivery to, and that the quantity to be placed under loan under this subsection was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to a facility maintained by the users of corn and grain sorghum in a high moisture state; and

(D) comply with deadlines established by the Secretary for harvesting the corn or grain sorghum and submit applications for loans under this subsection within deadlines established by the Secretary.

(2) ELIGIBILITY OF ACQUIRED FEED GRAINS.—A loan under this subsection shall be made on a quantity of corn or grain sorghum of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

(A) the acreage of the corn or grain sorghum in a high moisture state harvested on the producer's farm; by

(B) the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which the corn or grain sorghum was obtained.

(3) HIGH MOISTURE STATE DEFINED.—In this subsection, the term ''high moisture state'' means corn or grain sorghum having a moisture content in excess of Commodity Credit Corporation standards for marketing assistance loans made by the Secretary under section 121.

(b) RECOURSE LOANS AVAILABLE FOR SEED COTTON.—For each of the 2002 through 2011 crops of upland cotton and extra long staple cotton, the Secretary shall make available recourse seed cotton loans, as determined by the Secretary, on any production.

(c) REPAYMENT RATES.—Repayment of a recourse loan made under this section shall be at the loan rate established for the commodity by the Secretary, plus interest (as determined by the Secretary).

(d) TERMINATION OF SUPERSEDED LOAN AUTHORITY.—Notwithstanding section 137 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7237), recourse loans shall not be made for the 2002 crop of corn, grain sorghum, and seed cotton under such section.

SEC. 130. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR WOOL AND MOHAIR.

(a) NONRECOURSE LOANS AVAILABLE.—During the 2002 through 2011 marketing years for wool and mohair, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for wool and mohair produced on the farm during that marketing year.

(b) LOAN RATE.—The loan rate for a loan under subsection (a) shall be not more than—

(1) $1.00 per pound for graded wool;

(2) $0.40 per pound for nongraded wool; and

(3) $4.20 per pound for mohair.

(c) TERM OF LOAN.—A loan under subsection (a) shall have a term of one year beginning on the first day of the first month after the month in which the loan is made.

(d) REPAYMENT RATES.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wool or mohair at a rate that is the lesser of—

(1) the loan rate established for the commodity under subsection (b), plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodity by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodity; and

(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to producers that, although eligible to obtain a marketing assistance loan under this section, agree to forgo obtaining the loan in return for payments under this section.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the loan payment rate in effect under paragraph (3) for the commodity; by

(B) the quantity of the commodity produced by the eligible producers, excluding

any quantity for which the producers obtain a loan under this subsection.

(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate for wool or mohair shall be the amount by which—

(A) the loan rate in effect for the commodity under subsection (b); exceeds

(B) the rate at which a loan for the commodity may be repaid under subsection (d).

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to a producer with respect to a quantity of a wool or mohair as of the earlier of the following:

(A) The date on which the producer marketed or otherwise lost beneficial interest in the wool or mohair, as determined by the Secretary.

(B) The date the producer requests the payment.

(f) LIMITATIONS.—The marketing assistance loan gains and loan deficiency payments that a person may receive for wool and mohair under this section shall be subject to a separate payment limitation, but in the same dollar amount, as the payment limitation that applies to marketing assistance loans and loan deficiency payments received by producers of other agricultural commodities in the same marketing year.

SEC. 131. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR HONEY.

(a) NONRECOURSE LOANS AVAILABLE.—During the 2002 through 2011 crop years for honey, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for honey produced on the farm during that crop year.

(b) LOAN RATE.—The loan rate for a marketing assistance loan for honey under subsection (a) shall be equal to $0.60 cents per pound.

(c) TERM OF LOAN.—A marketing assistance loan under subsection (a) shall have a term of one year beginning on the first day of the first month after the month in which the loan is made.

(d) REPAYMENT RATES.—The Secretary shall permit a producer to repay a marketing assistance loan for honey under subsection (a) at a rate that is the lesser of—

(1) the loan rate for honey, plus interest (as determined by the Secretary); or

(2) the prevailing domestic market price for honey, as determined by the Secretary.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to any producer of honey that, although eligible to obtain a marketing assistance loan under subsection (a), agrees to forgo obtaining the loan in return for a payment under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be determined by multiplying—

(A) the loan payment rate determined under paragraph (3); by

(B) the quantity of honey that the producer is eligible to place under loan, but for which the producer forgoes obtaining the loan in return for a payment under this subsection.

(3) LOAN PAYMENT RATE.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b); exceeds

(B) the rate at which a loan may be repaid under subsection (d).

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to a producer with respect to a quantity of a honey as of the earlier of the following:

(A) The date on which the producer marketed or otherwise lost beneficial interest in the honey, as determined by the Secretary.

(B) The date the producer requests the payment.

(f) LIMITATIONS.—The marketing assistance loan gains and loan deficiency payments that a person may receive for a crop of honey under this section shall be subject to a separate payment limitation, but in the same dollar amount, as the payment limitation that applies to marketing assistance loans and loan deficiency payments received by producers of other agricultural commodities in the same crop year.

(g) PREVENTION OF FORFEITURES.—The Secretary shall carry out this section in such a manner as to minimize forfeitures of honey marketing assistance loans.

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

SEC. 141. MILK PRICE SUPPORT PROGRAM.

(a) SUPPORT ACTIVITIES.—During the period beginning on January 1, 2002, and ending on December 31, 2011, the Secretary of Agriculture shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(b) RATE.—During the period specified in subsection (a), the price of milk shall be supported at a rate equal to $9.90 per hundredweight for milk containing 3.67 percent butterfat.

(c) PURCHASE PRICES.—The support purchase prices under this section for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under subsection (b).

(d) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK PURCHASE PRICES.—

(1) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. Not later than 10 days after making or changing an allocation, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation. Section 553 of title 5, United States Code, shall not apply with respect to the implementation of this section.

(2) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(e) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

SEC. 142. REPEAL OF RECOURSE LOAN PROGRAM FOR PROCESSORS.

Section 142 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7252) is repealed.

SEC. 143. EXTENSION OF DAIRY EXPORT INCENTIVE AND DAIRY INDEMNITY PROGRAMS.

(a) DAIRY EXPORT INCENTIVE PROGRAM.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14(a)) is amended by striking ''2002'' and inserting ''2011''.

(b) DAIRY INDEMNITY PROGRAM.—Section 3 of Public Law 90–484 (7 U.S.C. 450*l*) is amended by striking ''1995'' and inserting ''2011''.

SEC. 144. FLUID MILK PROMOTION.

(a) DEFINITION OF FLUID MILK PRODUCT.—Section 1999C of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402) is amended by striking paragraph (3) and inserting the following new paragraph:

''(3) FLUID MILK PRODUCT.—The term 'fluid milk product' has the meaning given such term—

''(A) in section 1000.15 of title 7, Code of Federal Regulations, subject to such amendments as may be made from time to time; or

''(B) in any successor regulation providing a definition of such term that is promulgated pursuant to the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.''.

(b) DEFINITION OF FLUID MILK PROCESSOR.—Section 1999C(4) of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402(4)) is amended by striking ''500,000'' and inserting ''3,000,000''.

(c) ELIMINATION OF ORDER TERMINATION DATE.—Section 1999O of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6414) is amended—

(1) by striking subsection (a); and

(2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively.

SEC. 145. DAIRY PRODUCT MANDATORY REPORTING.

Section 273(b)(1)(B) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637b(b)(1)(B)) is amended—

(1) by inserting ''and substantially identical products designated by the Secretary'' after ''dairy products'' the first place it appears; and

(2) by inserting ''and such substantially identical products'' after ''dairy products'' the second place it appears.

SEC. 146. FUNDING OF DAIRY PROMOTION AND RESEARCH PROGRAM.

(a) DEFINITIONS.—Section 111 of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4502) is amended—

(1) in subsection (k), by striking ''and'' at the end;

(2) in subsection (l), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(m) the term 'imported dairy product' means any dairy product that is imported into the United States, including dairy products imported into the United States in the form of—

''(1) milk, cream, and fresh and dried dairy products;

''(2) butter and butterfat mixtures;

''(3) cheese; and

''(4) casein and mixtures;

''(n) the term 'importer' means a person that imports an imported dairy product into the United States; and

''(o) the term 'Customs' means the United States Customs Service.''.

(b) REPRESENTATION OF IMPORTERS ON BOARD.—Section 113(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(b)) is amended—

(1) by inserting ''NATIONAL DAIRY PROMOTION AND RESEARCH BOARD.—'' after ''(b)'';

(2) by designating the first through ninth sentences as paragraphs (1) through (5) and paragraphs (7) through (10), respectively, and indenting the paragraphs appropriately;

(3) in paragraph (2) (as so designated), by striking ''Members'' and inserting ''Except as provided in paragraph (6), the members''; and

(4) by inserting after paragraph (5) (as so designated) the following:

''(6) IMPORTERS.—

''(A) REPRESENTATION.—The Secretary shall appoint not more than 2 members who represent importers of dairy products and are subject to assessments under the order, to reflect the proportion of domestic production and imports supplying the United States market, which shall be based on the Secretary's determination of the average volume of domestic production of dairy products proportionate to the average volume of imports of dairy products in the United States over the previous three years.

''(B) ADDITIONAL MEMBERS; NOMINATIONS.—The members appointed under this paragraph—

''(i) shall be in addition to the total number of members appointed under paragraph (2); and

''(ii) shall be appointed from nominations submitted by importers under such procedures as the Secretary determines to be appropriate.''.

(c) IMPORTER ASSESSMENT.—Section 113(g) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(g)) is amended—

(1) by inserting ''ASSESSMENTS.—'' after ''(g)'';

(2) by designating the first through fifth sentences as paragraphs (1) through (5), respectively, and indenting appropriately; and

(3) by adding at the end the following:

''(6) IMPORTERS.—

''(A) IN GENERAL.—The order shall provide that each importer of imported dairy products shall pay an assessment to the Board in the manner prescribed by the order.

''(B) TIME FOR PAYMENT.—The assessment on imported dairy products shall be paid by the importer to Customs at the time of the entry of the products into the United States and shall be remitted by Customs to the Board. For purposes of this subparagraph, entry of the products into the United States shall be deemed to have occurred when the products are released from custody of Customs and introduced into the stream of commerce within the United States. Importers include persons who hold title to foreign-produced dairy products immediately upon release by Customs, as well as persons who act on behalf of others, as agents, brokers, or consignees, to secure the release of dairy products from Customs and the introduction of the released dairy products into the stream of commerce.

''(C) RATE.—The rate of assessment on imported dairy products shall be determined in the same manner as the rate of assessment per hundredweight or the equivalent of milk.

''(D) VALUE OF PRODUCTS.—For the purpose of determining the assessment on imported dairy products under subparagraph (C), the value to be placed on imported dairy products shall be established by the Secretary in a fair and equitable manner.

''(E) USE OF ASSESSMENTS ON IMPORTED DAIRY PRODUCTS.—Assessments collected on imported dairy products shall not be used for foreign market promotion.''.

(d) RECORDS.—Section 113(k) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(k)) is amended in the first sentence by striking ''person receiving'' and inserting ''importer of imported dairy products, each person receiving''.

(e) IMPORTER ELIGIBILITY TO VOTE IN REFERENDUM.—Section 116(b) of the Dairy Promotion Stabilization Act of 1983 (7 U.S.C. 4507(b)) is amended—

(1) in the first sentence—

(A) by inserting after ''of producers'' the following: ''and importers''; and

(B) by inserting after ''the producers'' the following: ''and importers''; and

(2) in the second sentence, by inserting after ''commercial use'' the following: ''and importers voting in the referendum (who have been engaged in the importation of dairy products during the same representative period, as determined by the Secretary)''.

(f) CONFORMING AMENDMENTS TO REFLECT ADDITION OF IMPORTERS.—Section 110(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501(b)) is amended—

(1) in the first sentence—

(A) by inserting after ''commercial use'' the following: ''and on imported dairy products''; and

(B) by striking ''products produced in the United States.'' and inserting ''products.''; and

(2) in the second sentence, by inserting after ''produce milk'' the following: ''or the right of any person to import dairy products''.

CHAPTER 2—SUGAR

SEC. 151. SUGAR PROGRAM.

(a) CONTINUATION OF PROGRAM.—Subsection (i) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) is amended—

(1) by striking ''(other than subsection (f))''; and

(2) by striking ''2002 crops'' and inserting ''2011 crops''.

(b) TERMINATION OF MARKETING ASSESSMENT.—Effective as of October 1, 2001, subsection (f) of such section is repealed.

(c) LOAN RATE ADJUSTMENTS.—Subsection (c) of such section is amended—

(1) by striking ''REDUCTION IN LOAN RATES'' and inserting ''LOAN RATE ADJUSTMENTS''; and

(2) in paragraph (1)—

(A) by striking ''REDUCTION REQUIRED'' and inserting ''POSSIBLE REDUCTION''; and

(B) by striking ''shall'' and inserting ''may''.

(d) NOTIFICATION.—Subsection (e) of such section is amended by adding at the end the following new paragraph:

''(3) PREVENTION OF ONEROUS NOTIFICATION REQUIREMENTS.—The Secretary may not impose or enforce any prenotification or similar administrative requirement that has the effect of preventing a processor from choosing to forfeit the loan collateral upon the maturity of the loan.''.

(e) IN PROCESS SUGAR.—Such section is further amended by inserting after subsection (e) the following new subsection (f):

''(f) LOANS FOR IN-PROCESS SUGAR.—

''(1) AVAILABILITY; RATE.—The Secretary shall make nonrecourse loans available to processors of domestically grown sugarcane and sugar beets for in-process sugars and syrups derived from such crops. The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar, depending on the source material for the in-process sugars and syrups.

''(2) FURTHER PROCESSING UPON FORFEITURE.—As a condition on the forfeiture of in-process sugars and syrups serving as collateral for a loan under paragraph (1), the processor shall, within such reasonable time period as the Secretary may prescribe and at no cost to the Commodity Credit Corporation, convert the in-process sugars and syrups into raw cane sugar or refined beet sugar of acceptable grade and quality for sugars eligible for loans under subsection (a) or (b). Once the in-process sugars and syrups are fully processed into raw cane sugar or refined beet sugar, the processor shall transfer the sugar to the Corporation, which shall make a payment to the processor in an amount equal to the difference between the loan rate for raw cane sugar or refined beet sugar, whichever applies, and the loan rate the processor received under paragraph (1).

''(3) LOAN CONVERSION.—If the processor does not forfeit the collateral as described in paragraph (2), but instead further processes the in-process sugars and syrups into raw cane sugar or refined beet sugar and repays the loan on the in-process sugars and syrups, the processor may then obtain a loan under subsection (a) or (b) on the raw cane sugar or refined beet sugar, as appropriate.

''(4) DEFINITION.—In this subsection the term 'in-process sugars and syrups' does not include raw sugar, liquid sugar, invert sugar, invert syrup, or other finished products that are otherwise eligible for loans under subsection (a) or (b).''.

(f) ADMINISTRATION OF PROGRAM.—Such section is further amended by adding at the end the following new subsection:

''(j) AVOIDING FORFEITURES; CORPORATION INVENTORY DISPOSITION.—

''(1) NO COST.—To the maximum extent practicable, the Secretary shall operate the sugar program established under this section at no cost to the Federal Government by avoiding the forfeiture of sugar to the Commodity Credit Corporation.

''(2) INVENTORY DISPOSITION.—In support of the objective specified in paragraph (1), the Commodity Credit Corporation may accept bids for commodities in the inventory of the Corporation from (or otherwise make available such commodities, on appropriate terms and conditions, to) processors of sugarcane and processors of sugar beets (when the processors are acting in conjunction with the producers of the sugarcane or sugar beets processed by such processors) in return for the reduction of production of raw cane sugar or refined beet sugar, as appropriate. The authority provided under this paragraph is in addition to any authority of the Corporation under any other law.''.

(g) INFORMATION REPORTING.—Subsection (h) of such section is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively;

(2) by inserting after paragraph (1) the following new paragraphs:

''(2) DUTY OF PRODUCERS TO REPORT.—

''(A) PROPORTIONATE SHARE STATES.—The Secretary shall require a producer of sugarcane located in a State (other than Puerto Rico) in which there are in excess of 250 sugarcane producers to report, in the manner prescribed by the Secretary, the producer's sugarcane yields and acres planted to sugarcane.

''(B) OTHER STATES.—The Secretary may require producers of sugarcane or sugar beets not covered by paragraph (1) to report, in the manner prescribed by the Secretary, each producer's sugarcane or sugar beet yields and acres planted to sugarcane or sugar beets, respectively.

''(3) DUTY OF IMPORTERS TO REPORT.—The Secretary shall require an importer of sugars, syrups or molasses to be used for human consumption or to be used for the extraction of sugar for human consumption, except such sugars, syrups, or molasses that are within the quantities of tariff-rate quotas that are at the lower rate of duties, to report, in the manner prescribed by the Secretary, the quantities of such products imported and the sugar content or equivalent of such products.''; and

(3) in paragraph (5), as so redesignated, by striking ''paragraph (1)'' and inserting ''this subsection''.

(h) INTEREST RATE.—Section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283) is amended by adding at the end the following new sentence: ''For purposes of this section, raw cane sugar, refined beet sugar, and in process sugar eligible for a loan under section 156 shall not be considered an agricultural commodity.''.

SEC. 152. REAUTHORIZE PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT OF 1938 REGARDING SUGAR.

(a) INFORMATION REPORTING.—Section 359a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa) is repealed.

(b) ESTIMATES.—Section 359b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb) is amended:

(1) in the section heading—

(A) by inserting ''**FLEXIBLE**'' before ''**MARKETING**''; and

(B) by striking ''**AND CRYSTALLINE FRUCTOSE**'';

(2) in subsection (a)—

(A) in paragraph (1)—

(i) by striking ''Before'' and inserting ''Not later than August 1 before'';

(ii) by striking ''1992 through 1998'' and inserting ''2002 through 2011'';

(iii) in subparagraph (A), by striking ''(other than sugar'' and all that follows through ''stocks'';

(iv) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (E), respectively;

(v) by inserting after subparagraph (A) the following:

''(B) the quantity of sugar that would provide for reasonable carryover stocks;'';

(vi) in subparagraph (C), as so redesignated—

(I) by striking ''or'' and all that follows through ''beets''; and

(II) by striking the ''and'' following the semicolon;

(vii) by inserting after subparagraph (C), as so redesignated, the following:

''(D) the quantity of sugar that will be available from the domestic processing of sugarcane and sugar beets; and''; and

(viii) in subparagraph (E), as so redesignated—

(I) by striking ''quantity of sugar'' and inserting ''quantity of sugars, syrups, and molasses'';

(II) by inserting ''human'' after ''imported for'' the first place it appears;

(III) by inserting after ''consumption'' the first place it appears the following: ''or to be used for the extraction of sugar for human consumption'';

(IV) by striking ''year'' and inserting ''year, whether such articles are under a tariff-rate quota or are in excess or outside of a tariff rate quota''; and

(V) by striking ''(other than sugar'' and all that follows through ''carry-in stocks'';

(B) by redesignating paragraph (2) as paragraph (3);

(C) by inserting after paragraph (1) the following new paragraph:

''(2) EXCLUSION.—The estimates in this section shall not include sugar imported for the production of polyhydric alcohol or to be refined and re-exported in refined form or in sugar containing products.'';

(D) in paragraph (3), as so redesignated—

(i) by striking ''QUARTERLY REESTIMATES'' and inserting ''REESTIMATES''; and

(ii) by inserting ''as necessary, but'' after ''a fiscal year'';

(3) in subsection (b)—

(A) by striking paragraph (1) and inserting the following new paragraph:

''(1) IN GENERAL.—By the beginning of each fiscal year, the Secretary shall establish for that fiscal year appropriate allotments under section 359c for the marketing by processors of sugar processed from sugar beets and from domestically-produced sugarcane at a level that the Secretary estimates will result in no forfeitures of sugar to the Commodity Credit Corporation under the loan program for sugar.''; and

(B) in paragraph (2), by striking ''or crystalline fructose'';

(4) by striking subsection (c);

(5) by redesignating subsection (d) as subsection (c); and

(6) in subsection (c), as so redesignated—

(A) by striking paragraph (2);

(B) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(C) in paragraph (2), as so redesignated—

(i) by striking ''or manufacturer'' and all that follows through ''(2)''; and

(ii) by striking ''or crystalline fructose''.

(c) ESTABLISHMENT.—Section 359c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359cc) is amended—

(1) in the section heading by inserting ''**FLEXIBLE**'' after ''**OF**'';

(2) in subsection (a), by inserting ''flexible'' after ''establish'';

(3) in subsection (b)—

(A) in paragraph (1)(A), by striking ''1,250,000'' and inserting ''1,532,000''; and

(B) in paragraph (2), by striking ''to the maximum extent practicable'';

(4) by striking subsection (c) and inserting the following new subsection:

''(c) MARKETING ALLOTMENT FOR SUGAR DERIVED FROM SUGAR BEETS AND MARKETING ALLOTMENT FOR SUGAR DERIVED FROM SUGARCANE.—The overall allotment quantity for the fiscal year shall be allotted among—

''(1) sugar derived from sugar beets by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage of 54.35; and

''(2) sugar derived from sugarcane by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage of 45.65.'';

(5) by amending subsection (d) to read as follows:

''(d) FILLING CANE SUGAR AND BEET SUGAR ALLOTMENTS.—Each marketing allotment for cane sugar established under this section may only be filled with sugar processed from domestically grown sugarcane, and each marketing allotment for beet sugar established under this section may only be filled with sugar domestically processed from sugar beets.'';

(6) by striking subsection (e);

(7) by redesignating subsection (f) as subsection (e);

(8) in subsection (e), as so redesignated—

(A) by inserting ''(1) IN GENERAL.—'' before ''The allotment for sugar'' and indenting such paragraph appropriately;

(B) in such paragraph (1)—

(i) by striking ''the 5'' and inserting ''the'';

(ii) by inserting after ''sugarcane is produced,'' the following: ''after a hearing, if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe,'';

(iii) by striking ''on the basis of past marketings'' and all that follows through ''allotments'', and inserting ''as provided in this subsection and section 359d(a)(2)(A)(iv)''; and

(C) by inserting after paragraph (1) the following new paragraphs:

''(2) OFFSHORE ALLOTMENT.—

''(A) COLLECTIVELY.—Prior to the allotment of sugar derived from sugarcane to any other State, 325,000 short tons, raw value shall be allotted to the offshore States.

''(B) INDIVIDUALLY.—The collective offshore State allotment provided for under subparagraph (A) shall be further allotted among the offshore States in which sugarcane is produced, after a hearing if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

''(i) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;

''(ii) the ability of processors to market the sugar covered under the allotments for the crop year; and

''(iii) past processings of sugar from sugarcane based on the 3 year average of the crop years 1998 through 2000.

''(3) MAINLAND ALLOTMENT.—The allotment for sugar derived from sugarcane, less the amount provided for under paragraph (2), shall be allotted among the mainland States in the United States in which sugarcane is produced, after a hearing if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

''(A) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;

''(B) the ability of processors to market the sugar covered under the allotments for the crop year; and

''(C) past processings of sugar from sugarcane, based on the 3 crop years with the greatest processings (in the mainland States collectively) during the 1991 through 2000 crop years.'';

(9) by inserting after subsection (e), as so redesignated, the following new subsection (f):

''(f) FILLING CANE SUGAR ALLOTMENTS.—Except as otherwise provided in section 359e, a State cane sugar allotment established under subsection (e) for a fiscal year may be filled only with sugar processed from sugarcane grown in the State covered by the allotment.'';

(10) in subsection (g)—

(A) in paragraph (1), by striking ''359b(a)(2)—'' and all that follows through the comma at the end of subparagraph (C) and inserting ''359b(a)(3), adjust upward or downward marketing allotments in a fair and equitable manner'';

(B) in paragraph (2) by striking ''359f(b)'' and inserting ''359f(c)''; and

(C) in paragraph (3)—

(i) by striking ''REDUCTIONS'' and inserting ''CARRY-OVER OF REDUCTIONS'';

(ii) by inserting after ''this subsection, if'' the following: ''at the time of the reduction'';

(iii) by striking ''price support'' and inserting ''nonrecourse'';

(iv) by striking ''206'' and all that follows through ''the allotment'' and inserting ''156 of the Agricultural Market Transition Act (7 U.S.C. 7272),''; and

(v) by striking '', if any,''; and

(11) by amending subsection (h) to read as follows:

''(h) SUSPENSION OF ALLOTMENTS.—Whenever the Secretary estimates, or reestimates, under section 359b(a), or has reason to believe that imports of sugars, syrups or molasses for human consumption or to be used

for the extraction of sugar for human consumption, whether under a tariff-rate quota or in excess or outside of a tariff-rate quota, will exceed 1.532 million short tons, raw value equivalent, and that such imports would lead to a reduction of the overall allotment quantity, the Secretary shall suspend the marketing allotments until such time as such imports have been restricted, eliminated, or otherwise reduced to or below the level of 1.532 million tons.''.

(d) ALLOCATION.—Section 359d of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359dd) is amended—

(1) in subsection (a)(2)(A)—

(A) by inserting ''(i) IN GENERAL.—'' before ''The Secretary shall'' and indenting such clause appropriately;

(B) in clause (i), as so designated—

(i) by striking ''interested parties'' and inserting ''the affected sugar cane processors and growers'';

(ii) by striking ''by taking'' and all that follows through ''allotment allocated.'' and inserting ''with this subparagraph.''; and

(iii) by inserting at the end the following new sentence: ''Each such allocation shall be subject to adjustment under section 359c(g).'';

(C) by inserting after clause (i) the following new clauses:

''(ii) MULTIPLE PROCESSOR STATES.—Except as provided in clause (iii), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single State based upon—

''(I) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops;

''(II) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;

''(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and

''(IV) however, only with respect to allotments under subclauses (I), (II), and (III) attributable to the former operations of the Talisman processing facility, shall be allocated among processors in the State coincident with the provisions of the agreements of March 25 and March 26, 1999, between the affected processors and the Department of the Interior.

''(iii) PROPORTIONATE SHARE STATES.—In the case of States subject to section 359f(c), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single state based upon—

''(I) past marketings of sugar, based on the average of the two highest years of production of raw cane sugar from among the 1997 through 2001 crop years;

''(II) the ability of processors to market sugar covered by that portion of the allotments allocated for the crop year; and

''(III) past processings of sugar from sugarcane, based on the average of the two highest crop years from the five crop years 1997 through 2001.

''(iv) NEW ENTRANTS.—Notwithstanding clauses (ii) and (iii), the Secretary, on application of any processor that begins processing sugarcane on or after the date of enactment of this clause, and after a hearing if requested by the affected sugarcane processors and growers, and on such notice as the Secretary by regulation may prescribe, may provide such processor with an allocation which provides a fair, efficient and equitable distribution of the allocations from the allotment for the State in which the processor is located and, in the case of proportionate share States, shall establish proportionate shares in an amount sufficient to produce the sugarcane required to satisfy such allocations. However, the allotment for a new processor under this clause shall not exceed 50,000 short tons, raw value.

''(v) TRANSFER OF OWNERSHIP.—Except as otherwise provided in section 359f(c)(8), in the event that a sugarcane processor is sold or otherwise transferred to another owner, or closed as part of an affiliated corporate group processing consolidation, the Secretary shall transfer the allotment allocation for the processor to the purchaser, new owner, or successor in interest, as applicable, of the processor.''; and

(2) in subsection (a)(2)(B)—

(A) by striking ''interested parties'' and inserting ''the affected sugar beet processors and growers''; and

(B) by striking ''processing capacity'' and all that follows through ''allotment allocated'' and inserting the following: ''the marketings of sugar processed from sugar beets of any or all of the 1996 through 2000 crops, and such other factors as the Secretary may deem appropriate after consultation with the affected sugar beet processors and growers. However, in the case of any processor which has started processing sugar beets after January 1, 1996, the Secretary shall provide such processor with an allocation which provides a fair, efficient and equitable distribution of the allocations''.

(e) REASSIGNMENT.—Section 359e(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B) by striking the ''and'' after the semicolon;

(B) by redesignating subparagraph (C) as subparagraph (D);

(C) by inserting after subparagraph (B) the following new subparagraph:

''(C) if after the reassignments, the deficit cannot be completely eliminated, the Secretary shall reassign the estimated quantity of the deficit to the sale of any inventories of sugar held by the Commodity Credit Corporation; and''; and

(D) in subparagraph (D), as so redesignated, by inserting ''and sales'' after ''reassignments''; and

(2) in paragraph (2)—

(A) in subparagraph (A) by striking the ''and'' after the semicolon;

(B) in subparagraph (B), by striking ''reassign the remainder to imports.'' and inserting ''use the estimated quantity of the deficit for the sale of any inventories of sugar held by the Commodity Credit Corporation; and''; and

(C) by inserting after subparagraph (B) the following new subparagraph:

''(C) if after such reassignments and sales, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.''.

(f) PRODUCER PROVISIONS.—Section 359f of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ff) is amended—

(1) in subsection (a)—

(A) by striking ''processor's allocation'' in the second sentence and inserting ''allocation to the processor''; and

(B) by inserting after ''request of either party'' the following: '', and such arbitration should be completed within 45 days, but not more than 60 days, of the request'';

(2) by redesignating subsection (b) as subsection (c);

(3) by inserting after subsection (a) the following new subsection:

''(b) SUGAR BEET PROCESSING FACILITY CLOSURES.— In the event that a sugar beet processing facility is closed and the sugar beet growers who previously delivered beets to such facility desire to deliver their beets to another processing company:

''(1) Such growers may petition the Secretary to modify existing allocations to accommodate such a transition; and

''(2) The Secretary may increase the allocation to the processing company to which the growers desire to deliver their sugar beets, and which the processing company agrees to accept, not to exceed its processing capacity, to accommodate the change in deliveries.

''(3) Such increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected.

''(4) The Secretary's determination on the issues raised by the petition shall be made within 60 days of the filing of the petition.'';

(4) in subsection (c), as so redesignated—

(A) in paragraph (3)(A), by striking ''the preceding five years'' and inserting ''the two highest years from among the years 1999, 2000, and 2001'';

(B) in paragraph (4)(A), by striking ''each'' and all that follows through ''in effect'' and inserting ''the two highest of the three (3) crop years 1999, 2000, and 2001''; and

(C) by inserting after paragraph (7) the following new paragraph:

''(8) PROCESSING FACILITY CLOSURES.—In the event that a sugarcane processing facility subject to this subsection is closed and the sugarcane growers who previously delivered sugarcane to such facility desire to deliver their sugarcane to another processing company—

''(A) such growers may petition the Secretary to modify existing allocations to accommodate such a transition;

''(B) the Secretary may increase the allocation to the processing company to which the growers desire to deliver the sugarcane, and which the processing company agrees to accept, not to exceed its processing capacity, to accommodate the change in deliveries;

''(C) such increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected; and

''(D) the Secretary's determination on the issues raised by the petition shall be made within 60 days of the filing of the petition.''.

(g) CONFORMING AMENDMENTS.—(1) The heading of part VII of subtitle B of Title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 359aa et seq.) is amended to read as follows:

''PART VII—FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR''.

(2) Section 359g of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359gg) is amended—

(A) by striking ''359f'' each place it appears and inserting ''359f(c)'';

(B) in subsection (b), by striking ''3 consecutive'' and inserting ''5 consecutive''; and

(C) in subsection (c), by inserting ''or adjusted'' after ''share established''.

(3) Section 359j(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359jj) is amended—

(A) by amending the subsection heading to read as follows: ''DEFINITIONS.—'';

(B) by striking ''Notwithstanding'' and inserting the following:

''(1) UNITED STATES AND STATE.—Notwithstanding''; and

(C) by inserting after such paragraph (1) the following new paragraph:

''(2) OFFSHORE STATES.—For purposes of this part, the term 'offshore States' means the sugarcane producing States located outside of the continental United States.''.

(h) LIFTING OF SUSPENSION.—Section 171(a)(1)(E) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(a)(1)(E)) is amended by inserting before the period at the end the following: '', but only with respect to sugar marketings through fiscal year 2002''.

SEC. 153. STORAGE FACILITY LOANS.

(a) STORAGE FACILITY LOAN PROGRAM.—Notwithstanding any other provision of law and as soon as practicable after the date of enactment of this section, the Commodity Credit Corporation shall amend part 1436 of title 7, Code of Federal Regulations, to establish a sugar storage facility loan program to provide financing for processors of domestically-produced sugarcane and sugar beets to build or upgrade storage and handling facilities for raw sugars and refined sugars.

(b) ELIGIBLE PROCESSORS.—Storage facility loans shall be made available to any processor of domestically produced sugarcane or sugar beets that has a satisfactory credit history, determines a need for increased storage capacity (taking into account the effects of marketing allotments), and demonstrates an ability to repay the loan.

(c) TERM OF LOANS.—Storage facility loans shall be for a minimum of seven years, and shall be in such amounts and on such terms and conditions (including down payment, security requirements, and eligible equipment) as are normal, customary, and appropriate for the size and commercial nature of the borrower.

(d) ADMINISTRATION.—The sugar storage facility loan program shall be administered using the services, facilities, funds, and authorities of the Commodity Credit Corporation.

CHAPTER 3—PEANUTS

SEC. 161. DEFINITIONS.

In this chapter:

(1) COUNTER-CYCLICAL PAYMENT.—The term ''counter-cyclical payment'' means a payment made to peanut producers under section 164.

(2) EFFECTIVE PRICE.—The term ''effective price'' means the price calculated by the Secretary under section 164 for peanuts to determine whether counter-cyclical payments are required to be made under such section for a crop year.

(3) HISTORIC PEANUT PRODUCER.—The term ''historic peanut producer'' means a peanut producer on a farm in the United States that produced or attempted to produce peanuts during any or all of crop years 1998, 1999, 2000, and 2001.

(4) FIXED, DECOUPLED PAYMENT.—The term ''fixed, decoupled payment'' means a payment made to peanut producers under section 163.

(5) PAYMENT ACRES.—The term ''payment acres'' means 85 percent of the peanut acres on a farm, as established under section 162, upon which fixed, decoupled payments and counter-cyclical payments are to be made.

(6) PEANUT ACRES.—The term ''peanut acres'' means the number of acres assigned to a particular farm by historic peanut producers pursuant to section 162(b).

(7) PAYMENT YIELD.—The term ''payment yield'' means the yield assigned to a particular farm by historic peanut producers pursuant to section 162(b).

(8) PEANUT PRODUCER.—The term ''peanut producer'' means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop of peanuts in the United States and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

(9) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(10) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(11) TARGET PRICE.—The term ''target price'' means the price per ton of peanuts used to determine the payment rate for counter-cyclical payments.

(12) UNITED STATES.—The term ''United States'', when used in a geographical sense, means all of the States.

SEC. 162. ESTABLISHMENT OF PAYMENT YIELD, PEANUT ACRES, AND PAYMENT ACRES FOR A FARM.

(a) ESTABLISHMENT OF PAYMENT YIELD AND PAYMENT ACRES.—

(1) DETERMINATION OF AVERAGE YIELD.—The Secretary shall determine, for each historic peanut producer, the average yield for peanuts on each farm on which the historic peanut producer produced peanuts for the 1998 through 2001 crop years, excluding any crop year in which the producer did not produce peanuts. If, for any of these four crop years in which peanuts were planted on a farm by the producer, the farm would have satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105–277), the Secretary shall assign a yield for the producer for that year equal to 65 percent of the county yield, as determined by the Secretary.

(2) DETERMINATION OF ACREAGE AVERAGE.—The Secretary shall determine, for each historic peanut producer, the four-year average of acreage actually planted in peanuts by the historic peanut producer for harvest on one or more farms during crop years 1998, 1999, 2000, and 2001 and any acreage that the producer was prevented from planting to peanuts during such crop years because of drought, flood, or other natural disaster, or other condition beyond the control of the producer, as determined by the Secretary. If more than one historic peanut producer shared in the risk of producing the crop on the farm, the historic peanut producers shall receive their proportional share of the number of acres planted (or prevented from being planted) to peanuts for harvest on the farm based on the sharing arrangement that was in effect among the producers for the crop.

(3) TIME FOR DETERMINATIONS; CONSIDERATIONS.—The Secretary shall make the determinations required by this subsection not later than 90 days after the date of the enactment of this Act. In making such determinations, the Secretary shall take into account changes in the number and identity of persons sharing in the risk of producing a peanut crop since the 1998 crop year, including providing a method for the assignment of average acres and average yield to a farm when the historic peanut producer is no longer living or an entity composed of historic peanut producers has been dissolved.

(b) ASSIGNMENT OF PAYMENT YIELD AND PEANUT ACRES TO FARMS.—

(1) ASSIGNMENT BY HISTORIC PEANUT PRODUCERS.—The Secretary shall give each historic peanut producer an opportunity to assign the average peanut yield and average acreage determined under subsection (a) for the producer to cropland on a farm.

(2) PAYMENT YIELD.—The average of all of the yields assigned by historic peanut producers to a farm shall be deemed to be the payment yield for that farm for the purpose of making fixed decoupled payments and counter-cyclical payments under this chapter.

(3) PEANUT ACRES.—Subject to subsection (e), the total number of acres assigned by historic peanut producers to a farm shall be deemed to be the peanut acres for a farm for the purpose of making fixed decoupled payments and counter-cyclical payments under this chapter.

(c) TIME FOR ASSIGNMENT.—The opportunity to make the assignments described in subsection (b) shall be available to historic peanut producers only once. The historic peanut producers shall notify the Secretary of the assignments made by such producers under such subsections not later than 180 days after the date of the enactment of this Act.

(d) PAYMENT ACRES.—The payment acres for peanuts on a farm shall be equal to 85 percent of the peanut acres assigned to the farm.

(e) PREVENTION OF EXCESS PEANUT ACRES.—

(1) REQUIRED REDUCTION.—If the sum of the peanut acres for a farm, together with the acreage described in paragraph (2), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of peanut acres for the farm or base acres for one or more covered commodities for the farm as necessary so that the sum of the peanut acres and acreage described in paragraph (2) does not exceed the actual cropland acreage of the farm. The Secretary shall give the peanut producers on the farm the opportunity to select the peanut acres or base acres against which the reduction will be made.

(2) OTHER ACREAGE.—For purposes of paragraph (1), the Secretary shall include the following:

(A) Any base acres for the farm under subtitle A.

(B) Any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.).

(C) Any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(3) EXCEPTION FOR DOUBLE-CROPPED ACREAGE.—In applying paragraph (1), the Secretary shall make an exception in the case of double cropping, as determined by the Secretary.

SEC. 163. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS FOR PEANUTS.

(a) PAYMENT REQUIRED.—For each of the 2002 through 2011 crop years, the Secretary shall make fixed, decoupled payments to peanut producers on a farm.

(b) PAYMENT RATE.—The payment rate used to make fixed, decoupled payments with respect to peanuts for a crop year shall be equal to $36 per ton.

(c) PAYMENT AMOUNT.—The amount of the fixed, decoupled payment to be paid to the peanut producers on a farm for a covered commodity for a crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (b).

(2) The payment acres on the farm.

(3) The payment yield for the farm.

(d) TIME FOR PAYMENT.—

(1) GENERAL RULE.—Fixed, decoupled payments shall be paid not later than September 30 of each of fiscal years 2002 through 2011. In the case of the 2002 crop, payments may begin to be made on or after December 1, 2001.

(2) ADVANCE PAYMENTS.—At the option of a peanut producer, 50 percent of the fixed, decoupled payment for a fiscal year shall be paid on a date selected by the peanut producer. The selected date shall be on or after December 1 of that fiscal year, and the peanut producer may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

(3) REPAYMENT OF ADVANCE PAYMENTS.—If a peanut producer that receives an advance fixed, decoupled payment for a fiscal year ceases to be a peanut producer before the date the fixed, decoupled payment would otherwise have been made by the Secretary under paragraph (1), the peanut producer shall be responsible for repaying the Secretary the full amount of the advance payment.

SEC. 164. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.

(a) PAYMENT REQUIRED.—During the 2002 through 2011 crop years for peanuts, the Secretary shall make counter-cyclical payments with respect to peanuts whenever the Secretary determines that the effective price for peanuts is less than the target price.

(b) EFFECTIVE PRICE.—For purposes of subsection (a), the effective price for peanuts is equal to the sum of the following:

(1) The higher of the following:

(A) The national average market price received by peanut producers during the 12-month marketing year for peanuts, as determined by the Secretary.

(B) The national average loan rate for a marketing assistance loan for peanuts in effect for the same period under this chapter.

(2) The payment rate in effect under section 163 for the purpose of making fixed, decoupled payments.

(c) TARGET PRICE.—For purposes of subsection (a), the target price for peanuts shall be equal to $480 per ton.

(d) PAYMENT RATE.—The payment rate used to make counter-cyclical payments for a crop year shall be equal to the difference between—

(1) the target price; and

(2) the effective price determined under subsection (b).

(e) PAYMENT AMOUNT.—The amount of the counter-cyclical payment to be paid to the peanut producers on a farm for a crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (d).

(2) The payment acres on the farm.

(3) The payment yield for the farm.

(f) TIME FOR PAYMENTS.—

(1) GENERAL RULE.—The Secretary shall make counter-cyclical payments under this section for a peanut crop as soon as possible after determining under subsection (a) that such payments are required for that crop year.

(2) PARTIAL PAYMENT.—The Secretary may permit, and, if so permitted, a peanut producer may elect to receive, up to 40 percent of the projected counter-cyclical payment, as determined by the Secretary, to be made under this section for a peanut crop upon completion of the first six months of the marketing year for that crop. The peanut producer shall repay to the Secretary the amount, if any, by which the partial payment exceeds the actual counter-cyclical payment to be made for that crop.

SEC. 165. PRODUCER AGREEMENT REQUIRED AS CONDITION ON PROVISION OF FIXED, DECOUPLED PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

(1) REQUIREMENTS.—Before the peanut producers on a farm may receive fixed, decoupled payments or counter-cyclical payments with respect to the farm, the peanut producers shall agree, in exchange for the payments—

(A) to comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

(B) to comply with applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.);

(C) to comply with the planting flexibility requirements of section 166; and

(D) to use the land on the farm, in an amount equal to the peanut acres, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary.

(2) COMPLIANCE.—The Secretary may issue such rules as the Secretary considers necessary to ensure peanut producer compliance with the requirements of paragraph (1).

(b) EFFECT OF FORECLOSURE.—A peanut producer may not be required to make repayments to the Secretary of fixed, decoupled payments and counter-cyclical payments if the farm has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate to provide fair and equitable treatment. This subsection shall not void the responsibilities of the peanut producer under subsection (a) if the peanut producer continues or resumes operation, or control, of the farm. On the resumption of operation or control over the farm by the producer, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

(c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

(1) TERMINATION.—Except as provided in paragraph (4), a transfer of (or change in) the interest of a peanut producer in peanut acres for which fixed, decoupled payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the peanut acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a). The termination shall be effective on the date of the transfer or change.

(2) TRANSFER OF PAYMENT BASE.—There is no restriction on the transfer of a farm's peanut acres or payment yield as part of a change in the peanut producers on the farm.

(3) MODIFICATION.—At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the objectives of such subsection, as determined by the Secretary.

(4) EXCEPTION.—If a peanut producer entitled to a fixed, decoupled payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

(d) ACREAGE REPORTS.—As a condition on the receipt of any benefits under this chapter, the Secretary shall require peanut producers to submit to the Secretary acreage reports.

(e) TENANTS AND SHARECROPPERS.—In carrying out this chapter, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(f) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of fixed, decoupled payments and counter-cyclical payments among the peanut producers on a farm on a fair and equitable basis.

SEC. 166. PLANTING FLEXIBILITY.

(a) PERMITTED CROPS.—Subject to subsection (b), any commodity or crop may be planted on peanut acres on a farm.

(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on peanut acres:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) Wild rice.

(2) EXCEPTIONS.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in such paragraph—

(A) in any region in which there is a history of double-cropping of peanuts with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on peanut acres, except that fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such an agricultural commodity; or

(C) by a peanut producer who the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

(i) the quantity planted may not exceed the peanut producer's average annual planting history of such agricultural commodity in the 1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(ii) fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such agricultural commodity.

SEC. 167. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.

(a) NONRECOURSE LOANS AVAILABLE.—

(1) AVAILABILITY.—For each of the 2002 through 2011 crops of peanuts, the Secretary shall make available to peanut producers on a farm nonrecourse marketing assistance loans for peanuts produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b).

(2) ELIGIBLE PRODUCTION.—Any production of peanuts on a farm shall be eligible for a marketing assistance loan under this subsection.

(3) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this subsection, the Secretary shall make loans to a peanut producer that is otherwise eligible to obtain a marketing assistance loan, but for the fact the peanuts owned by the peanut producer are commingled with other peanuts in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the peanut producer obtaining the loan agrees to immediately redeem the loan collateral in accordance with section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286).

(4) OPTIONS FOR OBTAINING LOAN.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e), may be obtained at the option of the peanut producer through—

(A) a designated marketing association of peanut producers that is approved by the Secretary;

(B) a loan servicing agent approved by the Secretary; or

(C) the Farm Service Agency.

(5) LOAN SERVICING AGENT.—As a condition of the Secretary's approval of an entity to serve as a loan servicing agent or to handle or store peanuts for peanut producers that receive any marketing loan benefits, the entity shall agree to provide adequate storage (if available) and handling of peanuts at the commercial rate to other approved loan servicing agents and marketing associations.

(b) LOAN RATE.—The loan rate for a marketing assistance loan under for peanuts subsection (a) shall be equal to $350 per ton.

(c) TERM OF LOAN.—

(1) IN GENERAL.—A marketing assistance loan for peanuts under subsection (a) shall have a term of nine months beginning on the first day of the first month after the month in which the loan is made.

(2) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan under subsection (a).

(d) REPAYMENT RATE.—The Secretary shall permit peanut producers to repay a marketing assistance loan for peanuts under subsection (a) at a rate that is the lesser of—

(1) the loan rate established for the commodity under subsection (b), plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of peanuts by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing peanuts; and

(D) allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to peanut producers who, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for payments under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the loan payment rate determined under paragraph (3) for peanuts; by

(B) the quantity of the peanuts produced by the peanut producers, excluding any quantity for which the producers obtain a loan under subsection (a).

(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b); exceeds

(B) the rate at which a loan may be repaid under subsection (d).

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to a peanut producer with respect to a quantity of peanuts as of the earlier of the following:

(A) The date on which the peanut producer marketed or otherwise lost beneficial interest in the peanuts, as determined by the Secretary.

(B) The date the peanut producer requests the payment.

(f) COMPLIANCE WITH CONSERVATION AND WETLANDS REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the peanut producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.) during the term of the loan.

(g) REIMBURSABLE AGREEMENTS AND PAYMENT OF EXPENSES.—To the extent practicable, the Secretary shall implement any reimbursable agreements or provide for the payment of expenses under this chapter in a manner that is consistent with such activities in regard to other commodities.

(h) TERMINATION OF SUPERSEDED PRICE SUPPORT AUTHORITY.—

(1) REPEAL.—Section 155 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7271) is repealed.

(2) CONFORMING AMENDMENTS.—The Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended—

(A) in section 101(b) (7 U.S.C. 1441(b)), by striking ''and peanuts''; and

(B) in section 408(c) (7 U.S.C. 1428(c)), by striking ''peanuts,''.

SEC. 168. QUALITY IMPROVEMENT.

(a) OFFICIAL INSPECTION.—

(1) MANDATORY INSPECTION.—All peanuts placed under a marketing assistance loan under section 167 shall be officially inspected and graded by Federal or State inspectors.

(2) OPTIONAL INSPECTION.—Peanuts not placed under a marketing assistance loan may be graded at the option of the peanut producer.

(b) TERMINATION OF PEANUT ADMINISTRATIVE COMMITTEE.—The Peanut Administrative Committee established under Marketing Agreement No. 1436, which regulates the quality of domestically produced peanuts under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is terminated.

(c) ESTABLISHMENT OF PEANUT STANDARDS BOARD.—The Secretary shall establish a Peanut Standards Board for the purpose of assisting in the establishment of quality standards with respect to peanuts. The authority of the Board is limited to assisting in the establishment of quality standards for peanuts. The members of the Board should fairly reflect all regions and segments of the peanut industry.

(d) EFFECTIVE DATE.—This section shall take effect with the 2002 crop of peanuts.

SEC. 169. PAYMENT LIMITATIONS.

For purposes of sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3), separate payment limitations shall apply to peanuts with respect to—

(1) fixed, decoupled payments;

(2) counter-cyclical payments, and

(3) limitations on marketing loan gains and loan deficiency payments.

SEC. 170. TERMINATION OF MARKETING QUOTA PROGRAMS FOR PEANUTS AND COMPENSATION TO PEANUT QUOTA HOLDERS FOR LOSS OF QUOTA ASSET VALUE.

(a) REPEAL OF MARKETING QUOTA.—

(1) REPEAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357–1359a), relating to peanuts, is repealed.

(2) TREATMENT OF 2001 CROP.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357–1359a), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to the 2001 crop of peanuts notwithstanding the amendment made by paragraph (1).

(b) COMPENSATION CONTRACT REQUIRED.—The Secretary shall offer to enter into a contract with eligible peanut quota holders for the purpose of providing compensation for the lost value of the quota on account of the repeal of the marketing quota program for peanuts under subsection (a). Under the contracts, the Secretary shall make payments to eligible peanut quota holders during fiscal years 2002 through 2006.

(c) TIME FOR PAYMENT.—The payments required under the contracts shall be provided in five equal installments not later than September 30 of each of fiscal years 2002 through 2006.

(d) PAYMENT AMOUNT.—The amount of the payment for a fiscal year to a peanut quota holder under a contract shall be equal to the product obtained by multiplying—

(1) $0.10 per pound; by

(2) the actual farm poundage quota (excluding seed and experimental peanuts) established for the peanut quota holder's farm under section 358–1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)) for the 2001 marketing year.

(e) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to the payments made to peanut quota holders under the contracts. The peanut quota holder making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this subsection.

(f) PEANUT QUOTA HOLDER DEFINED.—In this section, the term ''peanut quota holder'' means a person or enterprise that owns a farm that—

(1) was eligible, immediately before the date of the enactment of this Act, to have a peanut quota established upon it;

(2) if there are not quotas currently established, would be eligible to have a quota established upon it for the succeeding crop year, in the absence of the amendment made by subsection (a); or

(3) is otherwise a farm that was eligible for such a quota at the time the general quota establishment authority was repealed.

The Secretary shall apply this definition without regard to temporary leases or transfers or quotas for seed or experimental purposes.

Subtitle D—Administration

SEC. 181. ADMINISTRATION GENERALLY.

(a) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall carry out this title through the Commodity Credit Corporation.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title shall be final and conclusive.

(c) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall issue such regulations as are necessary to implement this title. The issuance of the regulations shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804) relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly know as the ''Paperwork Reduction Act'').

(d) PROTECTION OF PRODUCERS.—The protection afforded producers that elect the option to accelerate the receipt of any payment under a production flexibility contract payable under the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7212 note) shall also apply to the advance payment of fixed, decoupled payments and counter-cyclical payments.

(e) ADJUSTMENT AUTHORITY RELATED TO URUGUAY ROUND COMPLIANCE.—If the Secretary determines that expenditures under subtitles A, B, and C that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7))), as in effect on the date of the enactment of this Act, will exceed such allowable levels for any applicable reporting period, the Secretary may make adjustments in the amount of such expenditures during that period to ensure that such expenditures do not exceed, but in no case are less than, such allowable levels.

SEC. 182. EXTENSION OF SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Section 171(a)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amended by striking ''2002'' both places it appears and inserting ''2011''.

(b) AGRICULTURAL ACT OF 1949.—Section 171(b)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(b)(1)) is amended by striking ''2002'' both places it appears and inserting ''2011''.

(c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—Section 171(c) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(c)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 183. LIMITATIONS.

(a) LIMITATION ON AMOUNTS RECEIVED.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) in paragraph (1)—

(A) by striking ''PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS'' and inserting ''FIXED, DECOUPLED PAYMENTS'';

(B) by striking ''contract payments made under the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts'' and inserting ''fixed, decoupled payments made to a person''; and

(C) by striking ''4'' and inserting ''5'';

(2) in paragraphs (2) and (3)—

(A) by striking ''payments specified'' and all that follows through ''and oilseeds'' and inserting ''following payments that a person shall be entitled to receive'';

(B) by striking ''75'' and inserting ''150'';

(C) by striking the period at the end of paragraph (2) and all that follows through ''the following'' in paragraph (3);

(D) by striking ''section 131'' and all that follows through ''section 132'' and inserting ''section 121 of the Farm Security Act of 2001 for a crop of any covered commodity at a lower level than the original loan rate established for the commodity under section 122''; and

(E) by striking ''section 135'' and inserting ''section 125''; and

(3) by inserting after paragraph (2) the following new paragraph (3):

''(3) LIMITATION ON COUNTER-CYCLICAL PAYMENTS.—The total amount of counter-cyclical payments that a person may receive during any crop year shall not exceed the amount specified in paragraph (2), as in effect on the day before the date of the enactment of the Farm Security Act of 2001.''.

(b) DEFINITIONS.—Paragraph (4) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended to read as follows:

''(4) DEFINITIONS.—In this title, the terms 'covered commodity', 'counter-cyclical payment', and 'fixed, decoupled payment' have the meaning given those terms in section 100 of the Farm Security Act of 2001.''.

(c) TRANSITION.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to fiscal year 2001 and the 2001 crop of any covered commodity.

SEC. 184. ADJUSTMENTS OF LOANS.

Section 162(b) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7282(b)) is amended by striking ''this title'' and inserting ''this title and title I of the Farm Security Act of 2001''.

SEC. 185. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.

Section 164 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7284) is amended by striking ''this title'' each places it appears and inserting ''this title and title I of the Farm Security Act of 2001''.

SEC. 186. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.

Section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286) is amended—

(1) in subsection (a)—

(A) by striking ''IN GENERAL.—'' and inserting ''SPECIFIC PAYMENTS.—''; and

(B) by striking ''subtitle C'' and inserting ''subtitle C of this title and title I of the Farm Security Act of 2001''; and

(2) in subsection (c)(1)—

(A) by striking ''producer'' the first two places it appears and inserting ''person''; and

(B) by striking ''to producers under subtitle C'' and inserting ''by the Commodity Credit Corporation''.

SEC. 187. ASSIGNMENT OF PAYMENTS.

The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to payments made under the authority of this Act. The producer making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this section.

TITLE II—CONSERVATION

Subtitle A—Environmental Conservation Acreage Reserve Program

SEC. 201. GENERAL PROVISIONS.

Title XII of the Food Security Act of 1985 is amended—

(1) in section 1230(a), by striking ''1996 through 2002'' and inserting ''2002 through 2011'';

(2) by striking subsection (c) of section 1230; and

(3) in section 1230A (16 U.S.C. 3830a), by striking ''chapter'' each place it appears and inserting ''title''.

Subtitle B—Conservation Reserve Program

SEC. 211. REAUTHORIZATION.

(a) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended in each of subsections (a) and (d) by striking ''2002'' and inserting ''2011''.

(b) SCOPE OF PROGRAM.—Section 1231(a) of such Act (16 U.S.C. 3831(a)) is amended by striking ''and water'' and inserting '', water, and wildlife''.

SEC. 212. ENROLLMENT.

(a) ELIGIBILITY.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(1) by striking paragraph (3) and inserting the following:

''(3) marginal pasturelands to be devoted to natural vegetation in or near riparian areas or for similar water quality purposes, including marginal pasturelands converted to wetlands or established as wildlife habitat;''; and

(2) in paragraph (4)—

(A) by striking subparagraph (A) and inserting the following:

''(A) if the Secretary determines that—

''(i) the lands contribute to the degradation of soil, water, or air quality, or would pose an on-site or off-site environmental threat to soil, water, or air quality if permitted to remain in agricultural production; and

''(ii) soil, water, and air quality objectives with respect to the land cannot be achieved under the environmental quality incentives program established under chapter 4;'';

(B) by striking ''or'' at the end of subparagraph (C);

(C) by striking the period at the end of subparagraph (D) and inserting ''; or''; and

(D) by adding at the end the following:

''(E) if the Secretary determines that enrollment of such lands would contribute to conservation of ground or surface water.''.

(b) INCREASE IN MAXIMUM ENROLLMENT.—Section 1231(d) of such Act (16 U.S.C. 3831(d)) is amended by striking ''36,400,000'' and inserting ''39,200,000''.

(c) ELIGIBILITY ON CONTRACT EXPIRATION.—Section 1231(f) of such Act (16 U.S.C. 3831(f)) is amended to read as follows:

''(f) ELIGIBILITY ON CONTRACT EXPIRATION.—On the expiration of a contract entered into under this subchapter, the land subject to the contract shall be eligible to be considered for re-enrollment in the conservation reserve.''.

(d) BALANCE OF NATURAL RESOURCE PURPOSES.—

(1) IN GENERAL.—Section 1231 of such Act (16 U.S.C. 3831) is amended by adding at the end the following:

''(i) BALANCE OF NATURAL RESOURCE PURPOSES.—In determining the acceptability of contract offers under this subchapter, the Secretary shall ensure an equitable balance among the conservation purposes of soil erosion, water quality and wildlife habitat.''.

(2) REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall issue final regulations implementing section 1231(i) of the Food Security Act of 1985, as added by paragraph (1) of this subsection.

SEC. 213. DUTIES OF OWNERS AND OPERATORS.

Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended—

(1) in subsection (a)—

(A) in paragraph (3), by inserting ''as described in section 1232(a)(7) or for other purposes'' before ''as permitted'';

(B) in paragraph (4), by inserting ''where practicable, or maintain existing cover'' before ''on such land''; and

(C) in paragraph (7), by striking ''Secretary—'' and all that follows and inserting ''Secretary may permit, consistent with the conservation of soil, water quality, and wildlife habitat—

''(A) managed grazing and limited haying, in which case the Secretary shall reduce the conservation reserve payment otherwise payable under the contract by an amount commensurate with the economic value of the activity;

''(B) wind turbines for the provision of wind energy, whether or not commercial in nature; and

''(C) land subject to the contract to be harvested for recovery of biomass used in energy production, in which case the Secretary shall reduce the conservation reserve payment otherwise payable under the contract by an amount commensurate with the economic value of such activity;''; and

(2) by striking subsections (c) and (d) and redesignating subsection (e) as subsection (c).

SEC. 214. REFERENCE TO CONSERVATION RESERVE PAYMENTS.

Subchapter B of chapter 1 of subtitle D of title XII of such Act (16 U.S.C. 3831–3836) is amended—

(1) by striking ''rental payment'' each place it appears and inserting ''conservation reserve payment'';

(2) by striking ''rental payments'' each place it appears and inserting ''conservation reserve payments''; and

(3) in the paragraph heading for section 1235(e)(4), by striking ''RENTAL PAYMENT'' and inserting ''CONSERVATION RESERVE PAYMENT''.

Subtitle C—Wetlands Reserve Program

SEC. 221. ENROLLMENT.

(a) MAXIMUM.—Section 1237(b) of the Food Security Act of 1985 (16 U.S.C. 3837(b)) is amended by striking paragraph (1) and inserting the following:

''(1) ANNUAL ENROLLMENT.—In addition to any acres enrolled in the wetlands reserve program as of the end of a calendar year, the Secretary may in the succeeding calendar year enroll in the program a number of additional acres equal to—

''(A) if the succeeding calendar year is calendar year 2002, 150,000; or

''(B) if the succeeding calendar year is a calendar year after calendar year 2002—

''(i) 150,000; plus

''(ii) the amount (if any) by which 150,000, multiplied by the number of calendar years in the period that begins with calendar year 2002 and ends with the calendar year preceding such succeeding calendar year, exceeds the total number of acres added to the reserve during the period.''.

(b) METHODS.—Section 1237 of such Act (16 U.S.C. 3837(b)(2)) is amended—

(1) in subsection (b), by striking paragraph (2) and inserting the following:

''(2) METHODS OF ENROLLMENT.—The Secretary shall enroll acreage into the wetlands reserve program through the use of easements, restoration cost share agreements, or both.''; and

(2) by striking subsection (g).

(c) EXTENSION.—Section 1237(c) of such Act (16 U.S.C. 3837(c)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 222. EASEMENTS AND AGREEMENTS.

Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended—

(1) in subsection (b), by striking paragraph (2) and inserting the following:

''(2) prohibits the alteration of wildlife habitat and other natural features of such land, unless specifically permitted by the plan;'';

(2) in subsection (e), by striking paragraph (2) and inserting the following:

''(2) shall be consistent with applicable State law.'';

(3) by striking subsection (h).

SEC. 223. DUTIES OF THE SECRETARY.

Section 1237C of the Food Security Act of 1985 (16 U.S.C. 3837c) is amended by striking subsection (d).

SEC. 224. CHANGES IN OWNERSHIP; AGREEMENT MODIFICATION; TERMINATION.

Section 1237E(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3837e(a)(2)) is amended to read as follows:

''(2) the ownership change occurred due to foreclosure on the land and the owner of the land immediately before the foreclosure exercises a right of redemption from the mortgage holder in accordance with State law; or''.

Subtitle D—Environmental Quality Incentives Program

SEC. 231. PURPOSES.

Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa) is amended—

(1) by striking ''to—'' and all that follows through ''provides—'' and inserting ''to provide—'';

(2) by striking ''that face the most serious threats to'' and inserting ''to address environmental needs and provide benefits to air,'';

(3) by redesignating the subparagraphs (A) through (D) that follow the matter amended by paragraph (2) of this section as paragraphs (1) through (4), respectively;

(4) by moving each of such redesignated provisions 2 ems to the left; and

(5) by striking ''farmers and ranchers'' each place it appears and inserting ''producers''.

SEC. 232. DEFINITIONS.

Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3839aa–1) is amended—

(1) in paragraph (1)—

(A) by inserting ''non-industrial private forest land,'' before ''and other land''; and

(B) by striking ''poses a serious threat'' and all that follows and inserting ''provides increased environmental benefits to air, soil, water, or related resources.''; and

(2) in paragraph (4), by inserting '', including non-industrial private forestry'' before the period.

SEC. 233. ESTABLISHMENT AND ADMINISTRATION.

(a) REAUTHORIZATION.—Section 1240B(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)(1)) is amended by striking ''2002'' and inserting ''2011''.

(b) TERM OF CONTRACTS.—Section 1240B(b)(2) of such Act (16 U.S.C. 3839aa–2(b)(2)) is amended by striking ''not less than 5, nor more than 10, years'' and inserting ''not less than 1 year, nor more than 10 years''.

(c) STRUCTURAL PRACTICES.—Section 1240B(c)(1)(B) of such Act (16 U.S.C. 3839aa–2(c)(1)(B)) is amended to read as follows:

''(B) achieving the purposes established under this subtitle.''.

(d) ELIMINATION OF CERTAIN LIMITATIONS ON ELIGIBILITY FOR COST-SHARE PAYMENTS.—Section 1240B(e)(1) of such Act (16 U.S.C. 3839aa–2(e)(1)) is amended—

(1) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B); and

(2) in subparagraph (B) (as so redesignated), by striking ''or 3''.

(e) INCENTIVE PAYMENTS.—Section 1240B of such Act (16 U.S.C. 3839aa-2) is amended—

(1) in subsection (e)—

(A) in the subsection heading, by striking '', INCENTIVE PAYMENTS,''; and

(B) by striking paragraph (2); and

(2) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and inserting after subsection (e) the following:

''(f) CONSERVATION INCENTIVE PAYMENTS.—

''(1) IN GENERAL.—The Secretary may make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform multiple land management practices and to promote the enhancement of soil, water, wildlife habitat, air, and related resources.

''(2) SPECIAL RULE.—In determining the amount and rate of incentive payments, the Secretary may accord great weight to those practices that include residue, nutrient, pest, invasive species, and air quality management.''.

SEC. 234. EVALUATION OF OFFERS AND PAYMENTS.

Section 1240C of the Food Security Act of 1985 (16 U.S.C. 3839aa–3) is amended by striking paragraphs (1) through (3) and inserting the following:

''(1) aid producers in complying with this title and Federal and State environmental laws, and encourage environmental enhancement and conservation;

''(2) maximize the beneficial usage of animal manure and other similar soil amendments which improve soil health, tilth, and water-holding capacity; and

''(3) encourage the utilization of sustainable grazing systems, such as year-round, rotational, or managed grazing.''.

SEC. 235. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

Section 1240E(a) of the Food Security Act of 1985 (16 U.S.C. 3839aa–5(a)) is amended by striking ''that incorporates such conservation practices'' and all that follows and inserting ''that provides or will continue to provide increased environmental benefits to air, soil, water, or related resources.''.

SEC. 236. DUTIES OF THE SECRETARY.

Section 1240F(3) of the Food Security Act of 1985 (16 U.S.C. 3839aa–6(3)) is amended to read as follows:

''(3) providing technical assistance or cost-share payments for developing and implementing 1 or more structural practices or 1 or more land management practices, as appropriate;''.

SEC. 237. LIMITATION ON PAYMENTS.

Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3839aa–7) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''$10,000'' and inserting ''$50,000''; and

(B) in paragraph (2), by striking ''$50,000'' and inserting ''$200,000'';

(2) in subsection (b)(2), by striking ''the maximization of environmental benefits per dollar expended and''; and

(3) by striking subsection (c).

SEC. 238. GROUND AND SURFACE WATER CONSERVATION.

Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa-8) is amended to read as follows:

''SEC. 1240H. GROUND AND SURFACE WATER CONSERVATION.

''(a) SUPPORT FOR CONSERVATION MEASURES.—The Secretary shall provide cost-share payments and low-interest loans to encourage ground and surface water conservation, including irrigation system improvement, and provide incentive payments for capping wells, reducing use of water for irrigation, and switching from irrigation to dryland farming.

''(b) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available the following amounts to carry out this section:

''(1) $30,000,000 for fiscal year 2002.

''(2) $45,000,000 for fiscal year 2003.

''(3) $60,000,000 for each of fiscal years 2004 through 2011.''.

Subtitle E—Funding and Administration

SEC. 241. REAUTHORIZATION.

Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 242. FUNDING.

Section 1241(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(1)) is amended—

(1) by striking ''$130,000,000'' and all that follows through ''2002, for'' and inserting ''the following amounts for purposes of'';

(2) by striking ''subtitle D.'' and inserting ''subtitle D:''; and

(3) by adding at the end the following:

''(A) $200,000,000 for fiscal year 2001.

''(B) $1,025,000,000 for each of fiscal years 2002 and 2003.

''(C) $1,200,000,000 for each of fiscal years 2004, 2005, and 2006.

''(D) $1,400,000,000 for each of fiscal years 2007, 2008, and 2009.

''(E) $1,500,000,000 for each of fiscal years 2010 and 2011.''.

SEC. 243. ALLOCATION FOR LIVESTOCK PRODUCTION.

Section 1241(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(2)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 244. ADMINISTRATION AND TECHNICAL ASSISTANCE.

(a) BROADENING OF EXCEPTION TO ACREAGE LIMITATION.—Section 1243(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3843(b)(2)) is amended by striking ''that—'' and all that follows and inserting ''that the action would not adversely affect the local economy of the county.''.

(b) RULES GOVERNING PROVISION OF TECHNICAL ASSISTANCE.—Section 1243(d) of such Act (16 U.S.C. 3843(d)) is amended to read as follows:

''(d) RULES GOVERNING PROVISION OF TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall provide technical assistance under this title to a producer eligible for such assistance, by providing the assistance directly or, at the option of the producer, through an approved third party if available.

''(2) REEVALUATION.—The Secretary shall reevaluate the provision of, and the amount of, technical assistance made available under subchapters B and C of chapter 1 and chapter 4 of subtitle D.

''(3) CERTIFICATION OF THIRD-PARTY PROVIDERS.—

''(A) IN GENERAL.—Not later than 6 months after the date of the enactment of this subsection, the Secretary of Agriculture shall, by regulation, establish a system for approving persons to provide technical assistance pursuant to chapter 4 of subtitle D. For purposes of this paragraph, a person shall be considered approved if they have a memorandum of understanding regarding the provision of technical assistance in place with the Secretary.

''(B) EXPERTISE REQUIRED.—In prescribing such regulations, the Secretary shall ensure that persons with expertise in the technical aspects of conservation planning, watershed planning, environmental engineering, including commercial entities, nonprofit entities, State or local governments or agencies, and other Federal agencies, are eligible to become approved providers of such technical assistance.''.

(c) DUTY OF SECRETARY.—

(1) IN GENERAL.—Section 1770(d) of such Act (7 U.S.C. 2276(d)) is amended—

(A) by striking ''or'' at the end of paragraph (9);

(B) by striking the period at the end of paragraph (11) and inserting ''; or''; and

(C) by adding at the end the following:

''(12) title XII of this Act.''.

(2) CONFORMING AMENDMENTS.—Section 1770(e) of such Act (7 U.S.C. 2276(e)) is amended—

(A) by striking the subsection heading and inserting ''EXCEPTIONS''; and

(B) by inserting '', or as necessary to carry out a program under title XII of this Act as determined by the Secretary'' before the period.

Subtitle F—Other Programs

SEC. 251. PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.

Section 386(d)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b(d)(1)) is amended—

(1) by striking ''and'' at the end of subparagraph (G);

(2) by striking the period at the end of subparagraph (H) and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(I) encouraging the utilization of sustainable grazing systems, such as year-round, rotational, or managed grazing.''.

SEC. 252. WILDLIFE HABITAT INCENTIVES PROGRAM.

Subsection (c) of section 387 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3836a) is amended to read as follows:

''(c) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available the following amounts to carry out this section:

''(1) $25,000,000 for fiscal year 2002.

''(2) $30,000,000 for each of fiscal years 2003 and 2004.

''(3) $35,000,000 for each of fiscal years 2005 and 2006.

''(4) $40,000,000 for fiscal year 2007.

''(5) $45,000,000 for each of fiscal years 2008 and 2009.

''(6) $50,000,000 for each of fiscal years 2010 and 2011.''.

SEC. 253. FARMLAND PROTECTION PROGRAM.

(a) REMOVAL OF ACREAGE LIMITATION; EXPANSION OF PURPOSES.—Subsection (a) of section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3830 note) is amended—

(1) by striking ''not less than 170,000, nor more than 340,000 acres of''; and

(2) by inserting '', or agricultural land that contains historic or archaeological resources,'' after ''other productive soil''.

(b) FUNDING.—Subsection (c) of such section is amended to read as follows:

''(c) FUNDING.—The Secretary shall use not more than $50,000,000 of the funds of the Commodity Credit Corporation in each of fiscal years 2002 through 2011 to carry out this section.''.

(c) ELIGIBLE ENTITIES.—Such section is further amended—

(1) in subsection (a), by striking ''a State or local government'' and inserting ''an eligible entity''; and

(2) by adding at the end the following:

''(d) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term 'eligible entity' means—

''(1) any agency of any State or local government, or federally recognized Indian tribe, including farmland protection boards and land resource councils established under State law; and

''(2) any organization that—

''(A) is organized for, and at all times since the formation of the organization has been operated principally for, one or more of the conservation purposes specified in clause (i), (ii), or (iii) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

''(B) is an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code;

''(C) is described in section 509(a)(2) of that Code; or

''(D) is described in section 509(a)(3) of that Code and is controlled by an organization described in section 509(a)(2) of that Code.''.

SEC. 254. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

(a) PURPOSE.—Section 1528 of the Agriculture and Food Act of 1981 (16 U.S.C. 3451) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1528. It is the purpose'' and inserting the following:

''SEC. 1528. STATEMENT OF PURPOSE.

''It is the purpose''; and

(2) by inserting ''through designated RC&D councils'' before ''in rural areas''.

(b) DEFINITIONS.—Section 1529 of such Act (16 U.S.C. 3452) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1529. As used in this subtitle—'' and inserting the following:

''SEC. 1529. DEFINITIONS.

''In this title:'';

(2) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by inserting ''RC&D council'' before ''area plan'';

(B) in subparagraph (B), by striking ''through control of nonpoint sources of pollution'';

(C) in subparagraph (C)—

(i) by striking ''natural resources based'' and inserting ''resource-based'';

(ii) by striking ''development of aquaculture,'';

(iii) by striking ''and satisfaction'' and inserting ''satisfaction''; and

(iv) by inserting '', food security, economic development, and education'' before the semicolon; and

(D) in subparagraph (D), by striking ''other'' the 1st place it appears and inserting ''land management'';

(3) in paragraph (3), by striking ''any State, local unit of government, or local nonprofit organization'' and inserting ''the designated RC&D council'';

(4) by striking paragraphs (4) through (6) and inserting the following:

''(4)(A) The term 'financial assistance' means the Secretary may—

''(i) provide funds directly to RC&D councils or associations of RC&D councils through grants, cooperative agreements, and interagency agreements that directly implement RC&D area plans; and

''(ii) may join with other federal agencies through interagency agreements and other arrangements as needed to carry out the program's purpose.

''(B) Funds may be used for such things as—

''(i) technical assistance;

''(ii) financial assistance in the form of grants for planning, analysis and feasibility studies, and business plans;

''(iii) training and education; and

''(iv) all costs associated with making such services available to RC&D councils or RC&D associations.

''(5) The term 'RC&D council' means the responsible leadership of the RC&D area. RC&D councils and associations are nonprofit entities whose members are volunteers and include local civic and elected officials. Affiliations of RC&D councils are formed in states and regions.'';

(5) in paragraph (8), by inserting ''and federally recognized Indian tribes'' before the period;

(6) in paragraph (9), by striking ''works of improvement'' and inserting ''projects'';

(7) by redesignating paragraphs (7) through (9) as paragraphs (6) through (8), respectively; and

(8) by striking paragraph (10) and inserting the following:

''(9) The term 'project' means any action taken by a designated RC&D council that achieves any of the elements identified under paragraph (1).''.

(c) ESTABLISHMENT AND SCOPE.—Section 1530 of such Act (16 U.S.C. 3453) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1530. The Secretary'' and inserting the following:

''SEC. 1530. ESTABLISHMENT AND SCOPE.

''The Secretary''; and

(2) by striking ''the technical and financial assistance necessary to permit such States, local units of government, and local nonprofit organizations'' and inserting ''through designated RC&D councils the technical and financial assistance necessary to permit such RC&D Councils''.

(d) SELECTION OF DESIGNATED AREAS.—Section 1531 of such Act (16 U.S.C. 3454) is amended by striking the section heading and all that follows through ''SEC. 1531. The Secretary'' and inserting the following:

''SEC. 1531. SELECTION OF DESIGNATED AREAS.

''The Secretary''.

(e) AUTHORITY OF SECRETARY.—Section 1532 of such Act (16 U.S.C. 3455) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1532. In carrying'' and inserting the following:

''SEC. 1532. AUTHORITY OF SECRETARY.

''In carrying'';

(2) in each of paragraphs (1) and (3)—

(A) by striking ''State, local unit of government, or local nonprofit organization'' and inserting ''RC&D council''; and

(B) by inserting ''RC&D council'' before ''area plan'';

(3) in paragraph (2), by inserting ''RC&D council'' before ''area plans''; and

(4) in paragraph (4), by striking ''States, local units of government, and local nonprofit organizations'' and inserting ''RC&D councils or affiliations of RC&D councils''.

(f) TECHNICAL AND FINANCIAL ASSISTANCE.—Section 1533 of such Act (16 U.S.C. 3456) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1533. (a) Technical'' and inserting the following:

''SEC. 1533. TECHNICAL AND FINANCIAL ASSISTANCE.

''(a) Technical'';

(2) in subsection (a)—

(A) by striking ''State, local unit of government, or local nonprofit organization to assist in carrying out works of improvement specified in an'' and inserting ''RC&D councils or affiliations of RC&D councils to assist in carrying out a project specified in a RC&D council'';

(B) in paragraph (1)—

(i) by striking ''State, local unit of government, or local nonprofit organization'' and inserting ''RC&D council or affiliate''; and

(ii) by striking ''works of improvement'' each place it appears and inserting ''project'';

(C) in paragraph (2)—

(i) by striking ''works of improvement'' and inserting ''project''; and

(ii) by striking ''State, local unit of government, or local nonprofit organization'' and inserting ''RC&D council'';

(D) in paragraph (3), by striking ''works of improvement'' and all that follows and inserting ''project concerned is necessary to accomplish and RC&D council area plan objective;'';

(E) in paragraph (4), by striking ''the works of improvement provided for in the'' and inserting ''the project provided for in the RC&D council'';

(F) in paragraph (5), by inserting ''federally recognized Indian tribe'' before ''or local'' each place it appears; and

(G) in paragraph (6), by inserting ''RC&D council'' before ''area plan'';

(3) in subsection (b), by striking ''work of improvement'' and inserting ''project''; and

(4) in subsection (c), by striking ''any State, local unit of government, or local nonprofit organization to carry out any'' and inserting ''RC&D council to carry out any RC&D council''.

(g) RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD.—Section 1534 of such Act (16 U.S.C. 3457) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1534. (a) The Secretary'' and inserting the following:

''SEC. 1534. RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD.

''(a) The Secretary''; and

(2) in subsection (b), by striking ''seven''.

(h) PROGRAM EVALUATION.—Section 1535 of such Act (16 U.S.C. 3458) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1535. The Secretary'' and inserting the following:

''SEC. 1535. PROGRAM EVALUATION.

''The Secretary'';

(2) by inserting ''with assistance from RC&D councils'' before ''provided'';

(3) by inserting ''federally recognized Indian tribes,'' before ''local units''; and

(4) by striking ''1986'' and inserting ''2007''.

(i) LIMITATION ON ASSISTANCE.—Section 1536 of such Act (16 U.S.C. 3458) is amended by striking the section heading and all that follows through ''SEC. 1536. The program'' and inserting the following:

''SEC. 1536. LIMITATION ON ASSISTANCE.

''The program''.

(j) SUPPLEMENTAL AUTHORITY OF THE SECRETARY.—Section 1537 of such Act (16 U.S.C. 3460) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1537. The authority'' and inserting the following:

''SEC. 1537. SUPPLEMENTAL AUTHORITY OF SECRETARY.

''The authority''; and

(2) by striking ''States, local units of government, and local nonprofit organizations'' and inserting ''RC&D councils''.

(i) AUTHORIZATION OF APPROPRIATIONS.—Section 1538 of such Act (16 U.S.C. 3461) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1538. There are'' and inserting the following:

''SEC. 1538. AUTHORIZATION OF APPROPRIATIONS.

''There are''; and

(2) by striking ''for each of the fiscal years 1996 through 2002''.

SEC. 255. GRASSLAND RESERVE PROGRAM.

(a) IN GENERAL.—Chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830–3837f) is amended by adding at the end the following:

''Subchapter D—Grassland Reserve Program

''SEC. 1238. GRASSLAND RESERVE PROGRAM.

''(a) ESTABLISHMENT.—The Secretary, acting through the Farm Service Agency, shall establish a grassland reserve program (referred to in this subchapter as the 'program') to assist owners in restoring and conserving eligible land described in subsection (c).

''(b) ENROLLMENT CONDITIONS.—

''(1) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the program shall not exceed 2,000,000 acres, not more than 1,000,000 of which shall be restored grassland, and not more than 1,000,000 of which shall be virgin (never cultivated) grassland.

''(2) METHODS OF ENROLLMENT.—The Secretary shall enroll in the program for a willing owner not less than 100 contiguous acres of land west of the 90th meridian or not less than 50 contiguous acres of land east of the 90th meridian through the use of—

''(A) 10-year, 15-year, or 20-year contracts; and

''(B) 30-year or permanent easements.

''(3) LIMITATION ON USE OF EASEMENTS.—Not more than one-third of the total amount of funds expended under the program may be used to acquire 30-year and permanent easements.

''(c) ELIGIBLE LAND.—Land shall be eligible to be enrolled in the program if the Secretary determines that—

''(1) the land is natural grass or shrubland; or

''(2) the land—

''(A) is located in an area that has been historically dominated by natural grass or shrubland; and

''(B) has potential to serve as habitat for animal or plant populations of significant ecological value if the land is restored to natural grass or shrubland.

''SEC. 1238A. CONTRACTS AND AGREEMENTS.

''(a) REQUIREMENTS OF LANDOWNER.—

''(1) CONTRACTS.—To be eligible to enroll land in the program under a multi-year contract, the owner of the land shall—

''(A) agree to comply with the terms of the contract and related restoration agreements; and

''(B) agree to the suspension of any existing cropland base and allotment history for the land under any program administered by the Secretary.

''(2) EASEMENTS.—To be eligible to enroll land in the program under an easement, the owner of the land shall—

''(A) grant an easement that runs with the land to the Secretary;

''(B) create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement;

''(C) provide a written statement of consent to the easement signed by persons holding a security interest or any vested interest in the land;

''(D) provide proof of unencumbered title to the underlying fee interest in the land that is the subject of the easement;

''(E) agree to comply with the terms of the easement and related restoration agreements; and

''(F) agree to the suspension of any existing cropland base and allotment history for the land under any program administered by the Secretary.

''(b) TERMS OF CONTRACTS AND EASEMENTS.—A contract or easement under the program shall—

''(1) permit—

''(A) common grazing practices on the land in a manner that is consistent with maintaining the viability of natural grass and shrub species indigenous to that locality;

''(B) haying, mowing, or haying for seed production, except that such uses shall not be permitted until after the end of the nesting season for birds in the local area which are in significant decline or are conserved pursuant to State or Federal law, as determined by the Natural Resources Conservation Service State conservationist; and

''(C) construction of fire breaks and fences, including placement of the posts necessary for fences;

''(2) prohibit—

''(A) the production of any agricultural commodity (other than hay); and

''(B) unless allowed under subsection (d), the conduct of any other activity that would disturb the surface of the land covered by the contract or easement; and

''(3) include such additional provisions as the Secretary determines are appropriate to carry out or facilitate the administration of this subchapter.

''(c) RANKING APPLICATIONS.—

''(1) ESTABLISHMENT OF CRITERIA.—The Secretary shall establish criteria to evaluate and rank applications for contracts or easements under this subchapter.

''(2) EMPHASIS.—In establishing the criteria, the Secretary shall emphasize support for native grass and shrubland, grazing operations, and plant and animal biodiversity.

''(d) RESTORATION AGREEMENTS.—The Secretary shall prescribe the terms by which grassland that is subject to a contract or easement under the program shall be restored. The agreement shall include duties of the land owner and the Secretary, including the Federal share of restoration payments and technical assistance.

''(e) VIOLATIONS.—On the violation of the terms or conditions of a contract, easement, or restoration agreement entered into under the program—

''(1) the contract or easement shall remain in force; and

''(2) the Secretary may require the owner to refund all or part of any payments received by the owner under this subchapter, with interest on the payments as determined appropriate by the Secretary.

''SEC. 1238B. DUTIES OF SECRETARY.

''(a) IN GENERAL.—In return for the granting of an easement or the execution of a contract by an owner under this subchapter, the Secretary shall make payments under subsection (b), make payments of the Federal share of restoration under subsection (c), and provide technical assistance to the owner in accordance with this section.

''(b) CONTRACT AND EASEMENT PAYMENTS.—

''(1) CONTRACTS.—In return for entering into a contract by an owner under this subchapter, the Secretary shall make annual payments to the owner during the term of the contract in an amount that is not more than 75 percent of the grazing value of the land.

''(2) EASEMENTS.—

''(A) IN GENERAL.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall make easement payments to the owner in an amount equal to—

''(i) in the case of a permanent easement, the fair market value of the land less the grazing value of the land encumbered by the easement; and

''(ii) in the case of a 30-year easement or an easement for the maximum duration allowed under applicable State law, 30 percent of the fair market value of the land less the grazing value of the land for the period that the land is encumbered by the easement.

''(B) PAYMENT SCHEDULE.—Easement payments may be made as a single payment or annual payments, but not to exceed 10 annual payments of equal or unequal amounts, as agreed to by the Secretary and the owner.

''(c) FEDERAL SHARE OF RESTORATION.—The Secretary shall make payments to the owner of not more than—

''(1) in the case of virgin (never cultivated) grassland, 90 percent of the costs of carrying out measures and practices necessary to restore grassland functions and values; or

''(2) in the case of restored grassland, 75 percent of such costs.

''(d) TECHNICAL ASSISTANCE.—A landowner who is receiving a benefit under this subchapter shall be eligible to receive technical assistance in accordance with section 1243(d) to assist the owner or operator in carrying out a contract entered into under this subchapter.

''(e) PAYMENTS TO OTHERS.—If an owner who is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all the circumstances.''.

(b) FUNDING.—Section 1241 of such Act (16 U.S.C. 3841) is amended by adding at the end the following:

''(c) GRASSLAND RESERVE PROGRAM.—For fiscal years 2002 through 2011, the Secretary shall use a total of $254,000,000 of the funds of the Commodity Credit Corporation to carry out subchapter D of chapter 1 of subtitle D.''.

SEC. 256. FARMLAND STEWARDSHIP PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830–3839bb) is amended by inserting after chapter 1 (and the matter added by section 255 of this Act) the following:

''CHAPTER 2—FARMLAND STEWARDSHIP PROGRAM

''SEC. 1239. DEFINITIONS.

''In this chapter:

''(1) AGREEMENT.—The terms 'farmland stewardship agreement' and 'agreement' mean a stewardship contract authorized by this chapter.

''(2) CONTRACTING AGENCY.—The term 'contracting agency' means a local conservation district, resource conservation and development council, local office of the Department of Agriculture, other participating government agency, or other nongovernmental organization that is designated by the Secretary to enter into farmland stewardship agreements on behalf of the Secretary.

''(3) ELIGIBLE AGRICULTURAL LANDS.—The term 'eligible agricultural lands' means private lands that are in primarily native or natural condition or are classified as cropland, pastureland, grazing lands, timberlands, or other lands as specified by the Secretary that—

''(A) contain wildlife habitat, wetlands, or other natural resources; or

''(B) provide benefits to the public at large, such as—

''(i) conservation of soil, water, and related resources;

''(ii) water quality protection or improvement;

''(iii) control of invasive and exotic species;

''(iv) wetland restoration, protection, and creation; and

''(v) wildlife habitat development and protection;

''(vi) preservation of open spaces, or prime, unique, or other productive farm lands; and

''(vii) and other similar conservation purposes.

''(4) FARMLAND STEWARDSHIP PROGRAM; PROGRAM.—The terms 'Farmland Stewardship Program' and 'Program' mean the conservation program of the Department of Agriculture established by this chapter.

''SEC. 1239A. ESTABLISHMENT AND PURPOSE OF PROGRAM.

''(a) ESTABLISHMENT.—The Secretary shall establish a conservation program of the Department of Agriculture, to be known as the Farmland Stewardship Program, that is designed to more precisely tailor and target existing conservation programs to the specific conservation needs and opportunities presented by individual parcels of eligible agricultural lands.

''(b) RELATION TO OTHER CONSERVATION PROGRAMS.—Under the Farmland Stewardship Program, the Secretary may implement, or combine together, the features of—

''(1) the Wetlands Reserve Program;

''(2) the Wildlife Habitat Incentives Program;

''(3) the Forest Land Enhancement Program;

''(4) the Farmland Protection Program; or

''(5) other conservation programs administered by other Federal agencies and State and local government entities, where feasible and with the consent of the administering agency or government.

''(c) FUNDING SOURCES.—

''(1) IN GENERAL.—The Farmland Stewardship Program and agreements under the Program shall be funded by the Secretary using—

''(A) the funding authorities of the conservation programs that are implemented in whole, or in part, through the use of agreements or easements; and

''(B) such funds as are provided to carry out the programs specified in paragraphs (1) through (4) of subsection (b).

''(2) COST-SHARING.—It shall be a requirement of the Farmland Stewardship Program that the majority of the funds to carry out the Program must come from other existing conservation programs, which may be Federal, State, regional, local, or private, that are combined into and made a part of an agreement, or from matching funding contributions made by State, regional, or local agencies and divisions of government or from private funding sources.

''(d) PERSONNEL COSTS.—The Secretary may use the Natural Resources Conservation Service to carry out the Farmland Stewardship Program.

''(e) TECHNICAL ASSISTANCE.—An owner or operator who is receiving a benefit under this chapter shall be eligible to receive technical assistance in accordance with section 1243(d) to assist the owner or operator in carrying out a contract entered into under this chapter.

''SEC. 1239B. USE OF FARMLAND STEWARDSHIP AGREEMENTS.

''(a) AGREEMENTS AUTHORIZED.—The Secretary shall carry out the Farmland Stewardship Program by entering into stewardship contracts as determined by the Secretary, to be known as farmland stewardship agreements, with the owners or operators of eligible agricultural lands to maintain and protect for the natural and agricultural resources on the lands.

''(b) BASIC PURPOSES.—An agreement with the owner or operator of eligible agricultural lands shall be used—

''(1) to negotiate a mutually agreeable set of guidelines, practices, and procedures under which conservation practices will be provided by the owner or operator to protect, maintain, and, where possible, improve, the natural resources on the lands covered by the agreement in return for annual payments to the owner or operator;

''(2) to implement a conservation program or series of programs where there is no such

program or to implement conservation management activities where there is no such activity; and

''(3) to expand conservation practices and resource management activities to a property where it is not possible at the present time to negotiate or reach agreement on a public purchase of a fee-simple or less-than-fee interest in the property for conservation purposes.

''(c) MODIFICATION OF OTHER CONSERVATION PROGRAM ELEMENTS.—If most, but not all, of the limitations, conditions, and requirements of a conservation program that is implemented in whole, or in part, through the Farmland Stewardship Program are met with respect to a parcel of eligible agricultural lands, and the purposes to be achieved by the agreement to be entered into for such lands are consistent with the purposes of the conservation program, then the Secretary may waive any remaining limitations, conditions, or requirements of the conservation program that would otherwise prohibit or limit the agreement.

''(d) STATE AND LOCAL CONSERVATION PRIORITIES.—To the maximum extent practicable, agreements shall address the conservation priorities established by the State and locality in which the eligible agricultural lands are located.

''(e) WATERSHED ENHANCEMENT.—To the extent practicable, the Secretary shall encourage the development of Farmland Stewardship Program applications on a watershed basis.

''SEC. 1239C. PARTNERSHIP APPROACH TO PROGRAM.

''(a) AUTHORITY OF SECRETARY EXERCISED THROUGH PARTNERSHIPS.—The Secretary may administer agreements under the Farmland Stewardship Program in partnership with other Federal, State, and local agencies whose programs are incorporated into the Program under section 1239A.

''(b) DESIGNATION AND USE OF CONTRACTING AGENCIES.—Subject to subsection (c), the Secretary may authorize a local conservation district, resource conservation & development district, nonprofit organization, or local office of the Department of Agriculture or other participating government agency to enter into and administer agreements under the Program as a contracting agency on behalf of the Secretary.

''(c) CONDITIONS ON DESIGNATION.—The Secretary may designate an eligible district or office as a contracting agency under subsection (b) only if the district of office—

''(1) submits a written request for such designation to the Secretary;

''(2) affirms that it is willing to follow all guidelines for executing and administering an agreement, as promulgated by the Secretary;

''(3) demonstrates to the satisfaction of the Secretary that it has established working relationships with owners and operators of eligible agricultural lands, and based on the history of these working relationships, demonstrates that it has the ability to work with owners and operators of eligible agricultural lands in a cooperative manner;

''(4) affirms its responsibility for preparing all documentation for the agreement, negotiating its terms with an owner or operator, monitoring compliance, making annual reports to the Secretary, and administering the agreement throughout its full term; and

''(5) demonstrates to the satisfaction of the Secretary that it has or will have the necessary staff resources and expertise to carry out its responsibilities under paragraphs (3) and (4).

''SEC. 1239D. PARTICIPATION OF OWNERS AND OPERATORS OF ELIGIBLE AGRICULTURAL LANDS.

''(a) APPLICATION AND APPROVAL PROCESS.—To participate in the Farmland Stewardship Program, an owner or operator of eligible agricultural lands shall—

''(1) submit to the Secretary an application indicating interest in the Program and describing the owner's or operator's property, its resources, and their ecological and agricultural values;

''(2) submit to the Secretary a list of services to be provided, a management plan to be implemented, or both, under the proposed agreement;

''(3) if the application and list are accepted by the Secretary, enter into an agreement that details the services to be provided, management plan to be implemented, or both, and requires compliance with the other terms of the agreement.

''(b) APPLICATION ON BEHALF OF AN OWNER OR OPERATOR.—A designated contracting agency may submit the application required by subsection (a) on behalf of an owner or operator by if the contracting agency has secured the consent of the owner or operator to enter into an agreement.''.

SEC. 257. SMALL WATERSHED REHABILITATION PROGRAM.

Section 14(h) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)) is amended—

(1) by adding ''and'' at the end of paragraph (1); and

(2) by striking all that follows paragraph (1) and inserting the following:

''(2) $15,000,000 for fiscal year 2002 and each succeeding fiscal year.''.

Subtitle G—Repeals

SEC. 261. PROVISIONS OF THE FOOD SECURITY ACT OF 1985.

(a) WETLANDS MITIGATION BANKING PROGRAM.—Section 1222 of the Food Security Act of 1985 (16 U.S.C. 3822) is amended by striking subsection (k).

(b) CONSERVATION RESERVE PROGRAM.—

(1) REPEALS.—(A) Section 1234(f) of such Act (16 U.S.C. 3834(f)) is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(B) Section 1236 of such Act (16 U.S.C. 3836) is repealed.

(2) CONFORMING AMENDMENTS.—(A) Section 1232(a)(5) of such Act (16 U.S.C. 3832(a)(5)) is amended by striking ''in addition to the remedies provided under section 1236(d),''.

(B) Section 1234(d)(4) of such Act (16 U.S.C. 3834(d)(4)) is amended by striking ''subsection (f)(4)'' and inserting ''subsection (f)(3)''.

(c) WETLANDS RESERVE PROGRAM.—Section 1237D(c) of such Act (16 U.S.C. 3837d(c)) is amended by striking paragraph (3).

(d) ENVIRONMENTAL EASEMENT PROGRAM.—

(1) REPEAL.—Chapter 3 of subtitle D of title XII of such Act (16 U.S.C. 3839–3839d) is repealed.

(2) CONFORMING AMENDMENT.—Section 1243(b)(3) of such Act (16 U.S.C. 3843(b)(3)) is amended by striking ''or 3''.

(e) CONSERVATION FARM OPTION.—Chapter 5 of subtitle D of title XII of such Act (16 U.S.C. 3839bb) is repealed.

(f) TREE PLANTING INITIATIVE.—Section 1256 of such Act (16 U.S.C. 2101 note) is repealed.

SEC. 262. NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION ACT.

Subtitle F of title III of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 5801–5809) is repealed.

TITLE III—TRADE

SEC. 301. MARKET ACCESS PROGRAM.

Section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended—

(1) by striking ''and not more'' and inserting ''not more'';

(2) by inserting ''and not more than $200,000,000 for each of fiscal years 2002 through 2011,'' after ''2002,''; and

(3) by striking ''2002'' and inserting ''2001''.

SEC. 302. FOOD FOR PROGRESS.

(a) IN GENERAL.—Subsections (f)(3), (g), (k), and (l)(1) of section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) are each amended by striking ''2002'' and inserting ''2011''.

(b) INCREASE IN FUNDING.—Section 1110(l)(1) of the Food Security Act of 1985 (7 U.S.C.1736o(l)(1)) is amended—

(1) by striking ''2002'' and inserting ''2011''; and

(2) by striking ''$10,000,000'' and inserting ''$15,000,000.

(c) EXCLUSION FROM LIMITATION.—Section 1110(e)(2) of the Food Security Act of 1985 (7 U.S.C. 1736o(e)(2)) is amended by inserting '', and subsection (g) does not apply to such commodities furnished on a grant basis or on credit terms under title I of the Agricultural Trade Development Act of 1954'' before the final period.

(d) TRANSPORTATION COSTS.—Section 1110(f)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(f)(3)) is amended by striking ''$30,000,000'' and inserting ''$40,000,000''.

(e) AMOUNTS OF COMMODITIES.—Section 1110(g) of the Food Security Act of 1985 (7 U.S.C. 1736o(g)) is amended by striking ''500,000'' and inserting ''1,000,000''.

(f) MULTIYEAR BASIS.—Section 1110(j) of the Food Security Act of 1985 (7 U.S.C. 1736o(j)) is amended—

(1) by striking ''may'' and inserting ''is encouraged''; and

(2) by inserting ''to'' before ''approve''.

(g) MONETIZATION.—Section 1110(l)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(l)(3)) is amended by striking ''local currencies'' and inserting ''proceeds''.

(h) NEW PROVISIONS.—Section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) is amended by adding at the end the following:

''(p) The Secretary is encouraged to finalize program agreements and resource requests for programs under this section before the beginning of the relevant fiscal year. By November 1 of the relevant fiscal year, the Secretary shall provide to the Committee on Agriculture and the Committee on International Relations of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of approved programs, countries, and commodities, and the total amounts of funds approved for transportation and administrative costs, under this section.''.

SEC. 303. SURPLUS COMMODITIES FOR DEVELOPING OR FRIENDLY COUNTRIES.

(a) USE OF CURRENCIES.—Section 416(b)(7)(D) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)) is amended—

(1) in clauses (i) and (iii), by striking ''foreign currency'' each place it appears;

(2) in clause (ii)—

(A) by striking ''Foreign currencies'' and inserting ''Proceeds''; and

(B) by striking ''foreign currency''; and

(3) in clause (iv)—

(A) by striking ''Foreign currency proceeds'' and inserting ''Proceeds'';

(B) by striking ''country of origin'' the second place it appears and all that follows through ''as necessary to expedite'' and inserting ''country of origin as necessary to expedite'';

(C) by striking ''; or'' and inserting a period; and

(D) by striking subclause (II).

(b) IMPLEMENTATION OF AGREEMENTS.—Section 416(b)(8)(A) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(8)(A)) is amended—

(1) by inserting ''(i)'' after ''(A)''; and

(2) by adding at the end the following new clauses:

''(ii) The Secretary shall publish in the Federal Register, not later than October 31 of each fiscal year, an estimate of the commodities that shall be available under this section for that fiscal year.

''(iii) The Secretary is encouraged to finalize program agreements under this section not later than December 31 of each fiscal year.''.

SEC. 304. EXPORT ENHANCEMENT PROGRAM.

Section 301(e)(1)(G) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by inserting ''and for each fiscal year thereafter through fiscal year 2011'' after ''2002''.

SEC. 305. FOREIGN MARKET DEVELOPMENT CO-OPERATOR PROGRAM.

(a) IN GENERAL.—Section 703 of the Agricultural Trade Act of 1978 (7 U.S.C.5723) is amended—

(1) by inserting ''(a) PRIOR YEARS.—'' before ''There'';

(2) by striking ''2002'' and inserting ''2001''; and

(3) by adding at the end the following new subsection:

''(b) FISCAL 2002 AND LATER.—For each of fiscal years 2002 through 2011 there are authorized to be appropriated such sums as may be necessary to carry out this title, and, in addition to any sums so appropriated, the Secretary shall use $37,000,000 of the funds of, or an equal value of the commodities of, the Commodity Credit Corporation to carry out this title.''.

(b) VALUE ADDED PRODUCTS.—

(1) IN GENERAL.—Section 702(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5721 et seq.) is amended by inserting '', with a significant emphasis on the importance of the export of value-added United States agricultural products into emerging markets'' after ''products''.

(2) REPORT TO CONGRESS.—Section 702 of the Agricultural Trade Act of 1978 (7 U.S.C. 5722) is amended by adding at the end the following:

''(c) REPORT TO CONGRESS.—

''(1) IN GENERAL.—The Secretary shall report annually to appropriate congressional committees the amount of funding provided, types of programs funded, the value added products that have been targeted, and the foreign markets for those products that have been developed.

''(2) DEFINITION.—In this subsection, the term 'appropriate congressional committees' means—

''(A) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

''(B) the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations of the Senate.''.

SEC. 306. EXPORT CREDIT GUARANTEE PROGRAM.

(a) REAUTHORIZATION.—Section 211(b)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is amended by striking ''2002'' and inserting ''2011''.

(b) PROCESSED AND HIGH VALUE PRODUCTS.—Section 202(k)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(k)(1)) is amended by striking '', 2001, and 2002'' and inserting ''through 2011''.

SEC. 307. FOOD FOR PEACE (PL 480).

The Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) is amended—

(1) in section 2 (7 U.S.C. 1691), by striking paragraph (2) and inserting the following:

''(2) promote broad-based, equitable, and sustainable development, including agricultural development as well as conflict prevention;'';

(2) in section 202(e)(1) (7 U.S.C. 1722(e)(1)), by striking ''not less than $10,000,000, and not more than $28,000,000'' and inserting ''not less than 5 percent and not more than 10 percent of such funds'';

(3) in section 203(a) (7 U.S.C. 1723(a)), by striking ''the recipient country, or in a country'' and inserting ''one or more recipient countries, or one or more countries'';

(4) in section 203(c) (7 U.S.C. 1723(c))—

(A) by striking ''foreign currency''; and

(B) by striking ''the recipient country, or in a country'' and inserting ''one or more recipient countries, or one or more countries'';

(5) in section 203(d) (7 U.S.C. 1723(d))—

(A) by striking ''Foreign currencies'' and inserting ''Proceeds'';

(B) in paragraph (2)—

(i) by striking ''income generating'' and inserting ''income-generating''; and

(ii) by striking ''the recipient country or within a country'' and inserting ''one or more recipient countries, or one or more countries''; and

(C) in paragraph (3), by inserting a comma after ''invested'' and ''used'';

(6) in section 204(a) (7 U.S.C. 1724(a))—

(A) by striking ''1996 through 2002'' and inserting ''2002 through 2011''; and

(B) by striking ''2,025,000'' and inserting ''2,250,000'';

(7) in section 205(f) (7 U.S.C. 1725(f)), by striking ''2002'' and inserting ''2011'';

(8) in section 207(a) (7 U.S.C. 1726a(a))—

(A) by redesignating paragraph (2) as paragraph (3); and

(B) by striking paragraph (1) and inserting the following:

''(1) RECIPIENT COUNTRIES.—A proposal to enter into a non-emergency food assistance agreement under this title shall identify the recipient country or countries subject to the agreement.

''(2) TIME FOR DECISION.—Not later than 120 days after receipt by the Administrator of a proposal submitted by an eligible organization under this title, the Administrator shall make a decision concerning such proposal.'';

(9) in section 208(f), by striking ''2002'' and inserting ''2011'';

(10) in section 403 (7 U.S.C. 1733), by inserting after subsection (k) the following:

''(l) SALES PROCEDURES.—Subsections (b) and (h) shall apply to sales of commodities to generate proceeds for titles II and III of this Act, section 416(b) of the Agricultural Act of 1949, and section 1110 of the Food and Security Act of 1985. Such sales transactions may be in United States dollars and other currencies.'';

(11) in section 407(c)(4), by striking ''2001 and 2002'' and inserting ''2001 through 2011'';

(12) in section 408, by striking ''2002'' and inserting ''2011''; and

(13) in section 501(c), by striking ''2002'' and inserting ''2011''.

SEC. 308. EMERGING MARKETS.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note) is amended—

(1) in subsections (a) and (d)(1)(A)(i), by striking ''2002'' and inserting ''2011''; and

(2) in subsection (d)(1)(H), by striking ''$10,000,000 in any fiscal year'' and inserting ''$13,000,000 for each of fiscal years 2002 through 2011''.

SEC. 309. BILL EMERSON HUMANITARIAN TRUST.

Subsections (b)(2)(B)(i), (h)(1), and (h)(2) of section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1) are each amended by striking ''2002'' and inserting ''2011''.

SEC. 310. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish an export assistance program (referred to in this section as the ''program'') to address unique barriers that prohibit or threaten the export of United States specialty crops.

(b) PURPOSE.—The program shall provide direct assistance through public and private sector projects and technical assistance to remove, resolve, or mitigate sanitary and phytosanitary and related barriers to trade.

(c) PRIORITY.—The program shall address time sensitive and strategic market access projects based on—

(1) trade effect on market retention, market access, and market expansion; and

(2) trade impact.

(d) FUNDING.—The Secretary shall make available $3,000,000 for each of fiscal years 2002 through 2011 of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation.

SEC. 311. FARMERS FOR AFRICA AND CARIBBEAN BASIN PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) Many African farmers and farmers in Caribbean Basin countries use antiquated techniques to produce their crops, which result in poor crop quality and low crop yields.

(2) Many of these farmers are losing business to farmers in European and Asian countries who use advanced planting and production techniques and are supplying agricultural produce to restaurants, resorts, tourists, grocery stores, and other consumers in Africa and Caribbean Basin countries.

(3) A need exists for the training of African farmers and farmers in Caribbean Basin countries and other developing countries in farming techniques that are appropriate for the majority of eligible farmers in African or Caribbean countries, including standard growing practices, insecticide and sanitation procedures, and other farming methods that will produce increased yields of more nutritious and healthful crops.

(4) African-American and other American farmers, as well as banking and insurance professionals, are a ready source of agribusiness expertise that would be invaluable for African farmers and farmers in Caribbean Basin countries.

(5) A United States commitment is appropriate to support the development of a comprehensive agricultural skills training program for these farmers that focuses on—

(A) improving knowledge of insecticide and sanitation procedures to prevent crop destruction;

(B) teaching modern farming techniques, including the identification and development of standard growing practices and the establishment of systems for recordkeeping, that would facilitate a continual analysis of crop production;

(C) the use and maintenance of farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries;

(D) expansion of small farming operations into agribusiness enterprises through the development and use of village banking systems and the use of agricultural risk insurance pilot products, resulting in increased access to credit for these farmers; and

(E) marketing crop yields to prospective purchasers (businesses and individuals) for local needs and export.

(6) The participation of African-American and other American farmers and American agricultural farming specialists in such a training program promises the added benefit of improving access to African and Caribbean Basin markets for American farmers and United States farm equipment and products and business linkages for United States insurance providers offering technical assistance on, among other things, agricultural risk insurance products.

(7) Existing programs that promote the exchange of agricultural knowledge and expertise through the exchange of American and foreign farmers have been effective in promoting improved agricultural techniques and food security, and, thus, the extension of additional resources to such farmer-to- farmer exchanges is warranted.

(b) DEFINITIONS.—In this section:

(1) AGRICULTURAL FARMING SPECIALIST.—The term ''agricultural farming specialist'' means an individual trained to transfer information and technical support relating to agribusiness, food security, the mitigation and alleviation of hunger, the mitigation of agricultural and farm risk, maximization of crop yields, agricultural trade, and other needs specific to a geographical location as determined by the President.

(2) CARIBBEAN BASIN COUNTRY.—The term ''Caribbean Basin country'' means a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702).

(3) ELIGIBLE FARMER.—The term ''eligible farmer'' means an individual owning or working on farm land (as defined by a particular country's laws relating to property) in the sub-Saharan region of the continent of Africa, in a Caribbean Basin country, or in any other developing country in which the President determines there is a need for farming expertise or for information or technical support described in paragraph (1).

(4) PROGRAM.—The term ''Program'' means the Farmers for Africa and Caribbean Basin Program established under this section.

(c) ESTABLISHMENT OF PROGRAM.—The President shall establish a grant program, to be known as the ''Farmers for Africa and Caribbean Basin Program'', to assist eligible organizations in carrying out bilateral exchange programs whereby African-American and other American farmers and American agricultural farming specialists share technical knowledge with eligible farmers regarding—

(1) maximization of crop yields;

(2) use of agricultural risk insurance as financial tools and a means of risk management (as allowed by Annex II of the World Trade Organization rules);

(3) expansion of trade in agricultural products;

(4) enhancement of local food security;

(5) the mitigation and alleviation of hunger;

(6) marketing agricultural products in local, regional, and international markets; and

(7) other ways to improve farming in countries in which there are eligible farmers.

(d) ELIGIBLE GRANTEES.—The President may make a grant under the Program to—

(1) a college or university, including a historically black college or university, or a foundation maintained by a college or university; and

(2) a private organization or corporation, including grassroots organizations, with an established and demonstrated capacity to carry out such a bilateral exchange program.

(e) TERMS OF PROGRAM.—(1) It is the goal of the Program that at least 1,000 farmers participate in the training program by December 31, 2005, of which 80 percent of the total number of participating farmers will be African farmers or farmers in Caribbean Basin countries and 20 percent of the total number of participating farmers will be American farmers.

(2) Training under the Program will be provided to eligible farmers in groups to ensure that information is shared and passed on to other eligible farmers. Eligible farmers will be trained to be specialists in their home communities and will be encouraged not to retain enhanced farming technology for their own personal enrichment.

(3) Through partnerships with American businesses, the Program will utilize the commercial industrial capability of businesses dealing in agriculture to train eligible farmers on farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries and to introduce eligible farmers to the use of insurance as a risk management tool.

(f) SELECTION OF PARTICIPANTS.—(1) The selection of eligible farmers, as well as African-American and other American farmers and agricultural farming specialists, to participate in the Program shall be made by grant recipients using an application process approved by the President.

(2) Participating farmers must have sufficient farm or agribusiness experience and have obtained certain targets regarding the productivity of their farm or agribusiness.

(g) GRANT PERIOD.—The President may make grants under the Program during a period of 5 years beginning on October 1 of the first fiscal year for which funds are made available to carry out the Program.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2011.

SEC. 312. GEORGE MCGOVERN-ROBERT DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

(a) IN GENERAL.—The President may, subject to subsection (j), direct the procurement of commodities and the provision of financial and technical assistance to carry out—

(1) preschool and school feeding programs in foreign countries to improve food security, reduce the incidence of hunger, and improve literacy and primary education, particularly with respect to girls; and

(2) maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants, and children who are five years of age or younger.

(b) ELIGIBLE COMMODITIES AND COST ITEMS.—Notwithstanding any other provision of law—

(1) any agricultural commodity is eligible for distribution under this section;

(2) as necessary to achieve the purposes of this section—

(A) funds may be used to pay the transportation costs incurred in moving commodities (including prepositioned commodities) provided under this section from the designated points of entry or ports of entry of one or more recipient countries to storage and distribution sites in these countries, and associated storage and distribution costs;

(B) funds may be used to pay the costs of activities conducted in the recipient countries by a nonprofit voluntary organization, cooperative, or intergovernmental agency or organization that would enhance the effectiveness of the activities implemented by such entities under this section; and

(C) funds may be provided to meet the allowable administrative expenses of private voluntary organizations, cooperatives, or intergovernmental organizations which are implementing activities under this section; and

(3) for the purposes of this section, the term ''agricultural commodities'' includes any agricultural commodity, or the products thereof, produced in the United States.

(c) GENERAL AUTHORITIES.—The President shall designate one or more Federal agencies to—

(1) implement the program established under this section;

(2) ensure that the program established under this section is consistent with the foreign policy and development assistance objectives of the United States; and

(3) consider, in determining whether a country should receive assistance under this section, whether the government of the country is taking concrete steps to improve the preschool and school systems in its country.

(d) ELIGIBLE RECIPIENTS.—Assistance may be provided under this section to private voluntary organizations, cooperatives, intergovernmental organizations, governments and their agencies, and other organizations.

(e) PROCEDURES.—

(1) IN GENERAL.—In carrying out subsection (a) the President shall assure that procedures are established that—

(A) provide for the submission of proposals by eligible recipients, each of which may include one or more recipient countries, for commodities and other assistance under this section;

(B) provide for eligible commodities and assistance on a multi-year basis;

(C) ensure eligible recipients demonstrate the organizational capacity and the ability to develop, implement, monitor, report on, and provide accountability for activities conducted under this section;

(D) provide for the expedited development, review, and approval of proposals submitted in accordance with this section;

(E) ensure monitoring and reporting by eligible recipients on the use of commodities and other assistance provided under this section; and

(F) allow for the sale or barter of commodities by eligible recipients to acquire funds to implement activities that improve the food security of women and children or otherwise enhance the effectiveness of programs and activities authorized under this section.

(2) PRIORITIES FOR PROGRAM FUNDING.—In carrying out paragraph (1) with respect to criteria for determining the use of commodities and other assistance provided for programs and activities authorized under this section, the implementing agency may consider the ability of eligible recipients to—

(A) identify and assess the needs of beneficiaries, especially malnourished or undernourished mothers and their children who are five years of age or younger, and school-age children who are malnourished, undernourished, or do not regularly attend school;

(B)(i) in the case of preschool and school-age children, target low-income areas where children's enrollment and attendance in

school is low or girls' enrollment and participation in preschool or school is low, and incorporate developmental objectives for improving literacy and primary education, particularly with respect to girls; and

(ii) in the case of programs to benefit mothers and children who are five years of age or younger, coordinate supplementary feeding and nutrition programs with existing or newly-established maternal, infant, and children programs that provide health-needs interventions, and which may include maternal, prenatal, and postnatal and newborn care;

(C) involve indigenous institutions as well as local communities and governments in the development and implementation to foster local capacity building and leadership; and

(D) carry out multiyear programs that foster local self-sufficiency and ensure the longevity of recipient country programs.

(f) USE OF FOOD AND NUTRITION SERVICE.—The Food and Nutrition Service of the Department of Agriculture may provide technical advice on the establishment of programs under subsection (a)(1) and on their implementation in the field in recipient countries.

(g) MULTILATERAL INVOLVEMENT.—The President is urged to engage existing international food aid coordinating mechanisms to ensure multilateral commitments to, and participation in, programs like those supported under this section. The President shall report annually to the Committee on International Relations and the Committee on Agriculture of the United States House of Representatives and the Committee on Foreign Relations and the Committee on Agriculture, Nutrition, and Forestry of the United States Senate on the commitments and activities of governments, including the United States government, in the global effort to reduce child hunger and increase school attendance.

(h) PRIVATE SECTOR INVOLVEMENT.—The President is urged to encourage the support and active involvement of the private sector, foundations, and other individuals and organizations in programs assisted under this section.

(i) REQUIREMENT TO SAFEGUARD LOCAL PRODUCTION AND USUAL MARKETING.—The requirement of section 403(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(a) and 1733(h)) applies with respect to the availability of commodities under this section.

(j) FUNDING.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary to carry out this section for each of fiscal years 2002 through 2011. Nothing in this section shall be interpreted to preclude the use of authorities in effect before the date of the enactment of this Act to carry out the ongoing Global Food for Education Initiative.

(2) ADMINISTRATIVE EXPENSES.—Funds made available to carry out the purposes of this section may be used to pay the administrative expenses of any agency of the Federal Government implementing or assisting in the implementation of this section.

SEC. 313. STUDY ON FEE FOR SERVICES.

(a) STUDY.—Not later than one year after the date of enactment of this Act, the Secretary shall provide a report to the designated congressional committees on the feasibility of instituting a program which would charge and retain a fee to cover the costs for providing persons with commercial services performed abroad on matters within the authority of the Department of Agriculture administered through the Foreign Agriculture Service or any successor agency.

(b) DEFINITION.—In this section, the term ''designated congressional committees'' means the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.

SEC. 314. NATIONAL EXPORT STRATEGY REPORT.

(a) REPORT.—Not later than one year after the date of enactment of this Act, the Secretary of Agriculture shall provide to the designated congressional committees a report on the policies and programs that the Department of Agriculture has undertaken to implement the National Export Strategy Report. The report shall contain a description of the effective coordination of these policies and programs through all other appropriate Federal agencies participating in the Trade Promotion Coordinating Committee and the steps the Department of Agriculture is taking to reduce the level of protectionism in agricultural trade, to foster market growth, and to improve the commercial potential of markets in both developed and developing countries for United States agricultural commodities.

(b) DEFINITION.—In this section, the term ''designated congressional committees'' means the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.

TITLE IV—NUTRITION PROGRAMS

Subtitle A—Food Stamp Program

SEC. 401. SIMPLIFIED DEFINITION OF INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) in paragraph (3)—

(A) by striking ''and (C)'' and inserting ''(C)''; and

(B) by inserting after ''premiums,'' the following:

''and (D) to the extent that any other educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like, are required to be excluded under title XIX of the Social Security Act, the state agency may exclude it under this subsection,'';

(2) by striking ''and (15)'' and inserting ''(15)'';

(3) by inserting before the period at the end the following:

'', (16) any state complementary assistance program payments that are excluded pursuant to subsections (a) and (b) of section 1931 of title XIX of the Social Security Act, and (17) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), except that this paragraph shall not authorize a State agency to exclude earned income, payments under title I, II, IV, X, XIV, or XVI of the Social Security Act, or such other types of income whose consideration the Secretary determines essential to equitable determinations of eligibility and benefit levels except to the extent that those types of income may be excluded under other paragraphs of this subsection''.

SEC. 402. STANDARD DEDUCTION.

Section 5(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(1)) is amended—

(1) by striking ''of $134, $229, $189, $269, and $118'' and inserting ''equal to 9.7 percent of the eligibility limit established under section 5(c)(1) for fiscal year 2002 but not more than 9.7 percent of the eligibility limit established under section 5(c)(1) for a household of six for fiscal year 2002 nor less than $134, $229, $189, $269, and $118''; and

(2) by inserting before the period at the end the following:

'', except that the standard deduction for Guam shall be determined with reference to 2 times the eligibility limits under section 5(c)(1) for fiscal year 2002 for the 48 contiguous states and the District of Columbia''.

SEC. 403. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.

(a) IN GENERAL.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

''(s) TRANSITIONAL BENEFITS OPTION.—

''(1) IN GENERAL.—A State may provide transitional food stamp benefits to a household that is no longer eligible to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(2) TRANSITIONAL BENEFITS PERIOD.—Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the date on which cash assistance is terminated.

''(3) AMOUNT.—During the transitional benefits period under paragraph (2), a household shall receive an amount equal to the allotment received in the month immediately preceding the date on which cash assistance is terminated. A household receiving benefits under this subsection may apply for recertification at any time during the transitional benefit period. If a household reapplies, its allotment shall be determined without regard to this subsection for all subsequent months.

''(4) DETERMINATION OF FUTURE ELIGIBILITY.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

''(A) require a household to cooperate in a redetermination of eligibility to receive an authorization card; and

''(B) renew eligibility for a new certification period for the household without regard to whether the previous certification period has expired.

''(5) LIMITATION.—A household sanctioned under section 6, or for a failure to perform an action required by Federal, State, or local law relating to such cash assistance program, shall not be eligible for transitional benefits under this subsection.''.

(b) CONFORMING AMENDMENTS.—(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following: ''The limits in this section may be extended until the end of any transitional benefit period established under section 11(s).''.

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking ''No household'' and inserting ''Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household''.

SEC. 404. QUALITY CONTROL SYSTEMS.

(a) TARGETED QUALITY CONTROL SYSTEM.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended—

(1) in paragraph (1)(C)—

(A) in the matter preceding clause (i), by inserting ''the Secretary determines that a 95 percent statistical probability exists that for the 3d consecutive year'' after ''year in which''; and

(B) in clause (i)(II)(aa)(bbb) by striking ''the national performance measure for the fiscal year'' and inserting ''10 percent'';

(2) in the 1st sentence of paragraph (4)—

(A) by striking ''or claim'' and inserting ''claim''; and

(B) by inserting ''or performance under the measures established under paragraph (10),'' after ''for payment error,'';

(3) in paragraph (5), by inserting ''to comply with paragraph (10) and'' before ''to establish'';

(4) in the 1st sentence of paragraph (6), by inserting ''one percentage point more than'' after ''measure that shall be''; and

(5) by inserting at the end the following:

''(10)(A) In addition to the measures established under paragraph (1), the Secretary shall measure the performance of State agencies in each of the following regards—

''(i) compliance with the deadlines established under paragraphs (3) and (9) of section 11(e); and

''(ii) the percentage of negative eligibility decisions that are made correctly.

''(B) For each fiscal year, the Secretary shall make excellence bonus payments of $1,000,000 each to the 5 States with the highest combined performance in the 2 measures in subparagraph (A) and to the 5 States whose combined performance under the 2 measures in subparagraph (A) most improved in such fiscal year.

''(C) For any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that a State agency's performance with respect to any of the 2 performance measures established in subparagraph (A) is substantially worse than a level the Secretary deems reasonable, other than for good cause shown, the Secretary shall investigate that State agency's administration of the food stamp program. If this investigation determines that the State's administration has been deficient, the Secretary shall require the State agency to take prompt corrective action.''.

(b) IMPLEMENTATION.—The amendment made by subsection (a)(5) shall apply to all fiscal years beginning on or after October 1, 2001, and ending before October 1, 2007. All other amendments made by this section shall apply to all fiscal years beginning on or after October 1, 1999.

SEC. 405. SIMPLIFIED APPLICATION AND ELIGIBILITY DETERMINATION SYSTEMS.

Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by inserting at the end the following:

''(*l*) SIMPLIFICATION OF SYSTEMS.—The Secretary shall expend up to $10 million in each fiscal year to pay 100 percent of the costs of State agencies to develop and implement simple application and eligibility determination systems.''.

SEC. 406. AUTHORIZATION OF APPROPRIATIONS.

(a) EMPLOYMENT AND TRAINING PROGRAMS.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)(vii) by striking ''fiscal year 2002'' and inserting ''each of the fiscal years 2003 through 2011''; and

(2) in subparagraph (B) by striking ''2002'' and inserting ''2011''.

(b) COST ALLOCATION.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in subparagraph (A) by striking ''2002'' and inserting ''2011''; and

(2) in subparagraph (B)(ii) by striking ''2002'' and inserting ''2011''.

(c) CASH PAYMENT PILOT PROJECTS.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking ''2002'' and inserting ''2011''.

(d) OUTREACH DEMONSTRATION PROJECTS.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(i)(1)(A)) is amended by striking ''1992 through 2002'' and inserting ''2003 through 2011''.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking ''1996 through 2002'' and inserting ''2003 through 2011''.

(f) PUERTO RICO.—Section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended—

(1) in clause (ii) by striking ''and'' at the end;

(2) in clause (iii) by adding ''and'' at the end; and

(3) by inserting after clause (iii) the following:

''(iv) for each of fiscal years 2003 through 2011, the amount equal to the amount required to be paid under this subparagraph for the preceding fiscal year, as adjusted by the percentage by which the thrifty food plan is adjusted under section 3(o)(4) for the current fiscal year for which the amount is determined under this clause;''.

(g) TERRITORY OF AMERICAN SAMOA.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is amended by striking ''1996 through 2002'' and inserting ''2003 through 2011''.

(h) ASSISTANCE FOR COMMUNITY FOOD PROJECTS.—Section 25(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2034(b)(2)) is amended—

(1) in subparagraph (A) by striking ''and'' at the end;

(2) in subparagraph (B)—

(A) by striking ''2002'' and inserting ''2001''; and

(B) by striking the period at the end and inserting ''; and''; and

(3) by inserting after subparagraph (B) the following:

''(C) $7,500,000 for each of the fiscal years 2002 through 2011.''.

(i) AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

(1) in subsection (a)—

(A) by striking ''1997 through 2002'' and inserting ''2002 through 2011''; and

(B) by striking ''$100,000,000'' and inserting ''$140,000,000''; and

(2) by adding at the end the following:

''(c) USE OF FUNDS FOR RELATED COSTS.—For each of the fiscal years 2002 through 2011, the Secretary shall use $10,000,000 of the funds made available under subsection (a) to pay for the direct and indirect costs of the States related to the processing, storing, transporting, and distributing to eligible recipient agencies of commodities purchased by the Secretary under such subsection and commodities secured from other sources, including commodities secured by gleaning (as defined in section 111 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note)).''.

(j) SPECIAL EFFECTIVE DATE.—The amendments made by subsections (h) and (i) shall take effect of October 1, 2001.

Subtitle B—Commodity Distribution

SEC. 441. DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.

Section 1114(a) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e) is amended by striking ''2002'' and inserting ''2011''.

SEC. 442. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

The Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

(1) in section 4(a) by striking ''1991 through 2002'' and inserting ''2003 through 2011''; and

(2) in subsections (a)(2) and (d)(2) of section 5 by striking ''1991 through 2002'' and inserting ''2003 through 2011''.

SEC. 443. EMERGENCY FOOD ASSISTANCE.

The 1st sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended—

(1) by striking ''1991 through 2002'' and inserting ''2003 through 2011'';

(2) by striking ''administrative''; and

(3) by inserting ''storage,'' after ''processing,''.

Subtitle C—Miscellaneous Provisions

SEC. 461. HUNGER FELLOWSHIP PROGRAM.

(a) SHORT TITLE; FINDINGS.—

(1) SHORT TITLE.—This section may be cited as the ''Congressional Hunger Fellows Act of 2001''.

(2) FINDINGS.—The Congress finds as follows:

(A) There is a critical need for compassionate individuals who are committed to assisting people who suffer from hunger as well as a need for such individuals to initiate and administer solutions to the hunger problem.

(B) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated his commitment to solving the problem of hunger in a bipartisan manner, his commitment to public service, and his great affection for the institution and the ideals of the United States Congress.

(C) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated his compassion for those in need, his high regard for public service, and his lively exercise of political talents.

(D) The special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all.

(E) These 2 outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, and therefore it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by creating a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(b) ESTABLISHMENT.—There is established as an independent entity of the legislative branch of the United States Government the Congressional Hunger Fellows Program (hereinafter in this section referred to as the ''Program'').

(c) BOARD OF TRUSTEES.—

(1) IN GENERAL.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) MEMBERS OF THE BOARD OF TRUSTEES.—

(A) APPOINTMENT.—The Board shall be composed of 6 voting members appointed under clause (i) and 1 nonvoting ex officio member designated in clause (ii) as follows:

(i) VOTING MEMBERS.—(I) The Speaker of the House of Representatives shall appoint 2 members.

(II) The minority leader of the House of Representatives shall appoint 1 member.

(III) The majority leader of the Senate shall appoint 2 members.

(IV) The minority leader of the Senate shall appoint 1 member.

(ii) NONVOTING MEMBER.—The Executive Director of the program shall serve as a nonvoting ex officio member of the Board.

(B) TERMS.—Members of the Board shall serve a term of 4 years.

(C) VACANCY.—

(i) AUTHORITY OF BOARD.—A vacancy in the membership of the Board does not affect the power of the remaining members to carry out this section.

(ii) APPOINTMENT OF SUCCESSORS.—A vacancy in the membership of the Board shall be filled in the same manner in which the original appointment was made.

(iii) INCOMPLETE TERM.—If a member of the Board does not serve the full term applicable to the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(D) CHAIRPERSON.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(E) COMPENSATION.—

(i) IN GENERAL.—Subject to clause (ii), members of the Board may not receive compensation for service on the Board.

(ii) TRAVEL.—Members of the Board may be reimbursed for travel, subsistence, and other necessary expenses incurred in carrying out the duties of the program.

(3) DUTIES.—

(A) BYLAWS.—

(i) ESTABLISHMENT.—The Board shall establish such bylaws and other regulations as may be appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) CONTENTS.—Such bylaws and other regulations shall include provisions—

(I) for appropriate fiscal control, funds accountability, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in the procurement and employment actions taken by the Board or by any officer or employee of the Board and in the selection and placement of individuals in the fellowships developed under the program;

(III) for the resolution of a tie vote of the members of the Board; and

(IV) for authorization of travel for members of the Board.

(iii) TRANSMITTAL TO CONGRESS.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall transmit to the appropriate congressional committees a copy of such bylaws.

(B) BUDGET.—For each fiscal year the program is in operation, the Board shall determine a budget for the program for that fiscal year. All spending by the program shall be pursuant to such budget unless a change is approved by the Board.

(C) PROCESS FOR SELECTION AND PLACEMENT OF FELLOWS.—The Board shall review and approve the process established by the Executive Director for the selection and placement of individuals in the fellowships developed under the program.

(D) ALLOCATION OF FUNDS TO FELLOWSHIPS.—The Board of Trustees shall determine the priority of the programs to be carried out under this section and the amount of funds to be allocated for the Emerson and Leland fellowships.

(d) PURPOSES; AUTHORITY OF PROGRAM.—

(1) PURPOSES.—The purposes of the program are—

(A) to encourage future leaders of the United States to pursue careers in humanitarian service, to recognize the needs of people who are hungry and poor, and to provide assistance and compassion for those in need;

(B) to increase awareness of the importance of public service; and

(C) to provide training and development opportunities for such leaders through placement in programs operated by appropriate organizations or entities.

(2) AUTHORITY.—The program is authorized to develop such fellowships to carry out the purposes of this section, including the fellowships described in paragraph (3).

(3) FELLOWSHIPS.—

(A) IN GENERAL.—The program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) CURRICULUM.—

(i) IN GENERAL.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(II) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) FOCUS OF BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(iii) FOCUS OF MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iv) WORKPLAN.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the program shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship, including specific duties and responsibilities related to those objectives.

(C) PERIOD OF FELLOWSHIP.—

(i) EMERSON FELLOW.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for no more than 1 year.

(ii) LELAND FELLOW.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for no more than 2 years. Not less than one year of the fellowship shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) SELECTION OF FELLOWS.—

(i) IN GENERAL.—A fellowship shall be awarded pursuant to a nationwide competition established by the program.

(ii) QUALIFICATION.—A successful applicant shall be an individual who has demonstrated—

(I) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(II) a commitment to social change;

(III) leadership potential or actual leadership experience;

(IV) diverse life experience;

(V) proficient writing and speaking skills;

(VI) an ability to live in poor or diverse communities; and

(VII) such other attributes as determined to be appropriate by the Board.

(iii) AMOUNT OF AWARD.—

(I) IN GENERAL.—Each individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subclause (II), an end-of-service award as determined by the program.

(II) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each individual awarded a fellowship under this paragraph shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(iv) RECOGNITION OF FELLOWSHIP AWARD.—

(I) EMERSON FELLOW.—An individual awarded a fellowship from the Bill Emerson Hunger Fellowship shall be known as an ''Emerson Fellow''.

(II) LELAND FELLOW.—An individual awarded a fellowship from the Mickey Leland Hunger Fellowship shall be known as a ''Leland Fellow''.

(4) EVALUATION.—The program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships. Such evaluations shall include the following:

(A) An assessment of the successful completion of the work plan of the fellow.

(B) An assessment of the impact of the fellowship on the fellows.

(C) An assessment of the accomplishment of the purposes of the program.

(D) An assessment of the impact of the fellow on the community.

(e) TRUST FUND.—

(1) ESTABLISHMENT.—There is established the Congressional Hunger Fellows Trust Fund (hereinafter in this section referred to as the ''Fund'') in the Treasury of the United States, consisting of amounts appropriated to the Fund under subsection (i), amounts credited to it under paragraph (3), and amounts received under subsection (g)(3)(A).

(2) INVESTMENT OF FUNDS.—The Secretary of the Treasury shall invest the full amount of the Fund. Each investment shall be made in an interest bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Secretary in consultation with the Board, has a maturity suitable for the Fund.

(3) RETURN ON INVESTMENT.—Except as provided in subsection (f)(2), the Secretary of the Treasury shall credit to the Fund the interest on, and the proceeds from the sale or redemption of, obligations held in the Fund.

(f) EXPENDITURES; AUDITS.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the program from the amounts described in subsection (e)(3) and subsection (g)(3)(A) such sums as the Board determines are necessary to enable the program to carry out the provisions of this section.

(2) LIMITATION.—The Secretary may not transfer to the program the amounts appropriated to the Fund under subsection (i).

(3) USE OF FUNDS.—Funds transferred to the program under paragraph (1) shall be used for the following purposes:

(A) STIPENDS FOR FELLOWS.—To provide for a living allowance for the fellows.

(B) TRAVEL OF FELLOWS.—To defray the costs of transportation of the fellows to the fellowship placement sites.

(C) INSURANCE.—To defray the costs of appropriate insurance of the fellows, the program, and the Board.

(D) TRAINING OF FELLOWS.—To defray the costs of preservice and midservice education and training of fellows.

(E) SUPPORT STAFF.—Staff described in subsection (g).

(F) AWARDS.—End-of-service awards under subsection (d)(3)(D)(iii)(II).

(G) ADDITIONAL APPROVED USES.—For such other purposes that the Board determines appropriate to carry out the program.

(4) AUDIT BY GAO.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the program.

(B) BOOKS.—The program shall make available to the Comptroller General all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the program and necessary to facilitate such audit.

(C) REPORT TO CONGRESS.—The Comptroller General shall submit a copy of the results of

each such audit to the appropriate congressional committees.

(g) STAFF; POWERS OF PROGRAM.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall appoint an Executive Director of the program who shall administer the program. The Executive Director shall carry out such other functions consistent with the provisions of this section as the Board shall prescribe.

(B) RESTRICTION.—The Executive Director may not serve as Chairperson of the Board.

(C) COMPENSATION.—The Executive Director shall be paid at a rate not to exceed the rate of basic pay payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) STAFF.—

(A) IN GENERAL.—With the approval of a majority of the Board, the Executive Director may appoint and fix the pay of additional personnel as the Executive Director considers necessary and appropriate to carry out the functions of the provisions of this section.

(B) COMPENSATION.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate of basic pay payable for level GS–15 of the General Schedule.

(3) POWERS.—In order to carry out the provisions of this section, the program may perform the following functions:

(A) GIFTS.—The program may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the program. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Fund and shall be available for disbursement upon order of the Board.

(B) EXPERTS AND CONSULTANTS.—The program may procure temporary and intermittent services under section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS–15 of the General Schedule.

(C) CONTRACT AUTHORITY.—The program may contract, with the approval of a majority of the members of the Board, with and compensate Government and private agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(D) OTHER NECESSARY EXPENDITURES.—The program shall make such other expenditures which the program considers necessary to carry out the provisions of this section, but excluding project development.

(h) REPORT.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the program carried out during the previous fiscal year, and shall include the following:

(1) An analysis of the evaluations conducted under subsection (d)(4) (relating to evaluations of the Emerson and Leland fellowships and accomplishment of the program purposes) during that fiscal year.

(2) A statement of the total amount of funds attributable to gifts received by the program in that fiscal year (as authorized under subsection (g)(3)(A)), and the total amount of such funds that were expended to carry out the program that fiscal year.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $18,000,000 to carry out the provisions of this section.

(j) DEFINITION.—In this section, the term ''appropriate congressional committees'' means—

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

(2) the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations of the Senate.

SEC. 462. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title shall take effect on October 1, 2002.

TITLE V—CREDIT

SEC. 501. ELIGIBILITY OF LIMITED LIABILITY COMPANIES FOR FARM OWNERSHIP LOANS, FARM OPERATING LOANS, AND EMERGENCY LOANS.

(a) Sections 302(a), 311(a), and 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(a), 1941(a), and 1961(a)) are each amended by striking ''and joint operations'' each place it appears and inserting ''joint operations, and limited liability companies''.

(b) Section 321(a) of such Act (7 U.S.C. 1961(a)) is amended by striking ''or joint operations'' each place it appears and inserting ''joint operations, or limited liability companies''.

SEC. 502. SUSPENSION OF LIMITATION ON PERIOD FOR WHICH BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.

During the period beginning January 1, 2002, and ending December 31, 2006, section 319(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1949(b)) shall have no force or effect.

SEC. 503. ADMINISTRATION OF CERTIFIED LENDERS AND PREFERRED CERTIFIED LENDERS PROGRAMS.

(a) IN GENERAL.—Section 331(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)) is amended—

(1) by redesignating paragraphs (2) through (9) as paragraphs (3) through (10), respectively; and

(2) by inserting after paragraph (1) the following:

''(2) administer the loan guarantee program under section 339(c) through central offices established in States or in multi-State areas;''.

(b) CONFORMING AMENDMENT.—Section 331(c) of such Act (7 U.S.C. 1981(c)) is amended by striking ''(b)(5)'' and inserting ''(b)(6)''.

SEC. 504. SIMPLIFIED LOAN GUARANTEE APPLICATION AVAILABLE FOR LOANS OF GREATER AMOUNTS.

Section 333A(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(g)(1)) is amended by striking ''$50,000'' and inserting ''$150,000''.

SEC. 505. ELIMINATION OF REQUIREMENT THAT SECRETARY REQUIRE COUNTY COMMITTEES TO CERTIFY IN WRITING THAT CERTAIN LOAN REVIEWS HAVE BEEN CONDUCTED.

Section 333 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983) is amended by striking paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively.

SEC. 506. AUTHORITY TO REDUCE PERCENTAGE OF LOAN GUARANTEED IF BORROWER INCOME IS INSUFFICIENT TO SERVICE DEBT.

Section 339 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1989) is amended—

(1) in subsection (c)(4)(A), by inserting '', except that the Secretary may guarantee such lesser percentage as the Secretary determines appropriate of such a loan if the income of the borrower is less than the income necessary to meet the requirements of subsection (b)'' before the period; and

(2) in subsection (d)(4)(A), by inserting '', except that the Secretary may guarantee such lesser percentage as the Secretary determines appropriate of such a loan if the income of the borrower is less than the income necessary to meet the requirements of subsection (b)'' before the semicolon.

SEC. 507. TIMING OF LOAN ASSESSMENTS.

Section 360(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(a)) is amended by striking ''After an applicant is determined eligible for assistance under this title by the appropriate county committee established pursuant to section 332, the'' and inserting ''The''.

SEC. 508. MAKING AND SERVICING OF LOANS BY PERSONNEL OF STATE, COUNTY, OR AREA COMMITTEES.

(a) IN GENERAL.—Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981–2008j) is amended by adding at the end the following:

''SEC. 376. MAKING AND SERVICING OF LOANS BY PERSONNEL OF STATE, COUNTY, OR AREA COMMITTEES.

''The Secretary shall employ personnel of a State, county or area committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C 590h(b)(5)) to make and service loans under this title to the extent the personnel have been trained to do so.''.

(b) INAPPLICABILITY OF FINALITY RULE.—Section 281(a)(1) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7001(a)(1)) is amended by inserting '', except functions performed pursuant to section 376 of the Consolidated Farm and Rural Development Act'' before the period.

SEC. 509. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY, OR AREA COMMITTEE FOR LOANS AND LOAN GUARANTEES.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981–2008j) is further amended by adding at the end the following:

''SEC. 377. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY, OR AREA COMMITTEE FOR LOANS AND LOAN GUARANTEES.

''The Secretary shall not prohibit an employee of a State, county or area committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)) or an employee of the Department of Agriculture from obtaining a loan or loan guarantee under subtitle A, B or C of this title if an office of the Department of Agriculture other than the office in which the employee is located determines that the employee is otherwise eligible for the loan or loan guarantee.''.

SEC. 510. EMERGENCY LOANS IN RESPONSE TO AN ECONOMIC EMERGENCY RESULTING FROM QUARANTINES AND SHARPLY INCREASING ENERGY COSTS.

(a) LOAN AUTHORITY.—Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended—

(1) in each of the 1st and 3rd sentences—

(A) by striking ''a natural disaster in the United States or by'' and inserting ''a quarantine imposed by the Secretary under the Plant Protection Act or the animal quarantine laws (as defined in section 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990), an economic emergency resulting from sharply increasing energy costs as described in section 329(b), a natural disaster in the United States, or''; and

(B) by inserting ''Robert T. Stafford'' before ''Disaster Relief and Emergency Assistance Act''; and

(2) in the 4th sentence—

(A) by striking ''a natural disaster'' and inserting ''such a quarantine, economic emergency, or natural disaster''; and

(B) by striking ''by such natural disaster'' and inserting ''by such quarantine, economic emergency, or natural disaster''.

(b) CONFORMING AMENDMENT.—Section 323 of such Act (7 U.S.C. 1963) is amended—

(1) by inserting ''quarantine,'' before ''natural disaster''; and

(2) by inserting ''referred to in section 321(a), including, notwithstanding any other provision of this title, an economic emergency resulting from sharply increasing energy costs as described in section 329(b)'' after ''emergency''.

(c) SHARPLY INCREASING ENERGY COSTS.—Section 329 of such Act (7 U.S.C. 1969) is amended—

(1) by striking all that precedes ''Secretary shall'' and inserting the following:

''SEC. 329. LOSS CONDITIONS.

''(a) IN GENERAL.—Except as provided in subsection (b), the''; and

(2) by adding after and below the end the following:

''(b) LOSS RESULTING FROM SHARPLY INCREASING ENERGY COSTS.—The Secretary shall make financial assistance under this subtitle available to any applicant seeking assistance based on an income loss resulting from sharply increasing energy costs referred to in section 323 if—

''(1) the price of electricity, gasoline, diesel fuel, natural gas, propane, or other equivalent fuel during any 3-month period is at least 50 percent greater than the average price of the same form of energy during the preceding 5 years, as determined by the Secretary; and

''(2) the income loss of the applicant is directly related to expenses incurred to prevent livestock mortality, the degradation of a perishable agricultural commodity, or damage to a field crop.''.

(d) MAXIMUM AMOUNT OF LOAN.—Section 324(a) of such Act (7 U.S.C. 1964(a)) is amended—

(1) by striking ''or'' at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(3) by adding at the end the following:

''(3) in the case of a loan made in response to a quarantine referred to in section 321, exceeds $500,000; or

''(4) in the case of a loan made in response to an economic emergency referred to in section 321, exceeds $200,000.''.

SEC. 511. EXTENSION OF AUTHORITY TO CONTRACT FOR SERVICING OF FARMER PROGRAM LOANS.

Section 331(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(d)) is amended—

(1) in the heading by striking ''TEMPORARY''; and

(2) in paragraph (5), by striking ''2002'' and inserting ''2011''.

SEC. 512. AUTHORIZATION FOR LOANS.

Section 346(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(1)) is amended by striking ''not more than the following amounts:'' and all that follows and inserting ''such sums as may be necessary.''.

SEC. 513. RESERVATION OF FUNDS FOR DIRECT OPERATING LOANS FOR BEGINNING FARMERS AND RANCHERS.

Section 346(b)(2)(A)(ii)(III) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(2)(A)(ii)(III)) is amended by striking ''2000 through 2002'' and inserting ''2002 through 2011''.

SEC. 514. EXTENSION OF INTEREST RATE REDUCTION PROGRAM.

Section 351(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999(a)(2)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 515. INCREASE IN DURATION OF LOANS UNDER DOWN PAYMENT LOAN PROGRAM.

(a) IN GENERAL.—Section 310E(b)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935(b)(3)) is amended by striking ''10'' and inserting ''15''.

(b) CONFORMING AMENDMENT.—Section 310E(c)(3)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935(c)(3)(B)) is amended by striking ''10-year'' and inserting ''15-year''.

SEC. 516. HORSE BREEDER LOANS.

(a) DEFINITION OF HORSE BREEDER.—In this section, the term ''horse breeder'' means a person that, as of the date of the enactment of this Act, derives more than 70 percent of the income of the person from the business of breeding, boarding, raising, training, or selling horses, during the shorter of—

(1) the 5-year period ending on January 1, 2001; or

(2) the period the person has been engaged in the business.

(b) LOAN AUTHORIZATION.—The Secretary shall make a loan to an eligible horse breeder to assist the breeder for losses suffered as a result of mare reproductive loss syndrome.

(c) ELIGIBILITY.—A horse breeder shall be eligible for a loan under this section if the Secretary determines that, as a result of mare reproductive loss syndrome—

(1) during the period beginning January 1, 2000, and ending October 1, 2000, or during the period beginning January 1, 2001, and ending October 1, 2001—

(A) 30 percent or more of the mares owned by the breeder failed to conceive, miscarried, aborted, or otherwise failed to produce a live healthy foal; or

(B) 30 percent or more of the mares boarded on a farm owned, operated, or leased by the breeder failed to conceive, miscarried, aborted, or otherwise failed to produce a live healthy foal;

(2) during the period beginning January 1, 2000, and ending on September 30, 2002, the breeder was unable to meet the financial obligations, or pay the ordinary and necessary expenses, of the breeder incurred in connection with breeding, boarding, raising, training, or selling horses; and

(3) the breeder is not able to obtain sufficient credit elsewhere (within the meaning of section 321(a) of the Consolidated Farm and Rural Development Act).

(d) AMOUNT.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall determine the amount of a loan to be made to a horse breeder under this section, on the basis of the amount of losses suffered by the breeder, and the financial needs of the breeder, as a result of mare reproductive loss syndrome.

(2) MAXIMUM AMOUNT.—The amount of a loan made under this section shall not exceed $500,000.

(e) TERM.—

(1) IN GENERAL.—Subject to paragraph (2), the term for repayment of a loan made to a horse breeder under this section shall be determined by the Secretary based on the ability of the breeder to repay the loan.

(2) MAXIMUM TERM.—The term of a loan made under this section shall not exceed 15 years.

(f) INTEREST RATE.—Interest shall be payable on a loan made under this section, at the rate prescribed under section 324(b)(1) of the Consolidated Farm and Rural Development Act.

(g) SECURITY.—Security shall be required on a loan made under this section, in accordance with section 324(d) of the Consolidated Farm and Rural Development Act.

(h) APPLICATION.—To be eligible to obtain a loan under this section, a horse breeder shall submit to the Secretary an application for the loan not later than September 30, 2002.

(i) FUNDING.—The Secretary shall carry out this section using funds available for emergency loans under subtitle C of the Consolidated Farm and Rural Development Act.

(j) TERMINATION.—The authority provided by this section shall terminate on September 30, 2003.

SEC. 517. SUNSET OF DIRECT LOAN PROGRAMS UNDER THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

(a) IN GENERAL.—Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981–2008j) is amended by inserting after section 344 the following:

''SEC. 345. SUNSET OF DIRECT LOAN PROGRAMS.

''(a) IN GENERAL.—Except as provided in subsection (b), beginning 5 years after the date of the enactment of this section, the Secretary may not make a direct loan under section 302 or 311.

''(b) EXCEPTIONS.—Subsection (a) shall not apply to any authority to make direct loans to youths, qualified beginning farmers or ranchers, or members of socially disadvantaged groups.

''(c) NO EFFECT ON EXISTING CONTRACTS.—Subsection (a) shall not be construed to permit the violation of any contract entered into before the 5-year period described in subsection (a).''.

(b) EVALUATIONS OF DIRECT AND GUARANTEED LOAN PROGRAMS.—

(1) STUDIES.—The Secretary of Agriculture shall conduct 2 studies of the direct and guaranteed loan progams under sections 302 and 311 of the Consolidated Farm and Rural Development Act, each of which shall include an examination of the number, average principal amount, and delinquency and default rates of loans provided or guaranteed during the period covered by the study.

(2) PERIODS COVERED.—

(A) FIRST STUDY.—1 study under paragraph (1) shall cover the 1-year period that begins 1 year after the date of the enactment of this section.

(B) SECOND STUDY.—1 study under paragraph (1) shall cover the 1-year period that begins 3 years after such date of enactment.

(3) REPORTS TO THE CONGRESS.—At the end of the period covered by a study under this subsection, the Secretary of Agriculture shall submit to the Congress a report that contains an evaluation of the results of the study, including an analysis of the effectiveness of loan programs referred to in paragraph (1) in meeting the credit needs of agricultural producers in an efficient and fiscally responsible manner.

SEC. 518. DEFINITION OF DEBT FORGIVENESS.

Section 343(a)(12)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(12)(B)) is amended to read as follows:

''(B) EXCEPTIONS.—The term 'debt forgiveness' does not include—

''(i) consolidation, rescheduling, reamortization, or deferral of a loan; or

''(ii) any write-down provided as a part of a resolution of a discrimination complaint against the Secretary.''.

SEC. 519. LOAN ELIGIBILITY FOR BORROWERS WITH PRIOR DEBT FORGIVENESS.

Section 373(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008h(b)(1)) is amended to read as follows:

''(1) PROHIBITIONS.—Except as provided in paragraph (2)—

''(A) the Secretary may not make a loan under this title to a borrower who, on more than 2 occasions, received debt forgiveness on a loan made or guaranteed under this title; and

''(B) the Secretary may not guarantee a loan under this title to a borrower who, on more than 3 occasions, received debt forgiveness on a loan made or guaranteed under this title.''.

SEC. 520. ALLOCATION OF CERTAIN FUNDS FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

The last sentence of section 355(c)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(c)(2)) is amended to read as follows: ''Any funds reserved and allocated under this paragraph but not used within a State shall, to the extent necessary to satisfy pending applications under this title, be available for use by socially disadvantaged farmers and ranchers in other States, as determined by the Secretary, and any remaining funds shall be reallocated within the State.''.

SEC. 521. HORSES CONSIDERED TO BE LIVESTOCK UNDER THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

Section 343 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991) is amended by adding at the end the following:

''(c) LIVESTOCK INCLUDES HORSES.—The term 'livestock' includes horses.''.

TITLE VI—RURAL DEVELOPMENT

SEC. 601. FUNDING FOR RURAL LOCAL TELEVISION BROADCAST SIGNAL LOAN GUARANTEES.

Section 1011(a) of the Launching Our Communities' Access to Local Television Act of 2000 (title X of H.R. 5548, as enacted by section 1(a)(2) of Public Law 106-553) is amended by adding at the end the following: ''In addition, a total of $200,000,000 of the funds of the Commodity Credit Corporation shall be available during fiscal years 2002 through 2006, without fiscal year limitation, for loan guarantees under this title.''.

SEC. 602. EXPANDED ELIGIBILITY FOR VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.

Section 231(a) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) ESTABLISHMENT AND PURPOSES.—In each of fiscal years 2002 through 2011, the Secretary shall use $50,000,000 of the funds of the Commodity Credit Corporation to award competitive grants—

''(A) to eligible independent producers (as determined by the Secretary) of value-added agricultural commodities and products of agricultural commodities to assist an eligible producer—

''(i) to develop a business plan for viable marketing opportunities for a value-added agricultural commodity or product of an agricultural commodity; or

''(ii) to develop strategies for the ventures that are intended to create marketing opportunities for the producers; and

''(B) to public bodies, institutions of higher learning, and trade associations to assist such entities—

''(i) to develop a business plan for viable marketing opportunities in emerging markets for a value-added agricultural commodity or product of an agricultural commodity; or

''(ii) to develop strategies for the ventures that are intended to create marketing opportunities in emerging markets for the producers.'';

(2) by striking ''producer'' each place it appears thereafter and inserting ''grantee''; and

(3) in the heading for paragraph (3), by striking ''PRODUCER'' and inserting ''GRANTEE''.

SEC. 603. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.

(a) PURPOSES.—The purposes of this section are to carry out a demonstration program under which agricultural producers are provided—

(1) technical assistance, including engineering services, applied research, scale production, and similar services to enable the producers to establish businesses for further processing of agricultural products;

(2) marketing, market development, and business planning; and

(3) overall organizational, outreach, and development assistance to increase the viability, growth, and sustainability of value-added agricultural businesses.

(b) NATURE OF PROGRAM.—The Secretary of Agriculture (in this section referred to as the ''Secretary'') shall—

(1) make grants to eligible applicants for the purposes of enabling the applicants to obtain the assistance described in subsection (a); and

(2) provide assistance to eligible applicants through the research and technical services of the Department of Agriculture.

(c) ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—An applicant shall be eligible for a grant and assistance described in subsection (b) to establish an Agriculture Innovation Center if—

(A) the applicant—

(i) has provided services similar to those described in subsection (a); or

(ii) shows the capability of providing the services;

(B) the application of the applicant for the grant and assistance sets forth a plan, in accordance with regulations which shall be prescribed by the Secretary, outlining support of the applicant in the agricultural community, the technical and other expertise of the applicant, and the goals of the applicant for increasing and improving the ability of local producers to develop markets and processes for value-added agricultural products;

(C) the applicant demonstrates that resources (in cash or in kind) of definite value are available, or have been committed to be made available, to the applicant, to increase and improve the ability of local producers to develop markets and processes for value-added agricultural products; and

(D) the applicant meets the requirement of paragraph (2).

(2) BOARD OF DIRECTORS.—The requirement of this paragraph is that the applicant shall have a board of directors comprised of representatives of the following groups:

(A) The 2 general agricultural organizations with the greatest number of members in the State in which the applicant is located.

(B) The Department of Agriculture or similar State organization or department, for the State.

(C) Organizations representing the 4 highest grossing commodities produced in the State, according to annual gross cash sales.

(d) GRANTS AND ASSISTANCE.—

(1) IN GENERAL.—Subject to subsection (g), the Secretary shall make annual grants to eligible applicants under this section, each of which grants shall not exceed the lesser of—

(A) $1,000,000; or

(B) twice the dollar value of the resources (in cash or in kind) that the applicant has demonstrated are available, or have been committed to be made available, to the applicant in accordance with subsection (c)(1)(C).

(2) INITIAL LIMITATION.—In the first year of the demonstration program under this section, the Secretary shall make grants under this section, on a competitive basis, to not more than 5 eligible applicants.

(3) EXPANSION OF DEMONSTRATION PROGRAM.—In the second year of the demonstration program under this section, the Secretary may make grants under this section to not more than 10 eligible applicants, in addition to any entities to which grants are made under paragraph (2) for such year.

(4) STATE LIMITATION.—In the first 3 years of the demonstration program under this section, the Secretary shall not make an Agricultural Innovation Center Demonstration Program grant under this section to more than 1 entity in a single State.

(e) USE OF FUNDS.—An entity to which a grant is made under this section may use the grant only for the following purposes, but only to the extent that the use is not described in section 231(d) of the Agricultural Risk Protection Act of 2000:

(1) Applied research.

(2) Consulting services.

(3) Hiring of employees, at the discretion of the board of directors of the entity.

(4) The making of matching grants, each of which shall be not more than $5,000, to agricultural producers, so long as the aggregate amount of all such matching grants shall be not more than $50,000.

(5) Legal services.

(f) RULE OF INTERPRETATION.—This section shall not be construed to prevent a recipient of a grant under this section from collaborating with any other institution with respect to activities conducted using the grant.

(g) AVAILABILITY OF FUNDS.—Of the amount made available under section 231(a)(1) of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 7 U.S.C. 1621 note), the Secretary shall use to carry out this section—

(1) not less than $5,000,000 for fiscal year 2002; and

(2) not less than $10,000,000 for each of the fiscal years 2003 and 2004.

(h) REPORT ON BEST PRACTICES.—

(1) EFFECTS ON THE AGRICULTURAL SECTOR.—The Secretary shall utilize $300,000 per year of the funds made available pursuant to this section to support research at any university into the effects of value-added projects on agricultural producers and the commodity markets. The research should systematically examine possible effects on demand for agricultural commodities, market prices, farm income, and Federal outlays on commodity programs using linked, long-term, global projections of the agricultural sector.

(2) DEPARTMENT OF AGRICULTURE.—Not later than 3 years after the first 10 grants are made under this section, the Secretary shall prepare and submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives a written report on the effectiveness of the demonstration program conducted under this section at improving the production of value-added agricultural products and on the effects of the program on the economic viability of the producers, which shall include the best practices and innovations found at each of the

Agriculture Innovation Centers established under the demonstration program under this section, and detail the number and type of agricultural projects assisted, and the type of assistance provided, under this section.

SEC. 604. FUNDING OF COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

(a) FUNDING.—In each of fiscal years 2002 through 2011, the Secretary of Agriculture shall use $30,000,000 of the funds of the Commodity Credit Corporation to carry out section 306A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a).

(b) EXTENSION OF PROGRAM.—Section 306A(i) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a(i)) is amended by striking ''2002'' and inserting ''2011''.

(c) MISCELLANEOUS AMENDMENTS.—Section 306A of such Act (7 U.S.C. 1926a) is amended—

(1) in the heading by striking ''**EMERGENCY**'';

(2) in subsection (a)(1)—

(A) by striking ''after'' and inserting ''when''; and

(B) by inserting ''is imminent'' after ''communities''; and

(3) in subsection (c), by striking ''shall—'' and all that follows and inserting ''shall be a public or private nonprofit entity.''.

SEC. 605. LOAN GUARANTEES FOR THE FINANCING OF THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.

Section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) is amended—

(1) by inserting ''(a)'' before ''The Secretary''; and

(2) by adding after and below the end the following:

''(b) LOAN GUARANTEES FOR THE FINANCING OF THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.—The Secretary may provide a loan guarantee, on such terms and conditions as the Secretary deems appropriate, for the purpose of financing the purchase of a renewable energy system, including a wind energy system and anaerobic digestors for the purpose of energy generation, by any person or individual who is a farmer, a rancher, or an owner of a small business (as defined by the Secretary) that is located in a rural area (as defined by the Secretary). In providing guarantees under this subsection, the Secretary shall give priority to loans used primarily for power generation on a farm, ranch, or small business (as so defined).''.

SEC. 606. LOANS AND LOAN GUARANTEES FOR RENEWABLE ENERGY SYSTEMS.

Section 310B(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)(3)) is amended by inserting ''and other renewable energy systems including wind energy systems and anaerobic digestors for the purpose of energy generation'' after ''solar energy systems''.

SEC. 607. RURAL BUSINESS OPPORTUNITY GRANTS.

Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 608. GRANTS FOR WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

Section 306D(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d(d)(1)) is amended by striking ''and 2002'' and inserting ''through 2011''.

SEC. 609. RURAL COOPERATIVE DEVELOPMENT GRANTS.

Section 310B(e)(9) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(9)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 610. NATIONAL RESERVE ACCOUNT OF RURAL DEVELOPMENT TRUST FUND.

Section 381E(e)(3)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009d(e)(3)(F)) is amended by striking ''fiscal year 2002'' and inserting ''each of the fiscal years 2002 through 2011''.

SEC. 611. RURAL VENTURE CAPITAL DEMONSTRATION PROGRAM.

Section 381O(b)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009n(b)(3)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 612. INCREASE IN LIMIT ON CERTAIN LOANS FOR RURAL DEVELOPMENT.

Section 310B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)) is amended by striking ''$25,000,000'' and inserting ''$100,000,000''.

SEC. 613. PILOT PROGRAM FOR DEVELOPMENT AND IMPLEMENTATION OF STRATEGIC REGIONAL DEVELOPMENT PLANS.

(a) DEVELOPMENT.—

(1) SELECTION OF STATES.—The Secretary of Agriculture (in this section referred to as the ''Secretary'') shall select 10 States in which to implement strategic regional development plans developed under this subsection.

(2) GRANTS.—

(A) AUTHORITY.—

(i) IN GENERAL.—From the funds made available to carry out this subsection, the Secretary shall make a matching grant to 1 or more entities in each State selected under subsection (a), to develop a strategic regional development plan that provides for rural economic development in a region in the State in which the entity is located.

(ii) PRIORITY.—In making grants under this subsection, the Secretary shall give priority to entities that represent a regional coalition of community-based planning, development, governmental, and business organizations.

(B) TERMS OF MATCH.—In order for an entity to be eligible for a matching grant under this subsection, the entity shall make a commitment to the Secretary to provide funds for the development of a strategic regional development plan of the kind referred to in subparagraph (A) in an amount that is not less than the amount of the matching grant.

(C) LIMITATION.—The Secretary shall not make a grant under this subsection in an amount that exceeds $150,000.

(3) FUNDING.—

(A) IN GENERAL.—The Secretary shall use $2,000,000 of the funds of the Commodity Credit Corporation in each of fiscal years 2002 through 2011 to carry out this subsection.

(B) AVAILABILITY.—Funds made available pursuant to subparagraph (A) shall remain available without fiscal year limitation.

(b) STRATEGIC PLANNING IMPLEMENTATION.—

(1) The Secretary shall use the authorities provided in the provisions of law specified in section 793(c)(1)(A)(ii) of the Federal Agriculture Improvement and Reform Act of 1996 to implement the strategic regional development plans developed pursuant to subsection (a) of this section.

(2) FUNDING.—

(A) IN GENERAL.—The Secretary shall use $13,000,000 of the funds of the Commodity Credit Corporation in each of fiscal years 2002 through 2011 to carry out this subsection.

(B) AVAILABILITY.—Funds made available pursuant to subparagraph (A) shall remain available without fiscal year limitation.

(c) USE OF FUNDS.—The amounts made available under subsections (a) and (b) may be used as the Secretary deems appropriate to carry out any provision of this section.

SEC. 614. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

(a) IN GENERAL.—Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922–1949) is amended by inserting after section 306D the following:

''SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

''(a) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this section, the term 'eligible individual' means an individual who is a member of a household, the combined income of whose members for the most recent 12-month period for which the information is available, is not more than 100 percent of the median nonmetropolitan household income for the State or territory in which the individual resides, according to the most recent decennial census of the United States.

''(b) GRANTS.—The Secretary may make grants to private nonprofit organizations for the purpose of assisting eligible individuals in obtaining financing for the construction, refurbishing, and servicing of individual household water well systems in rural areas that are owned (or to be owned) by the eligible individuals.

''(c) USE OF FUNDS.—A grant made under this section may be—

''(1) used, or invested to provide income to be used, to carry out subsection (b); and

''(2) used to pay administrative expenses associated with providing the assistance described in subsection (b).

''(d) PRIORITY IN AWARDING GRANTS.—In awarding grants under this section, the Secretary shall give priority to an applicant that has substantial expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water.''.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on October 1, 2001.

SEC. 615. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

Subtitle E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009–2009n) is amended by adding at the end the following:

''SEC. 381P. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

''(a) RURAL AREA DEFINED.—In this section, the term 'rural area' means such areas as the Secretary may determine.

''(b) ESTABLISHMENT.—There is established a National Rural Development Partnership (in this section referred to as the 'Partnership'), which shall be composed of—

''(1) the National Rural Development Coordinating Committee established in accordance with subsection (c); and

''(2) State rural development councils established in accordance with subsection (d).

''(c) NATIONAL RURAL DEVELOPMENT COORDINATING COMMITTEE.—

''(1) COMPOSITION.—The National Rural Development Coordinating Committee (in this section referred to as the 'Coordinating Committee') may be composed of—

''(A) representatives of all Federal departments and agencies with policies and programs that affect or benefit rural areas;

''(B) representatives of national associations of State, regional, local, and tribal governments and intergovernmental and multijurisdictional agencies and organizations;

''(C) national public interest groups; and

''(D) other national nonprofit organizations that elect to participate in the activities of the Coordinating Committee.

''(2) FUNCTIONS.—The Coordinating Committee may—

''(A) provide support for the work of the State rural development councils established in accordance with subsection (d); and

''(B) develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting rural areas.

''(d) STATE RURAL DEVELOPMENT COUNCILS.—

''(1) COMPOSITION.—A State rural development council may—

''(A) be composed of representatives of Federal, State, local, and tribal governments, and nonprofit organizations, the private sector, and other entities committed to rural advancement; and

''(B) have a nonpartisan and nondiscriminatory membership that is broad and representative of the economic, social, and political diversity of the State.

''(2) FUNCTIONS.—A State rural development council may—

''(A) facilitate collaboration among Federal, State, local, and tribal governments and the private and non-profit sectors in the planning and implementation of programs and policies that affect the rural areas of the State, and to do so in such a way that provides the greatest degree of flexibility and innovation in responding to the unique needs of the State and the rural areas; and

''(B) in conjunction with the Coordinating Committee, develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting the rural areas of the State.

''(e) ADMINISTRATION OF THE PARTNERSHIP.—The Secretary may provide for any additional support staff to the Partnership as the Secretary determines to be necessary to carry out the duties of the Partnership.

''(f) TERMINATION.—The authority provided by this section shall terminate on the date that is 5 years after the date of the enactment of this section.''.

SEC. 616. ELIGIBILITY OF RURAL EMPOWERMENT ZONES, RURAL ENTERPRISE COMMUNITIES, AND CHAMPION COMMUNITIES FOR DIRECT AND GUARANTEED LOANS FOR ESSENTIAL COMMUNITY FACILITIES.

Section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)) is amended by inserting after the 1st sentence the following: ''The Secretary may also make or insure loans to communities that have been designated as rural empowerment zones or rural enterprise communities pursuant to part I of subchapter U of chapter 1 of the Internal Revenue Code of 1986, as rural enterprise communities pursuant to section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999, or as champion communities (as determined by the Secretary), to provide for the installation or improvement of essential community facilities including necessary related equipment, and to furnish financial assistance or other aid in planning projects for such purposes.''.

SEC. 617. GRANTS TO TRAIN FARM WORKERS IN NEW TECHNOLOGIES AND TO TRAIN FARM WORKERS IN SPECIALIZED SKILLS NECESSARY FOR HIGHER VALUE CROPS.

(a) IN GENERAL.—The Secretary of Agriculture may make a grant to a nonprofit organization with the capacity to train farm workers, or to a consortium of non-profit organizations, agribusinesses, State and local governments, agricultural labor organizations, and community-based organizations with that capacity.

(b) USE OF FUNDS.—An entity to which a grant is made under this section shall use the grant to train farm workers to use new technologies and develop specialized skills for agricultural development.

(c) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this section, there are authorized to be appropriated to the Secretary of Agriculture not more than $10,000,000 for each of fiscal years 2002 through 2011.

SEC. 618. LOAN GUARANTEES FOR THE PURCHASE OF STOCK IN A FARMER COOPERATIVE SEEKING TO MODERNIZE OR EXPAND.

Section 310B(g)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)(2)) is amended by striking ''start-up'' and all that follows and inserting ''capital stock of a farmer cooperative established for an agricultural purpose.''.

SEC. 619. INTANGIBLE ASSETS AND SUBORDINATED UNSECURED DEBT REQUIRED TO BE CONSIDERED IN DETERMINING ELIGIBILITY OF FARMER-OWNED COOPERATIVE FOR BUSINESS AND INDUSTRY GUARANTEED LOAN.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding at the end the following:

''(h) INTANGIBLE ASSETS AND SUBORDINATED UNSECURED DEBT REQUIRED TO BE CONSIDERED IN DETERMINING ELIGIBILITY OF FARMER-OWNED COOPERATIVE FOR BUSINESS AND INDUSTRY GUARANTEED LOAN.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary may consider the value of the intangible assets and subordinated unsecured debt of the cooperative organization.''.

SEC. 620. BAN ON LIMITING ELIGIBILITY OF FARMER COOPERATIVE FOR BUSINESS AND INDUSTRY LOAN GUARANTEE BASED ON POPULATION OF AREA IN WHICH COOPERATIVE IS LOCATED.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is further amended by adding at the end of the following:

''(i) SPECIAL RULES APPLICABLE TO FARMER COOPERATIVES UNDER THE BUSINESS AND INDUSTRY LOAN PROGRAM.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary shall not apply any lending restriction based on population to the area in which the cooperative organization is located.''.

SEC. 621. RURAL WATER AND WASTE FACILITY GRANTS.

Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended by striking ''aggregating not to exceed $590,000,000 in any fiscal year''.

SEC. 622. RURAL WATER CIRCUIT RIDER PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a national rural water and wastewater circuit rider grant program that shall be modeled after the National Rural Water Association Rural Water Circuit Rider Program that receives funding from the Rural Utilities Service.

(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Secretary of Agriculture $15,000,000 for each fiscal year.

SEC. 623. RURAL WATER GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a national grassroots source water protection program that will utilize the on-site technical assistance capabilities of State rural water associations that are operating wellhead or ground water protection programs in each State.

(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Secretary of Agriculture $5,000,000 for each fiscal year.

TITLE VII—RESEARCH AND RELATED MATTERS

Subtitle A—Extensions

SEC. 700. MARKET EXPANSION RESEARCH.

Section 1436(b)(3)(C) of the Food Security Act of 1985 (7 U.S.C. 1632(b)(3)(C)) is amended by striking ''1990'' and inserting ''2011''.

SEC. 701. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 702. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

Section 1417(*l*) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(*l*)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 703. POLICY RESEARCH CENTERS.

Section 1419A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 704. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Section 1424(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 705. PILOT RESEARCH PROGRAM TO COMBINE MEDICAL AND AGRICULTURAL RESEARCH.

Section 1424A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174a(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 706. NUTRITION EDUCATION PROGRAM.

Section 1425(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 707. CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.

Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 708. APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS.

Section 1434(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 709. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 710. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS AT 1890 LAND-GRANT INSTITUTIONS.

Sections 1448(a)(1) and (f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c(a)(1) and (f)) are amended by striking ''2002'' each place it appears and inserting ''2011''.

SEC. 711. HISPANIC-SERVING INSTITUTIONS.

Section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(c)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 712. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

Section 1459A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b(c)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 713. UNIVERSITY RESEARCH.

Subsections (a) and (b) of section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a) and (b)) are amended by striking ''2002'' each place it appears and inserting ''2011''.

SEC. 714. EXTENSION SERVICE.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking ''2002'' and inserting ''2011''.

SEC. 715. SUPPLEMENTAL AND ALTERNATIVE CROPS.

Section 1473D(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 716. AQUACULTURE RESEARCH FACILITIES.

The first sentence of section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking ''2002'' and inserting ''2011''.

SEC. 717. RANGELAND RESEARCH.

Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 718. NATIONAL GENETICS RESOURCES PROGRAM.

Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 719. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.

Section 1672(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 720. NUTRIENT MANAGEMENT RESEARCH AND EXTENSION INITIATIVE.

Section 1672A(g) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 721. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 1664(g)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5908(g)(1)) is amended by striking ''2002'' and inserting ''2011''.

(b) CAPITALIZATION.—Section 1664(g)(2) of such Act (7 U.S.C. 5908(g)(2)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 723. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 724. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL PRODUCT QUALITY RESEARCH.

Section 402(g) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7622(g)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 725. BIOBASED PRODUCTS.

(a) PILOT PROJECT.—Section 404(e)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking ''2001'' and inserting ''2011''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 404(h) of such Act (7 U.S.C. 7624(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 726. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.

Section 406(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(e)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 727. INSTITUTIONAL CAPACITY BUILDING GRANTS.

(a) GENERALLY.—Section 535(b)(1) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''2000'' and inserting ''2011''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 535(c) of such Act is amended by striking ''2000'' and inserting ''2011''.

SEC. 728. 1994 INSTITUTION RESEARCH GRANTS.

Section 536(c) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''2002'' and inserting ''2011''.

SEC. 729. ENDOWMENT FOR 1994 INSTITUTIONS.

The first sentence of section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''$4,600,000'' and all that follows through the period and inserting ''such sums as are necessary to carry out this section for each of fiscal years 1996 through 2011.''.

SEC. 730. PRECISION AGRICULTURE.

Section 403(i) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623(i)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 731. THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.

Section 405(h) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 732. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.

Section 408(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 733. OFFICE OF PEST MANAGEMENT POLICY.

Section 614(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 734. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

Section 1408(h) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 735. GRANTS FOR RESEARCH ON PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 736. BIOMASS RESEARCH AND DEVELOPMENT.

Title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624 note) is amended—

(1) in section 307(f), by striking ''2005'' and inserting ''2011''; and

(2) in section 310, by striking ''2005'' and inserting ''2011''.

SEC. 737. AGRICULTURAL EXPERIMENT STATIONS RESEARCH FACILITIES.

Section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 738. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS NATIONAL RESEARCH INITIATIVE.

Section 2(b)(10) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(10)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 739. FEDERAL AGRICULTURAL RESEARCH FACILITIES AUTHORIZATION OF APPROPRIATIONS.

Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1556) is amended by striking ''2002'' and inserting ''2011''.

SEC. 740. COTTON CLASSIFICATION SERVICES.

The first sentence of section 3a of the Act of March 3, 1927 (commonly known as the ''Cotton Statistics and Estimates Act''; 7 U.S.C. 473a) is amended by striking ''2002'' and inserting ''2011''.

SEC. 740A. CRITICAL AGRICULTURAL MATERIALS RESEARCH.

Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking ''2002'' and inserting ''2011''.

Subtitle B—Modifications

SEC. 741. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 534(a)(1)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''$50,000'' and inserting ''$100,000''.

(b) WITHDRAWALS AND EXPENDITURES.—Section 533(c)(4)(A) of such Act is amended by striking ''section 390(3)'' and all that follows through ''1998)'' and inserting ''section 2(a)(7) of the Tribally Controlled College or University Assistance Act of 1978)''.

(c) ACCREDITATION.—Section 533(a)(3) of such Act is amended by striking ''under sections 534 and 535'' and inserting ''under sections 534, 535, and 536''.

(d) 1994 INSTITUTIONS.—Section 532 of such Act is amended by striking paragraphs (1) through (30) and inserting the following:

''(1) Bay Mills Community College.
''(2) Blackfeet Community College.
''(3) Cankdeska Cikana Community College.
''(4) College of Menominee Nation.
''(5) Crownpoint Institute of Technology.
''(6) D–Q University.
''(7) Diné College.
''(8) Dull Knife Memorial College.
''(9) Fond du Lac Tribal and Community College.
''(10) Fort Belknap College.
''(11) Fort Berthold Community College.
''(12) Fort Peck Community College.
''(13) Haskell Indian Nations University.
''(14) Institute of American Indian and Alaska Native Culture and Arts Development.
''(15) Lac Courte Oreilles Ojibwa Community College.
''(16) Leech Lake Tribal College.
''(17) Little Big Horn College.
''(18) Little Priest Tribal College.
''(19) Nebraska Indian Community College.
''(20) Northwest Indian College.
''(21) Oglala Lakota College.
''(22) Salish Kootenai College.
''(23) Sinte Gleska University.
''(24) Sisseton Wahpeton Community College.
''(25) Si Tanka/Huron University.
''(26) Sitting Bull College.
''(27) Southwestern Indian Polytechnic Institute.
''(28) Stone Child College.
''(29) Turtle Mountain Community College.
''(30) United Tribes Technical College.''.

SEC. 742. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.

Section 1404(4) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(4)) is amended—

(1) by striking the period at the end of subparagraph (E) and inserting '', or''; and

(2) by adding at the end the following: ''(F) is one of the 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994).''.

SEC. 743. AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION REFORM ACT OF 1998.

(a) PRIORITY MISSION AREAS.—Section 401(c)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(c)(2)) is amended—

(1) by striking ''and'' at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(G) alternative fuels and renewable energy sources.''.

(b) PRECISION AGRICULTURE.—Section 403 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623) is amended—

(1) in subsection (a)(5)(F), by inserting ''(including improved use of energy inputs)'' after ''farm production efficiencies''; and

(2) in subsection (d)—

(A) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(B) by inserting after paragraph (3) the following new paragraph:

''(4) Improve on farm energy use efficiencies.''.

(c) THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.—Section 405(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(a)) is amended by striking ''and marketing'' and inserting '', marketing, and efficient use''.

(d) COORDINATED PROGRAM OF RESEARCH, EXTENSION, AND EDUCATION TO IMPROVE VIABILITY OF SMALL- AND MEDIUM-SIZE DAIRY, LIVESTOCK, AND POULTRY OPERATIONS.—Section 407(b)(3) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7627(b)(3)) is amended by inserting ''(including improved use of energy inputs)'' after ''poultry systems that increase efficiencies''.

(e) SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.—

(1) RESEARCH GRANT AUTHORIZED.—Section 408(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(a)) is amended to read as follows:

''(a) RESEARCH GRANT AUTHORIZED.—The Secretary of Agriculture may make grants to consortia of land-grant colleges and universities to enhance the ability of the consortia to carry out multi-State research projects aimed at understanding and combating diseases of wheat, triticale, and barley caused by Fusarium graminearum and related fungi (referred to in this section as 'wheat scab') or by Tilletia indica and related fungi (referred to in this section as 'Karnal bunt').''.

(2) RESEARCH COMPONENTS.—Section 408(b) of such Act (7 U.S.C. 7628(b)) is amended—

(A) in paragraph (1), by inserting ''or of Karnal bunt,'' after ''epidemiology of wheat scab'';

(B) in paragraph (1), by inserting '', triticale,'' after ''occurring in wheat'';

(C) in paragraph (2), by inserting ''or Karnal bunt'' after ''wheat scab'';

(D) in paragraph (3)(A), by striking ''and barley for the presence of'' and inserting '', triticale, and barley for the presence of Karnal bunt or of'';

(E) in paragraph (3)(B), by striking ''and barley infected with wheat scab'' and inserting '', triticale, and barley infected with wheat scab or with Karnal bunt'';

(F) in paragraph (3)(C), by inserting ''wheat scab'' after ''to render'';

(G) in paragraph (4), by striking ''and barley to wheat scab'' and inserting '', triticale, and barley to wheat scab and to Karnal bunt''; and

(H) in paragraph (5)—

(i) by inserting ''and Karnal bunt'' after ''wheat scab''; and

(ii) by inserting '', triticale,'' after ''resistant wheat''.

(3) COMMUNICATIONS NETWORKS.—Section 408(c) of such Act (7 U.S.C. 7628(c)) is amended by inserting ''or Karnal bunt'' after ''wheat scab''.

(4) TECHNICAL AMENDMENTS.—(A) The section heading for section 408 of such Act is amended by striking ''**AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM**'' and inserting ''**, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA**''.

(B) The table of sections for such Act is amended by striking ''and barley caused by fusarium graminearum'' in the item relating to section 408 and inserting '', triticale, and barley caused by Fusarium graminearum or by Tilletia indica''.

(f) PROGRAM TO CONTROL JOHNE'S DISEASE.—Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is amended by adding at the end the following new section:

''SEC. 409. BOVINE JOHNE'S DISEASE CONTROL PROGRAM.

''(a) ESTABLISHMENT.—The Secretary of Agriculture, in coordination with State veterinarians and other appropriate State animal health professionals, may establish a program to conduct research, testing, and evaluation of programs for the control and management of Johne's disease in livestock.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section for each of fiscal years 2003 through 2011.''.

SEC. 744. FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.

(a) AGRICULTURAL GENOME INITIATIVE.—Section 1671(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924(b)) is amended—

(1) in paragraph (3), by inserting ''pathogens and'' before ''diseases causing economic hardship'';

(2) in paragraph (6), by striking ''and'' at the end;

(3) by redesignating paragraph (7) as paragraph (8); and

(4) by inserting after paragraph (6) the following new paragraph:

''(7) reducing the economic impact of plant pathogens on commercially important crop plants; and''.

(b) HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.—Section 1672(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is amended by adding at the end the following new paragraphs:

''(25) RESEARCH TO PROTECT THE UNITED STATES FOOD SUPPLY AND AGRICULTURE FROM BIOTERRORISM.—Research grants may be made under this section for the purpose of developing technologies, which support the capability to deal with the threat of agricultural bioterrorism.

''(26) WIND EROSION RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of validating wind erosion models.

''(27) CROP LOSS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of validating crop loss models.

''(28) LAND USE MANAGEMENT RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purposes of evaluating the environmental benefits of land use management tools such as those provided in the Farmland Protection Program.

''(29) WATER AND AIR QUALITY RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of better understanding agricultural impacts to air and water quality and means to address them.

''(30) REVENUE AND INSURANCE TOOLS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purposes of better understanding the impact of revenue and insurance tools on farm income.

''(31) AGROTOURISM RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of better understanding the economic, environmental, and food systems impacts on agrotourism.

''(32) HARVESTING PRODUCTIVITY FOR FRUITS AND VEGETABLES.—Research and extension grants may be made under this section for the purpose of improving harvesting productivity for fruits and vegetables (including citrus), including the development of mechanical harvesting technologies and effective, economical, and safe abscission compounds.

''(33) NITROGEN-FIXATION BY PLANTS.—Research and extension grants may be made

under this section for the purpose of enhancing the nitrogen-fixing ability and efficiency of legumes, developing new varieties of legumes that fix nitrogen more efficiently, and developing new varieties of other commercially important crops that potentially are able to fix nitrogen.

''(34) AGRICULTURAL MARKETING.—Extension grants may be made under this section for the purpose of providing education materials, information, and outreach programs regarding commodity and livestock marketing strategies for agricultural producers and for cooperatives and other marketers of any agricultural commodity, including livestock.

''(35) ENVIRONMENT AND PRIVATE LANDS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of researching the use of computer models to aid in assessment of best management practices on a watershed basis, working with government, industry, and private landowners to help craft industry-led solutions to identified environmental issues, researching and monitoring water, air, or soil environmental quality to aid in the development of new approaches to local environmental concerns, and working with local, State, and federal officials to help craft effective environmental solutions that respect private property rights and agricultural production realities.

''(36) LIVESTOCK DISEASE RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of identifying possible livestock disease threats, educating the public regarding livestock disease threats, training persons to deal with such threats, and conducting related research.

''(37) PLANT GENE EXPRESSION.—Research and development grants may be made under this section for the purpose of plant gene expression research to accelerate the application of basic plant genomic science to the development and testing of new varieties of enhanced food crops, crops that can be used as renewable energy sources, and other alternative uses of agricultural crops.''.

SEC. 745. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.

(a) NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMIC ADVISORY BOARD.—Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended—

(1) in subsection (b)(3)—

(A) by redesignating subparagraphs (R) through (DD) as subparagraphs (S) through (EE), respectively; and

(B) by inserting after subparagraph (Q) the following new subparagraph:

''(R) 1 member representing a nonland grant college or university with a historic commitment to research in the food and agricultural sciences.'';

(2) in subsection (c)(1), by striking ''and land-grant colleges and universities'' and inserting '', land-grant colleges and universities, and the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies of the Committee on Appropriations of the House of Representatives, and the Subcommittee on Agriculture, Rural Development and Related Agencies of the Committee on Appropriations of the Senate'';

(3) in subsection (d)(1), inserting ''consult with any appropriate agencies of the Department of Agriculture and'' after ''the Advisory Board shall''; and

(4) in subsection (b)(1), by striking ''30 members'' and inserting ''31 members''.

(b) GRANTS FOR RESEARCH ON PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.—Section 1419 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154) is amended—

(1) in subsection (a)(2), by inserting ''and animal fats and oils'' after ''industrial oilseed crops''; and

(2) in subsection (a)(4), by inserting ''or triglycerides'' after ''other industrial hydrocarbons''.

(c) FAS OVERSEAS INTERN PROGRAM.—Section 1458(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is amended—

(1) by striking ''and'' at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting ''; and''; and

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

''(10) establish a program, to be coordinated by the Cooperative State Research, Education, and Extension Service and the Foreign Agricultural Service, to place interns from United States colleges and universities at Foreign Agricultural Service field offices overseas.''.

SEC. 746. BIOMASS RESEARCH AND DEVELOPMENT.

Title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624 note) is amended—

(1) in section 302(3), by inserting ''or biodiesel'' after ''such as ethanol'';

(2) in section 303(3), by inserting ''animal byproducts,'' after ''fibers,''; and

(3) in section 306(b)(1)—

(A) by redesignating subparagraphs (E) through (J) as subparagraphs (F) through (K), respectively; and

(B) by inserting after subparagraph (D) the following new subparagraph:

''(E) an individual affiliated with a livestock trade association;''.

SEC. 747. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

Section 1668 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5921) is amended to read as follows:

''SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

''(a) PURPOSE.—It is the purpose of this section—

''(1) to authorize and support environmental assessment research to help identify and analyze environmental effects of biotechnology; and

''(2) to authorize research to help regulators develop long-term policies concerning the introduction of such technology.

''(b) GRANT PROGRAM.— The Secretary of Agriculture shall establish a grant program within the Cooperative State Research, Education, and Extension Service and the Agricultural Research Service to provide the necessary funding for environmental assessment research concerning the introduction of genetically engineered plants and animals into the environment.

''(c) TYPES OF RESEARCH.— Types of research for which grants may be made under this section shall include the following:

''(1) Research designed to identify and develop appropriate management practices to minimize physical and biological risks associated with genetically engineered animals and plants once they are introduced into the environment.

''(2) Research designed to develop methods to monitor the dispersal of genetically engineered animals and plants.

''(3) Research designed to further existing knowledge with respect to the characteristics, rates and methods of gene transfer that may occur between genetically engineered plants and animals and related wild and agricultural organisms.

''(4) Environmental assessment research designed to provide analysis, which compares the relative impacts of plants and animals modified through genetic engineering to other types of production systems.

''(5) Other areas of research designed to further the purposes of this section.

''(d) ELIGIBILITY REQUIREMENTS.—Grants under this section shall be—

''(1) made on the basis of the quality of the proposed research project; and

''(2) available to any public or private research or educational institution or organization.

''(e) CONSULTATION.— In considering specific areas of research for funding under this section, the Secretary of Agriculture shall consult with the Administrator of the Animal and Plant Health Inspection Service and the National Agricultural Research, Extension, Education, and Economics Advisory Board.

''(f) PROGRAM COORDINATION.— The Secretary of Agriculture shall coordinate research funded under this section with the Office of Research and Development of the Environmental Protection Agency in order to avoid duplication of research activities.

''(g) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.— There are authorized to be appropriated such sums as necessary to carry out this section.

''(2) WITHHOLDINGS FROM BIOTECHNOLOGY OUTLAYS.—The Secretary of Agriculture shall withhold from outlays of the Department of Agriculture for research on biotechnology, as defined and determined by the Secretary, at least one percent of such amount for the purpose of making grants under this section for research on biotechnology risk assessment. Except that, funding from this authorization should be collected and applied to the maximum extent practicable to risk assessment research on all categories identified as biotechnology by the Secretary.''.

SEC. 748. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS.

Section 2(a) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(a)) is amended by adding at the end the following new paragraph:

''(3) DETERMINATION OF HIGH PRIORITY RESEARCH.—Research priorities shall be determined by the Secretary on an annual basis, taking into account input as gathered by the Secretary through the National Agricultural Research, Extension, Education, and Economics Advisory Board.''.

SEC. 749. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES OF 1890 INSTITUTIONS.

Section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222d) is amended—

(1) by amending subsection (c) to read as follows:

''(c) MATCHING FORMULA.—For each of fiscal years 2003 through 2011, the State shall provide matching funds from non-Federal sources. Such matching funds shall be for an amount equal to not less than 60 percent of the formula funds to be distributed to the eligible institution, and shall increase by 10 percent each fiscal year thereafter until fiscal year 2007.''; and

(2) by amending subsection (d) to read as follows:

''(d) WAIVER AUTHORITY.—Notwithstanding subsection (f), the Secretary may waive the matching funds requirement under subsection (c) above the 50 percent level for fiscal years 2003 through 2011 for an eligible institution of a State if the Secretary determines that the State will be unlikely to satisfy the matching requirement.''.

SEC. 749A. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES FOR THE UNITED STATES TERRITORIES.

(a) RESEARCH MATCHING REQUIREMENT.—Section 3(d)(4) of the Hatch Act of 1887 (7 U.S.C. 361c(d)(4)) is amended by striking ''the same matching funds'' and all that follows through the end of the sentence and inserting ''matching funds requirements from non-Federal sources for fiscal years 2003 through 2011 in an amount equal to not less than 50 percent of the formula funds to be distributed to the Territory. The Secretary may waive the matching funds requirements for a Territory for any of the fiscal years 2003 through 2011 if the Secretary determines that the Territory will be unlikely to satisfy the matching funds requirement for that fiscal year.''.

(b) EXTENSION MATCHING REQUIREMENT.—Section 3(e)(4) of the Smith-Lever Act (7 U.S.C. 343(e)(4)) is amended by striking ''the same matching funds'' and all that follows through the end of the sentence and inserting ''matching funds requirements from non-Federal sources for fiscal years 2003 through 2011 in an amount equal to not less than 50 percent of the formula funds to be distributed to the Territory. The Secretary may waive the matching funds requirements for a Territory for any of the fiscal years 2003 through 2011 if the Secretary determines that the Territory will be unlikely to satisfy the matching funds requirement for that fiscal year.''.

SEC. 750. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

(a) FUNDING.—Section 401(b)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)(1)) is amended to read as follows:

''(1) IN GENERAL.—

''(A) TOTAL AMOUNT TO BE TRANSFERRED.—On October 1, 2003, and each October 1 thereafter through September 30, 2011, the Secretary of Agriculture shall deposit funds of the Commodity Credit Corporation into the Account. The total amount of Commodity Credit Corporation funds deposited into the Account under this subparagraph shall equal $1,160,000,000.

''(B) EQUAL AMOUNTS.—To the maximum extent practicable, the amounts deposited into the Account pursuant to subparagraph (A) shall be deposited in equal amounts for each fiscal year.

''(C) AVAILABILITY OF FUNDS.—Amounts deposited into the Account pursuant to subparagraph (A) shall remain available until expended.''.

(b) AVAILABILITY OF FUNDS.—Section 401(f)(6) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(f)(6)) is amended to read as follows:

''(6) AVAILABILITY OF FUNDS.—Funds made available under this section to the Secretary prior to October 1, 2003, for grants under this section shall be available to the Secretary for a 2-year period.''.

SEC. 751. CARBON CYCLE RESEARCH.

Section 221 of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 114 Stat. 407) is amended—

(1) in subsection (a), by striking ''Of the amount'' and all that follows through ''to provide'' and inserting ''To the extent funds are made available for this purpose, the Secretary shall provide'';

(2) in subsection (d), by striking ''under subsection (a)'' and inserting ''for this section''; and

(3) by adding at the end the following new subsection:

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal years 2002 through 2011 such sums as may be necessary to carry out this section.''

SEC. 752. DEFINITION OF FOOD AND AGRICULTURAL SCIENCES.

Section 2(3) of the Research Facilities Act (7 U.S.C. 390(2)(3)) is amended to read as follows:

''(3) FOOD AND AGRICULTURAL SCIENCES.—The term 'food and agricultural sciences' has the meaning given that term in section 1404(8) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(8)).''.

SEC. 753. FEDERAL EXTENSION SERVICE.

Section 3(b)(3) of the Smith-Lever Act (7 U.S.C. 343(b)(3)) is amended by striking ''$5,000,000'' and inserting ''such sums as are necessary''.

SEC. 754. POLICY RESEARCH CENTERS.

Section 1419A(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(c)(3)) is amended by striking ''collect and analyze data'' and inserting ''collect, analyze, and disseminate data''.

Subtitle C—Related Matters

SEC. 761. RESIDENT INSTRUCTION AT LAND-GRANT COLLEGES IN UNITED STATES TERRITORIES.

(a) PURPOSE.—It is the purpose of this section to promote and strengthen higher education in the food and agricultural sciences at agricultural and mechanical colleges located in the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau (hereinafter referred to in this section as ''eligible institutions'') by formulating and administering programs to enhance teaching programs in agriculture, natural resources, forestry, veterinary medicine, home economics, and disciplines closely allied to the food and agriculture production and delivery system.

(b) GRANTS.—The Secretary of Agriculture shall make competitive grants to those eligible institutions having a demonstrable capacity to carry out the teaching of food and agricultural sciences.

(c) USE OF GRANT FUNDS.—Grants made under subsection (b) shall be used to—

(1) strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified State, regional, national, or international education needs in the food and agricultural sciences;

(2) attract and support undergraduate and graduate students in order to educate them in identified areas of national need to the food and agriculture sciences;

(3) facilitate cooperative initiatives between two or more eligible institutions or between eligible institutions and units of State Government, organizational in the private sector, to maximize the development and use of resources such as faculty, facilities, and equipment to improve food and agricultural sciences teaching programs; and

(4) conduct undergraduate scholarship programs to assist in meeting national needs for training food and agricultural scientists.

(d) GRANT REQUIREMENTS.—

(1) The Secretary of Agriculture shall ensure that each eligible institution, prior to receiving grant funds under subsection (b), shall have a significant demonstrable commitment to higher educations programs in the food and agricultural sciences and to each specific subject area for which grant funds under this subsection are to be used.

(2) The Secretary of Agriculture may require that any grant awarded under this section contain provisions that require funds to be targeted to meet the needs identified in section 1402 of the National Agriculture Research, Extension, and Teaching Policy Act of 1977.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary for each of the fiscal years 2002 through 2011 to carry out this section.

SEC. 762. DECLARATION OF EXTRAORDINARY EMERGENCY AND RESULTING AUTHORITIES.

(a) REVIEW OF PAYMENT OF COMPENSATION.—Section 415(e) of the Plant Protection Act (7 U.S.C. 7715(e)) is amended by inserting before the final period the following: ''or review by any officer of the Government other than the Secretary or the designee of the Secretary''.

(b) REVIEW OF CERTAIN DECISIONS.—

(1) PLANT PROTECTION ACT.—Section 442 of the Plant Protection Act (7 U.S.C. 7772) is amended by adding at the end following new subsection:

''(f) SECRETARIAL DISCRETION.—The action of any officer, employee, or agent of the Secretary in carrying out this section, including determining the amount of and making any payment authorized to be made under this section, shall not be subject to review by any officer of the Government other than the Secretary or the designee of the Secretary.''.

(2) OTHER PLANT AND ANIMAL PEST AND DISEASE LAWS.—Section 11 of the Act of May 29, 1884 (21 U.S.C. 114a; commonly known as the ''Animal Industry Act'') and the first section of the Act of September 25, 1981 (7 U.S.C. 147b), are each amended by adding at the end the following new sentence: ''The action of any officer, employee, or agent of the Secretary in carrying out this section, including determining the amount of and making any payment authorized to be made under this section, shall not be subject to review by any officer of the Government other than the Secretary or the designee of the Secretary.''.

(c) METHYL BROMIDE.—The Plant Protection Act (7 U.S.C. 7701 et seq.) is amended by inserting after section 418 the following new section:

''SEC. 419. METHYL BROMIDE.

''(a) IN GENERAL.—The Secretary, upon request of State, local, or tribal authorities, shall determine whether methyl bromide treatments or applications required by State, local, or tribal authorities to prevent the introduction, establishment, or spread of plant pests (including diseases) or noxious weeds should be authorized as an official control or official requirement.

''(b) ADMINISTRATION.—

''(1) TIMELINE FOR DETERMINATION.—The Secretary shall make the determination required by subsection (a) not later than 90 days after receiving the request for such a determination.

''(2) REGULATIONS.—The promulgation of regulations for and the administration of this section shall be made without regard to—

''(A) the notice and comment provisions of section 553 of title 5, United States Code;

''(B) the Statement of Policy of the Secretary of Agriculture, effective July 24, 1971 (36 Fed. Reg. 13804; relating to notices of proposed rulemaking and public participation in rulemaking); and

''(C) chapter 35 of title 44, United States Code (commonly known as the 'Paperwork Reduction Act').

''(c) REGISTRY.—Not later than 180 days after the date of the enactment of this section, the Secretary shall publish, and thereafter maintain, a registry of State, local, and tribal requirements authorized by the Secretary under this section.''.

Subtitle D—Repeal of Certain Activities and Authorities

SEC. 771. FOOD SAFETY RESEARCH INFORMATION OFFICE AND NATIONAL CONFERENCE.

(a) REPEAL.—Subsections (b) and (c) of section 615 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7654(b) and (c)) are repealed.

(b) CONFORMING AMENDMENTS.—

(1) GENERALLY.—Section 615 of such Act is amended—

(A) in the section heading, by striking ''**AND NATIONAL CONFERENCE**'';

(B) by striking ''(a) FOOD SAFETY RESEARCH INFORMATION OFFICE.—'';

(C) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c), respectively, and moving the margins 2 ems to the left;

(D) in subsection (b) (as so redesignated), by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively, and moving the margins 2 ems to the left; and

(E) in subsection (c) (as so redesignated), by striking ''this subsection'' and inserting ''this section''.

(2) TABLE OF SECTIONS.—The table of sections for such Act is amended by striking ''and National Conference'' in the item relating to section 615.

SEC. 772. REIMBURSEMENT OF EXPENSES UNDER SHEEP PROMOTION, RESEARCH, AND INFORMATION ACT OF 1994.

Section 617 of the Agricultural Research, Extension, and Education Reform Act of 1998 (Public Law 105–185; 112 Stat. 607) is repealed.

SEC. 773. NATIONAL GENETIC RESOURCES PROGRAM.

Section 1634 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5843) is repealed.

SEC. 774. NATIONAL ADVISORY BOARD ON AGRICULTURAL WEATHER.

(a) REPEAL.—Section 1639 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5853) is repealed.

(b) CONFORMING AMENDMENT.—Section 1640(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5854(b)) is amended by striking ''take into'' and all that follows through ''Weather and''.

SEC. 775. AGRICULTURAL INFORMATION EXCHANGE WITH IRELAND.

Section 1420 of the National Agricultural Research, Extension and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1551) is repealed.

SEC. 776. PESTICIDE RESISTANCE STUDY.

Section 1437 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1558) is repealed.

SEC. 777. EXPANSION OF EDUCATION STUDY.

Section 1438 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1559) is repealed.

SEC. 778. SUPPORT FOR ADVISORY BOARD.

(a) REPEAL.—Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) is repealed.

(b) CONFORMING AMENDMENT.—Section 1413(c) of such Act (7 U.S.C. 3128(c)) is amended by striking ''section 1412 of this title and''.

SEC. 779. TASK FORCE ON 10-YEAR STRATEGIC PLAN FOR AGRICULTURAL RESEARCH FACILITIES.

(a) REPEAL.—Section 4 of the Research Facilities Act (7 U.S.C. 390b) is repealed.

(b) CONFORMING AMENDMENT.—Section 2 of such Act (7 U.S.C. 390) is amended by striking paragraph (5).

Subtitle E—Agriculture Facility Protection

SEC. 790. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRICULTURAL ENTERPRISES, RESEARCH FACILITIES, AND OTHER ENTITIES.

(a) DEFINITIONS.—The Research Facilities Act (7 U.S.C. 390 et seq.) is amended—

(1) by redesignating section 6 as section 7; and

(2) by inserting after section 5 the following new section:

''SEC. 6. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRICULTURAL ENTERPRISES, RESEARCH FACILITIES, AND OTHER ENTITIES AGAINST DISRUPTION.

''(a) DEFINITIONS.—For the purposes of this section, the following definitions apply:

''(1) ANIMAL OR AGRICULTURAL ENTERPRISE.—The term 'animal or agricultural enterprise' means any of the following:

''(A) A commercial, governmental, or academic enterprise that uses animals, plants, or other biological materials for food or fiber production, breeding, processing, research, or testing.

''(B) A zoo, aquarium, circus, rodeo, or other entity that exhibits or uses animals, plants, or other biological materials for educational or entertainment purposes.

''(C) A fair or similar event intended to advance agricultural arts and sciences.

''(D) A facility managed or occupied by an association, federation, foundation, council, or other group or entity of food or fiber producers, processors, or agricultural or biomedical researchers intended to advance agricultural or biomedical arts and sciences.

''(2) ECONOMIC DAMAGE.—The term 'economic damage' means the replacement of the following:

''(A) The cost of lost or damaged property (including all real and personal property) of an animal or agricultural enterprise.

''(B) The cost of repeating an interrupted or invalidated experiment.

''(C) The loss of revenue (including costs related to business recovery) directly related to the disruption of an animal or agricultural enterprise.

''(D) The cost of the tuition and expenses of any student to complete an academic program that was disrupted, or to complete a replacement program, when the tuition and expenses are incurred as a result of the damage or loss of the property of an animal or agricultural enterprise.

''(3) PROPERTY OF AN ANIMAL OR AGRICULTURAL ENTERPRISE.—The term 'property of an animal or agricultural enterprise' means real and personal property of or used by any of the following:

''(A) An animal or agricultural enterprise.

''(B) An employee of an animal or agricultural enterprise.

''(C) A student attending an academic animal or agricultural enterprise.

''(4) DISRUPTION.—The term 'disruption' does not include any lawful disruption that results from lawful public, governmental, or animal or agricultural enterprise employee reaction to the disclosure of information about an animal or agricultural enterprise.

''(b) VIOLATION.—A person may not recklessly, knowingly, or intentionally cause, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.

''(c) ASSESSMENT OF CIVIL PENALTY.—

''(1) IN GENERAL.—The Secretary may impose on any person that the Secretary determines violates subsection (b) a civil penalty in an amount determined under paragraphs (2) and (3). The civil penalty may be assessed only on the record after an opportunity for a hearing.

''(2) RECOVERY OF DEPARTMENT COSTS.—The civil penalty assessed by the Secretary against a person for a violation of subsection (b) shall be not less than the total cost incurred by the Secretary for investigation of the violation, conducting any hearing regarding the violation, and assessing the civil penalty.

''(3) RECOVERY OF ECONOMIC DAMAGE.—In addition to the amount determined under paragraph (2), the amount of the civil penalty shall include an amount not less than the total cost (or, in the case of knowing or intentional disruption, not less than 150 percent of the total cost) of the economic damage incurred by the animal or agricultural enterprise, any employee of the animal or agricultural enterprise, or any student attending an academic animal or agricultural enterprise as a result of the damage or loss of the property of an animal or agricultural enterprise.

''(d) IDENTIFICATION.—The Secretary shall identify for each civil penalty assessed under subsection (c), the portion of the amount of the civil penalty that represents the recovery of Department costs and the portion that represents the recovery of economic losses.

''(e) OTHER FACTORS IN DETERMINING PENALTY.— In determining the amount of a civil penalty under subsection (c), the Secretary shall consider the following:

''(1) The nature, circumstance, extent, and gravity of the violation or violations.

''(2) The ability of the injured animal or agricultural enterprise to continue to operate, costs incurred by the animal or agricultural enterprise to recover lost business, and the effect of the violation on earnings of employees of the animal or agricultural enterprise.

''(3) The interruptions experienced by students attending an academic animal or agricultural enterprise.

''(4) Whether the violator has previously violated subsection (a).

''(5) The violator's degree of culpability.

''(f) FUND TO ASSIST VICTIMS OF DISRUPTION.—

''(1) FUND ESTABLISHED.—There is established in the Treasury a fund which shall consist of that portion of each civil penalty collected under subsection (c) that represents the recovery of economic damages.

''(2) USE OF AMOUNTS IN FUND.—The Secretary of Agriculture shall use amounts in the fund to compensate animal or agricultural enterprises, employees of an animal or

agricultural enterprise, and student attending an academic animal or agricultural enterprise for economic losses incurred as a result of the disruption of the functioning of an animal or agricultural enterprise in violation of subsection (b).''.

TITLE VIII—FORESTRY INITIATIVES

SEC. 801. REPEAL OF FORESTRY INCENTIVES PROGRAM AND STEWARDSHIP INCENTIVE PROGRAM.

The Cooperative Forestry Assistance Act of 1978 is amended by striking section 4 (16 U.S.C. 2103) and section 6 (16 U.S.C. 2103b).

SEC. 802. ESTABLISHMENT OF FOREST LAND ENHANCEMENT PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) There is a growing dependence on private nonindustrial forest lands to supply the necessary market commodities and nonmarket values, such as habitat for fish and wildlife, aesthetics, outdoor recreation opportunities, and other forest resources, required by a growing population.

(2) There is a strong demand for expanded assistance programs for owners of nonindustrial private forest land since the majority of the wood supply of the United States comes from nonindustrial private forest land.

(3) The soil, carbon stores, water and air quality of the United States can be maintained and improved through good stewardship of nonindustrial private forest lands.

(4) The products and services resulting from stewardship of nonindustrial private forest lands provide income and employment that contribute to the economic health and diversity of rural communities.

(5) Wildfires threaten human lives, property, forests, and other resources, and Federal and State cooperation in forest fire prevention and control has proven effective and valuable, in that properly managed forest stands are less susceptible to catastrophic fire, as dramatized by the catastrophic fire seasons of 1998 and 2000.

(6) Owners of private nonindustrial forest lands are being faced with increased pressure to convert their forestland to development and other uses.

(7) Complex, long-rotation forest investments, including sustainable hardwood management, are often the most difficult commitment for small, nonindustrial private forest landowners and, thus, should receive equal consideration under cost-share programs.

(8) The investment of one Federal dollar in State and private forestry programs is estimated to leverage $9 on average from State, local, and private sources.

(b) PURPOSE.—It is the purpose of this section to strengthen the commitment of the Department of Agriculture to sustainable forestry and to establish a coordinated and cooperative Federal, State, and local sustainable forest program for the establishment, management, maintenance, enhancement, and restoration of forests on nonindustrial private forest lands in the United States.

(c) FOREST LAND ENHANCEMENT PROGRAM.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 3 (16 U.S.C. 2102) the following new section 4:

''SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.

''(a) ESTABLISHMENT.—

''(1) ESTABLISHMENT; PURPOSE.—The Secretary shall establish a Forest Land Enhancement Program (in this section referred to as the 'Program') for the purpose of providing financial, technical, educational, and related assistance to State foresters to encourage the long-term sustainability of nonindustrial private forest lands in the United States by assisting the owners of such lands in more actively managing their forest and related resources by utilizing existing State, Federal, and private sector resource management expertise, financial assistance, and educational programs.

''(2) ADMINISTRATION.—The Secretary shall carry out the Program within, and administer the Program through, the Natural Resources Conservation Service.

''(3) COORDINATION.—The Secretary shall implement the Program in coordination with State foresters.

''(b) PROGRAM OBJECTIVES.—In implementing the Program, the Secretary shall target resources to achieve the following objectives:

''(1) Investment in practices to establish, restore, protect, manage, maintain, and enhance the health and productivity of the nonindustrial private forest lands in the United States for timber, habitat for flora and fauna, water quality, and wetlands.

''(2) Ensuring that afforestation, reforestation, improvement of poorly stocked stands, timber stand improvement, practices necessary to improve seedling growth and survival, and growth enhancement practices occur where needed to enhance and sustain the long-term productivity of timber and nontimber forest resources to help meet future public demand for all forest resources and provide environmental benefits.

''(3) Reduce the risks and help restore, recover, and mitigate the damage to forests caused by fire, insects, invasive species, disease, and damaging weather.

''(4) Increase and enhance carbon sequestration opportunities.

''(5) Enhance implementation of agroforestry practices.

''(6) Maintain and enhance the forest landbase and leverage State and local financial and technical assistance to owners that promote the same conservation and environmental values.

''(c) ELIGIBILITY.—

''(1) IN GENERAL.—An owner of nonindustrial private forest land is eligible for cost-sharing assistance under the Program if the owner—

''(A) agrees to develop and implement an individual stewardship, forest, or stand management plan addressing site specific activities and practices in cooperation with, and approved by, the State forester, state official, or private sector program in consultation with the State forester;

''(B) agrees to implement approved activities in accordance with the plan for a period of not less than 10 years, unless the State forester approves a modification to such plan; and

''(C) meets the acreage restrictions as determined by the State forester in conjunction with the State Forest Stewardship Coordinating Committee established under section 19.

''(2) STATE PRIORITIES.—The Secretary, in consultation with the State forester and the State Forest Stewardship Coordinating Committee may develop State priorities for cost sharing under the Program that will promote forest management objectives in that State.

''(3) DEVELOPMENT OF PLAN.—An owner shall be eligible for cost-share assistance for the development of the individual stewardship, forest, or stand management plan required by paragraph (1).

''(d) APPROVED ACTIVITIES.—

''(1) DEVELOPMENT.—The Secretary, in consultation with the State forester and the State Forest Stewardship Coordinating Committee, shall develop a list of approved forest activities and practices that will be eligible for cost-share assistance under the Program within each State.

''(2) TYPE OF ACTIVITIES.—In developing a list of approved activities and practices under paragraph (1), the Secretary shall attempt to achieve the establishment, restoration, management, maintenance, and enhancement of forests and trees for the following:

''(A) The sustainable growth and management of forests for timber production.

''(B) The restoration, use, and enhancement of forest wetlands and riparian areas.

''(C) The protection of water quality and watersheds through the application of State-developed forestry best management practices.

''(D) Energy conservation and carbon sequestration purposes.

''(E) Habitat for flora and fauna.

''(F) The control, detection, and monitoring of invasive species on forestlands as well as preventing the spread and providing for the restoration of lands affected by invasive species.

''(G) Hazardous fuels reduction and other management activities that reduce the risks and help restore, recover, and mitigate the damage to forests caused by fire.

''(H) The development of forest or stand management plans.

''(I) Other activities approved by the Secretary, in coordination with the State forester and the State Forest Stewardship Coordinating Committee.

''(e) COOPERATION.—In implementing the Program, the Secretary shall cooperate with other Federal, State, and local natural resource management agencies, institutions of higher education, and the private sector.

''(f) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—

''(1) IN GENERAL.—The Secretary shall share the cost of implementing the approved activities that the Secretary determines are appropriate, in the case of an owner that has entered into an agreement to place nonindustrial private forest lands of the owner in the Program.

''(2) RATE.—The Secretary shall determine the appropriate reimbursement rate for cost-share payments under paragraph (1) and the schedule for making such payments.

''(3) MAXIMUM.—The Secretary shall not make cost-share payments under this subsection to an owner in an amount in excess of 75 percent of the total cost, or a lower percentage as determined by the State forester, to such owner for implementing the practices under an approved plan. The maximum payments to any one owner shall be determined by the Secretary.

''(4) CONSULTATION.—The Secretary shall make determinations under this subsection in consultation with the State forester.

''(g) RECAPTURE.—

''(1) IN GENERAL.—The Secretary shall establish and implement a mechanism to recapture payments made to an owner in the event that the owner fails to implement any approved activity specified in the individual stewardship, forest, or stand management plan for which such owner received cost-share payments.

''(2) ADDITIONAL REMEDY.—The remedy provided in paragraph (1) is in addition to any other remedy available to the Secretary.

''(h) DISTRIBUTION.—The Secretary shall distribute funds available for cost sharing under the Program among the States only after giving appropriate consideration to—

''(1) the total acreage of nonindustrial private forest land in each State;

''(2) the potential productivity of such land;

''(3) the number of owners eligible for cost sharing in each State;

''(4) the opportunities to enhance non-timber resources on such forest lands;

''(5) the anticipated demand for timber and nontimber resources in each State;

''(6) the need to improve forest health to minimize the damaging effects of catastrophic fire, insects, disease, or weather; and

''(7) the need and demand for agroforestry practices in each State.

''(i) DEFINITIONS.—In this section:

''(1) NONINDUSTRIAL PRIVATE FOREST LANDS.—The term 'nonindustrial private forest lands' means rural lands, as determined by the Secretary, that—

''(A) have existing tree cover or are suitable for growing trees; and

''(B) are owned or controlled by any nonindustrial private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) so long as the individual, group, association, corporation, tribe, or entity has definitive decision-making authority over the lands, including through long-term leases and other land tenure systems, for a period of time long enough to ensure compliance with the Program.

''(2) OWNER.—The term 'owner' includes a private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) that has definitive decision-making authority over nonindustrial private forest lands through a long-term lease or other land tenure systems.

''(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(4) STATE FORESTER.—The term 'State forester' means the director or other head of a State Forestry Agency or equivalent State official.

''(j) AVAILABILITY OF FUNDS.—The Secretary shall use $200,000,000 of funds of the Commodity Credit Corporation to carry out the Program during the period beginning on October 1, 2001, and ending on September 30, 2011.''.

(d) CONFORMING AMENDMENT.—Section 246(b)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(2)) is amended by striking ''forestry incentive program'' and inserting ''Forest Land Enhancement Program''.

SEC. 803. RENEWABLE RESOURCES EXTENSION ACTIVITIES.

(a) EXTENSION AND AUTHORIZATION INCREASE.—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended—

(1) by striking ''$15,000,000'' and inserting ''$30,000,000''; and

(2) by striking ''2002'' and inserting ''2011''.

(b) SUSTAINABLE FORESTRY OUTREACH INITIATIVE.—The Renewable Resources Extension Act of 1978 is amended by inserting after section 5A (16 U.S.C. 1674a) the following new section:

''SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.

''The Secretary shall establish a program to be known as the 'Sustainable Forestry Outreach Initiative' for the purpose of educating landowners regarding the following:

''(1) The value and benefits of practicing sustainable forestry.

''(2) The importance of professional forestry advice in achieving their sustainable forestry objectives.

''(3) The variety of public and private sector resources available to assist them in planning for and practicing sustainable forestry.''.

SEC. 804. ENHANCED COMMUNITY FIRE PROTECTION.

(a) FINDINGS.—Congress finds the following:

(1) The severity and intensity of wildland fires has increased dramatically over the past few decades as a result of past fire and land management policies.

(2) The record 2000 fire season is a prime example of what can be expected if action is not taken.

(3) These wildfires threaten not only the nation's forested resources, but the thousands of communities intermingled with the wildlands in the wildland-urban interface.

(4) The National Fire Plan developed in response to the 2000 fire season is the proper, coordinated, and most effective means to address this wildfire issue.

(5) Whereas adequate authorities exist to tackle the wildfire issues at the landscape level on Federal lands, there is limited authority to take action on most private lands where the largest threat to life and property lies.

(6) There is a significant Federal interest in enhancing community protection from wildfire.

(b) ENHANCED PROTECTION.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 10 (16 U.S.C. 2106) the following new section:

''SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.

''(a) COOPERATIVE MANAGEMENT RELATED TO WILDFIRE THREATS.—The Secretary may cooperate with State foresters and equivalent State officials in the management of lands in the United States for the following purposes:

''(1) Aid in wildfire prevention and control.

''(2) Protect communities from wildfire threats.

''(3) Enhance the growth and maintenance of trees and forests that promote overall forest health.

''(4) Ensure the continued production of all forest resources, including timber, outdoor recreation opportunities, wildlife habitat, and clean water, through conservation of forest cover on watersheds, shelterbelts, and windbreaks.

''(b) COMMUNITY AND PRIVATE LAND FIRE ASSISTANCE PROGRAM.—

''(1) ESTABLISHMENT; PURPOSE.—The Secretary shall establish a Community and Private Land Fire Assistance program (in this section referred to as the 'Program')—

''(A) to focus the Federal role in promoting optimal firefighting efficiency at the Federal, State, and local levels;

''(B) to augment Federal projects that establish landscape level protection from wildfires;

''(C) to expand outreach and education programs to homeowners and communities about fire prevention; and

''(D) to establish defensible space around private landowners homes and property against wildfires.

''(2) ADMINISTRATION AND IMPLEMENTATION.—The Program shall be administered by the Forest Service and implemented through the State forester or equivalent State official.

''(3) COMPONENTS.—In coordination with existing authorities under this Act, the Secretary may undertake on both Federal and non-Federal lands—

''(A) fuel hazard mitigation and prevention;

''(B) invasive species management;

''(C) multi-resource wildfire planning;

''(D) community protection planning;

''(E) community and landowner education enterprises, including the program known as FIREWISE;

''(F) market development and expansion;

''(G) improved wood utilization;

''(H) special restoration projects.

''(4) CONSIDERATIONS.—The Secretary shall use local contract personnel wherever possible to carry out projects under the Program.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated to the Secretary $35,000,000 for each of fiscal years 2002 through 2011, and such sums as may be necessary thereafter, to carry out this section.''.

SEC. 805. INTERNATIONAL FORESTRY PROGRAM.

Section 2405(d) of the Global Climate Change Prevention Act of 1990 (title XXIV of Public Law 101–624; 7 U.S.C. 6704(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 806. LONG-TERM FOREST STEWARDSHIP CONTRACTS FOR HAZARDOUS FUELS REMOVAL AND IMPLEMENTATION OF NATIONAL FIRE PLAN.

(a) ANNUAL ASSESSMENT OF TREATMENT ACREAGE.—Not later than March 1 of each of fiscal years 2002 through 2006, the Secretary of Agriculture shall submit to Congress an assessment of the number of acres of forested National Forest System lands recommended to be treated during the next fiscal year using stewardship end result contracts authorized by subsection (c). The assessment shall be based on the treatment schedules contained in the report entitled ''Protecting People and Sustaining Resources in Fire-Adapted Ecosystems'', dated October 13, 2000, and incorporated into the National Fire Plan. The assessment shall identify the acreage by condition class, type of treatment, and treatment year to achieve the restoration goals outlined in the report within 10-, 15-, and 20-year time periods. The assessment shall also include changes in the restoration goals based on the effects of fire, hazardous fuel treatments pursuant to the National Fire Plan, or updates in data.

(b) FUNDING RECOMMENDATION.—The Secretary of Agriculture shall include in the annual assessment a request for funds sufficient to implement the recommendations contained in the assessment using stewardship end result contracts under subsection (c) when the Secretary determines that the objectives of the National Fire Plan are best accomplished through forest stewardship end result contracting.

(c) STEWARDSHIP END RESULT CONTRACTING.—

(1) AUTHORITY.—Subject to the amount of funds made available pursuant to subsection (b), the Secretary of Agriculture may enter into stewardship end result contracts to implement the National Fire Plan on National Forest System lands based upon the stewardship treatment schedules provided in the annual assessments under subsection (a). The contracting goals and authorities described in subsections (b) through (f) of section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999 (as contained in section 101(e) of division A of Public Law 105–277; 16 U.S.C. 2104 note; commonly known as the Stewardship End Result Contracting Demonstration Project) shall apply to contracts entered into under this subsection, except that the period of the contract shall be 10 years.

(2) DURATION.—The authority of the Secretary of Agriculture to enter into contracts

under this subsection expires September 30, 2007.

(d) STATUS REPORT.—Beginning with the assessment required under subsection (a) in 2003, the Secretary of Agriculture shall include in the annual assessment a status report of the stewardship end result contracts entered into under the authority of this section.

SEC. 807. MCINTIRE-STENNIS COOPERATIVE FORESTRY RESEARCH PROGRAM.

It is the sense of Congress to reaffirm the importance of Public Law 87–88 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Cooperative Forestry Act.

TITLE IX—MISCELLANEOUS PROVISIONS

Subtitle A—Tree Assistance Program

SEC. 901. ELIGIBILITY.

(a) LOSS.—Subject to the limitation in subsection (b), the Secretary of Agriculture shall provide assistance, as specified in section 902, to eligible orchardists that planted trees for commercial purposes but lost such trees as a result of a natural disaster, as determined by the Secretary.

(b) LIMITATION.—An eligible orchardist shall qualify for assistance under subsection (a) only if such orchardist's tree mortality, as a result of the natural disaster, exceeds 15 percent (adjusted for normal mortality).

SEC. 902. ASSISTANCE.

The assistance provided by the Secretary of Agriculture to eligible orchardists for losses described in section 901 shall consist of either—

(1) reimbursement of 75 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or

(2) at the discretion of the Secretary, sufficient seedlings to reestablish the stand.

SEC. 903. LIMITATION ON ASSISTANCE.

(a) LIMITATION.—The total amount of payments that a person shall be entitled to receive under this subtitle may not exceed $50,000, or an equivalent value in tree seedlings.

(b) REGULATIONS.—The Secretary of Agriculture shall issue regulations—

(1) defining the term ''person'' for the purposes of this subtitle, which shall conform, to the extent practicable, to the regulations defining the term ''person'' issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) and the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note); and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this section.

SEC. 904. DEFINITIONS.

In this subtitle:

(1) ELIGIBLE ORCHARDIST.—The term ''eligible orchardist'' means a person who produces annual crops from trees for commercial purposes and owns 500 acres or less of such trees.

(2) NATURAL DISASTER.—The term ''natural disaster'' includes plant disease, insect infestation, drought, fire, freeze, flood, earthquake, and other occurrences, as determined by the Secretary.

(3) TREE.—The term ''tree'' includes trees, bushes, and vines.

Subtitle B—Other Matters

SEC. 921. HAZARDOUS FUEL REDUCTION GRANTS TO PREVENT WILDFIRE DISASTERS AND TRANSFORM HAZARDOUS FUELS TO ELECTRIC ENERGY, USEFUL HEAT, OR TRANSPORTATION FUELS.

(a) FINDINGS.—Congress finds the following:

(1) The damages caused by wildfire disasters have been equivalent in magnitude to the damage resulting from the Northridge earthquake, Hurricane Andrew, and the recent flooding of the Mississippi River and the Red River.

(2) More than 20,000 communities in the United States are at risk to wildfire and approximately 11,000 of these communities are located near Federal lands. More than 72,000,000 acres of National Forest System lands and 57,000,000 acres of lands managed by the Secretary of the Interior are at risk of catastrophic fire in the near future. The accumulation of heavy forest fuel loads continues to increase as a result of disease, insect infestations, and drought, further raising the risk of fire each year.

(3) Modification of forest fuel load conditions through the removal of hazardous fuels will minimize catastrophic damage from wildfires, reducing the need for emergency funding to respond to wildfires and protecting lives, communities, watersheds, and wildlife habitat.

(4) The hazardous fuels removed from forest lands represent an abundant renewable resource as well as a significant supply of biomass for biomass-to-energy facilities.

(b) HAZARDOUS FUELS TO ENERGY GRANT PROGRAM.—The Secretary concerned may make a grant to a person that operates a biomass-to-energy facility to offset the costs incurred to purchase hazardous fuels from forest lands for use by the facility in the production of electric energy, useful heat, or transportation fuels. The Secretary concerned shall select grant recipients on the basis of their planned purchases of hazardous fuels and the level of anticipated benefits to reduced wildfire risk.

(c) GRANT AMOUNTS.—A grant under this section shall be equal to at least $5 per ton of hazardous fuels delivered, but not to exceed $10 per ton of hazardous fuels delivered, based on the distance of the hazardous fuels from the biomass-to-energy facility.

(d) MONITORING OF GRANT RECIPIENT ACTIVITIES.—As a condition on a grant under this section, the grant recipient shall keep such records as the Secretary concerned may require to fully and correctly disclose the use of the grant funds and all transactions involved in the purchase of hazardous fuels derived from forest lands. Upon notice by a duly authorized representative of the Secretary concerned, the operator of a biomass-to-energy facility that purchases or uses the resulting hazardous fuels shall afford the representative reasonable access to the facility and an opportunity to examine the inventory and records of the facility.

(e) MONITORING OF EFFECT OF TREATMENTS.—The Secretary concerned shall monitor Federal lands from which hazardous fuels are removed and sold to a biomass-to-energy facility to determine and document the reduction in fire hazards on such lands.

(f) DEFINITIONS.—In this section:

(1) BIOMASS-TO-ENERGY FACILITY.—The term ''biomass-to-energy facility'' means a facility that uses forest biomass as a raw material to produce electric energy, useful heat, or transportation fuels.

(2) FOREST BIOMASS.—The term ''forest biomass'' means hazardous fuels and biomass accumulations from precommercial thinnings, slash, and brush on forest lands that do not satisfy the definition of hazardous fuels.

(3) HAZARDOUS FUELS.—The term ''hazardous fuels'' means any unnaturally excessive accumulation of organic material, particularly in areas designated as condition class 2 or condition class 3 (as defined in the report entitled ''Protecting People and Sustainable Resources in Fire-Adapted Ecosystems'', prepared by the Forest Service, and dated October 13, 2000), on forest lands that the Secretary concerned determines poses a substantial present or potential hazard to forest ecosystems, wildlife, human, community, or firefighter safety in the case of a wildfire, particularly a wildfire in a drought year.

(4) SECRETARY CONCERNED.—The term ''Secretary concerned'' means—

(A) the Secretary of Agriculture or the designee of the Secretary of Agriculture with respect to the National Forest System lands and private lands; and

(B) the Secretary of the Interior or the designee of the Secretary of the Interior with respect to Federal lands under the jurisdiction of the Secretary of the Interior and Indian lands.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $50,000,000 for each fiscal year to carry out this section.

SEC. 922. BIOENERGY PROGRAM.

Notwithstanding any limitations in the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.) or part 1424 of title 7, Code of Federal Regulations, the Commodity Credit Corporation shall designate animal fats, agricultural byproducts, and oils as eligible agricultural commodities for use in the Bioenergy Program to promote industrial consumption of agricultural commodities for the production of ethanol and biodiesel fuels.

SEC. 923. AVAILABILITY OF SECTION 32 FUNDS.

The 2d undesignated paragraph of section 32 of the Act of August 24, 1935 (Public Law 320; 49 Stat. 774; 7 U.S.C. 612c), is amended by striking ''$300,000,000'' and inserting ''$500,000,000''.

SEC. 924. SENIORS FARMERS' MARKET NUTRITION PROGRAM.

(a) ESTABLISHMENT.—For each of the fiscal years 2002 through 2011, the Secretary of Agriculture shall use $15,000,000 of the funds available to the Commodity Credit Corporation to carry out and expand a seniors farmers' market nutrition program.

(b) PROGRAM PURPOSES.— The purposes of the seniors farmers' market nutrition program are—

(1) to provide resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers' markets, roadside stands and community supported agriculture programs to low-income seniors;

(2) to increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic farmers' markets, roadside stands, and community supported agriculture programs; and

(3) to develop or aid in the development of new and additional farmers' markets, roadside stands, and community supported agriculture programs.

(c) REGULATIONS.—The Secretary may issue such regulations as the Secretary considers necessary to carry out the seniors farmers' market nutrition program.

SEC. 925. DEPARTMENT OF AGRICULTURE AUTHORITIES REGARDING CANEBERRIES.

(a) AUTHORITY FOR MARKETING ORDER AND RESEARCH AND PROMOTION ORDER.—Section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in subsection (2)—

(A) in paragraph (A), by inserting ''caneberries (including raspberries, blackberries, and logenberries),'' after ''other than pears, olives, grapefruit,''; and

(B) in the second sentence, by inserting ''caneberries (including raspberries, blackberries, and logenberries),'' after ''effective as to cherries, apples,''; and

(2) in subsection (6)(I), by inserting ''caneberries (including raspberries, blackberries, and logenberries)'' after ''tomatoes,''.

(b) AUTHORITY WITH RESPECT TO IMPORTS.—Section 8e(a) of such Act (7 U.S.C. 608e–1(a)) is amended by inserting ''caneberries (including raspberries, blackberries, and logenberries),'' after ''pistachios,''.

SEC. 926. NATIONAL APPEALS DIVISION.

Section 278 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6998) is amended by adding at the end the following new subsection:

''(f) FINALITY OF CERTAIN APPEAL DECISIONS.—If an appellant prevails at the regional level in an administrative appeal of a decision by the Division, the agency may not pursue an administrative appeal of that decision to the national level.''.

SEC. 927. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

Subsection (a) of section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended to read as follows:

''(a) OUTREACH AND ASSISTANCE.—

''(1) IN GENERAL.—The Secretary of Agriculture (in this section referred to as the 'Secretary') shall provide outreach and technical assistance programs specifically to encourage and assist socially disadvantaged farmers and ranchers to own and operate farms and ranches and to participate equitably in the full range of agricultural programs. This assistance, which should enhance coordination and make more effective the outreach, technical assistance, and education efforts authorized in specific agriculture programs, shall include information and assistance on commodity, conservation, credit, rural, and business development programs, application and bidding procedures, farm and risk management, marketing, and other essential information to participate in agricultural and other programs of the Department.

''(2) GRANTS AND CONTRACTS.—The Secretary may make grants and enter into contracts and other agreements in the furtherance of this section with the following entities:

''(A) Any community-based organization, network, or coalition of community-based organizations that—

''(i) has demonstrated experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers;

''(ii) provides documentary evidence of its past experience of working with socially disadvantaged farmers and ranchers during the two years preceding its application for assistance under this section; and

''(iii) does not engage in activities prohibited under section 501(c)(3) of the Internal Revenue Code of 1986.

''(B) 1890 Land-Grant Colleges, including Tuskegee Institute, Indian tribal community colleges and Alaska native cooperative colleges, Hispanic serving post-secondary educational institutions, and other post-secondary educational institutions with demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged family farmers and ranchers in their region.

''(C) Federally recognized tribes and national tribal organizations with demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged family farmers and ranchers in their region.

''(3) FUNDING.—There are authorized to be appropriated $25,000,000 for each fiscal year to make grants and enter into contracts and other agreements with the entities described in paragraph (2) and to otherwise carry out the purposes of this subsection.''.

SEC. 928. EQUAL TREATMENT OF POTATOES AND SWEET POTATOES.

Section 508(a)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(2)) is amended by striking ''and potatoes'' and inserting '', potatoes, and sweet potatoes''.

SEC. 929. REFERENCE TO SEA GRASS AND SEA OATS AS CROPS COVERED BY NONINSURED CROP DISASTER ASSISTANCE PROGRAM.

Section 196(a)(2)(B) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(a)(2)(B)) is amended by inserting ''sea grass and sea oats,'' after ''fish),''.

SEC. 930. OPERATION OF GRADUATE SCHOOL OF DEPARTMENT OF AGRICULTURE.

(a) COMPETITION.—Section 921 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 2279b) is amended—

(1) in subsection (c)—

(A) by striking ''Under'' and inserting the following:

''(1) EDUCATIONAL, TRAINING, AND PROFESSIONAL DEVELOPMENT ACTIVITIES.—Under''; and

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

''(2) COMPETITION.—The Graduate School may not enter into a contract or agreement with a Federal agency to provide services or conduct activities described in paragraph (1) unless, before the awarding of the contract or agreement, the contract or agreement was subject to competition that was open to individuals and entities of the private sector.''; and

(2) in subsection (i), by striking ''The'' and inserting ''Subject to subsection (c)(2), the''.

(b) AUDITS OF RECORDS.—Such section is further amended by adding at the end the following new subsection:

''(k) AUDITS OF RECORDS.—The financial records of the Graduate School relating to contracts and agreements for services or activities described in subsection (c)(1) shall be made available to the Comptroller General for purposes of conducting an audit.''.

(c) CONFORMING REPEAL.—Section 1669 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5922) is repealed.

SEC. 931. ASSISTANCE FOR LIVESTOCK PRODUCERS.

(a) AVAILABILITY OF ASSISTANCE.—In such amounts as are provided in advance in appropriation Acts, the Secretary may provide assistance to dairy and other livestock producers to cover economic losses incurred by such producers in connection with the production of livestock.

(b) TYPES OF ASSISTANCE.—The assistance provided to livestock producers may be in the form of—

(1) indemnity payments to livestock producers who incur livestock mortality losses;

(2) livestock feed assistance to livestock producers affected by shortages of feed;

(3) compensation for sudden increases in production costs; and

(4) such other assistance, and for such other economic losses, as the Secretary considers appropriate.

(c) LIMITATIONS.—Notwithstanding section 181(a), the Secretary may not use the funds of the Commodity Credit Corporation to provide assistance under this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section.

The CHAIRMAN. No amendment to that amendment, as modified, shall be in order except those printed before October 3, 2001, in the portion of the CONGRESSIONAL RECORD designated for that purpose and pro forma amendments for the purpose of debate. Amendments printed in the RECORD may be offered only by the Member who caused it to be printed or his designee and shall be considered read.

Are there any amendments to the bill?

AMENDMENT NO. 54 OFFERED BY MR. STENHOLM

Mr. STENHOLM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 54 offered by Mr. STENHOLM:

In section 167(a), strike paragraphs (4) and (5) (page 119, line 9, through page 120, line 2), and insert the following:

(4) OPTIONS FOR OBTAINING LOAN.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e) may be obtained at the option of the peanut producer through—

(A) a designated marketing association of peanut producers that is approved by the Secretary; or

(B) the Farm Service Agency.

Mr. STENHOLM. Mr. Chairman, this amendment authorizes both the Farm Service Agency, FSA, and designated marketing associations of peanut producers that are approved by the Secretary to make marketing assistance loans and loan deficiency payments. The amendment deletes a provision that would allow the Secretary to approve other loan servicing agents. In addition, it would make a conforming amendment to delete the provisions that would require loan servicing agents to provide storage to other loan servicing agents and marketing associations.

The purpose of this amendment is clearly stated here. We are making some drastic changes in the manner in which our peanut program works for purposes of making our peanuts more competitive in the marketplace. We believe that this amendment is necessary in order that our producers are given the best option of increasing their pricing capabilities under a more market-oriented program which is what we are doing with the peanut section of this bill this year.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I would like to state for the record that

CBO has determined that there is no cost associated with this amendment. I would like to tell the gentleman from Texas that I support his amendment and would be happy to accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. STENHOLM).

The amendment was agreed to.

AMENDMENT NO. 13 OFFERED BY MR. BOSWELL

Mr. BOSWELL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 13 offered by Mr. BOSWELL:

At the end of title IX, insert the following new section:

SEC. ___. RENEWABLE ENERGY RESERVE.

(a) PURPOSES.—It is the purpose of this section to create a reserve of agricultural commodities to—

(1) provide feedstocks to support and further the production of the renewable energy; and

(2) support the renewable energy industry in times when production is at risk of decline due to reduced feedstock supplies or significant commodity price increases.

(b) ESTABLISHMENT.—During fiscal years 2002 through 2011, the Secretary shall establish and administer a government-owned and farmer-stored renewable energy reserve program under which producers of agricultural commodities will be able to—

(1) sell agricultural commodities authorized by the Secretary into the reserve; and

(2) store such agricultural commodities.

(c) NAME.—The agricultural commodity reserve established under this section shall be known as the ''Renewable Energy Reserve''.

(d) PURCHASES.—The Secretary shall purchase agricultural commodities at commercial rates in order to establish, maintain, or enhance the reserve when—

(1) such commodities are in abundant supply; and

(2) there is need for adequate carryover stocks to ensure a reliable supply of the commodities to meet the purposes of the reserve or it is otherwise necessary to fulfill the needs and purposes of the renewable energy program administered or assisted by the Secretary.

(e) LIMITATION.—Purchases under this section shall be limited to—

(1) the type and quantities of agricultural commodities necessary to provide approximately four-month's estimated utilization for renewable energy purposes;

(2) an additional amount of commodities to provide incentives for research and development of new renewable fuels and bio-energy initiatives; and

(3) such maximum quantities of agricultural commodities determined by the Secretary as will enable the purposes of the renewable energy program to be achieved.

(f) RELEASE OF STOCKS.—Stocks shall be released at cost of acquisition, and in amounts determined appropriate by the Secretary, when market prices of the agricultural commodity exceed 100 percent of the full economic cost of production of those commodities. Cost of production for the commodity shall be determined by the Economic Research Service using the best available information, and based on a three year moving average.

(g) STORAGE PAYMENTS.—The Secretary shall provide storage payments to producers of agricultural commodities to maintain the reserve established under this section. Storage payments shall—

(1) be in such amounts and under such conditions as the Secretary determines appropriate to encourage producers to participate in the program;

(2) reflect local, commercial storage rates subject to appropriate conditions concerning quality management and other factors; and

(3) not be less than comparable local commercial rates, except as may be provided by paragraph (2).

(h) COMMODITY CREDIT CORPORATION.—

(1) IN GENERAL.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to fulfill the purposes of this section. To the maximum extent practicable consistent with the purposes, and effective and efficient administration of this section, the Secretary shall utilize the usual and customary channels, facilities and arrangement of trade and commerce.

(2) REDUCTION IN FIXED, DECOUPLED PAYMENTS FOR FUNDING OFFSET.—Notwithstanding section 104, the Secretary shall reduce the total amount payable under such section as fixed, decoupled payments, on a pro rata basis across covered commodities, so that the total amount of such reductions equals $277,000,000 in fiscal year 2004, $93,000,000 in fiscal year 2005, $80,000,000 in fiscal year 2006, $88,000,000 in fiscal year 2007, $96,000,000 in fiscal year 2008, $95,000,000 in fiscal year 2009, $96,000,000 in fiscal year 2010, and $97,000,000 in fiscal year 2011.

Mr. BOSWELL. Mr. Chairman, first off I would like to compliment, as many others have done, and justly so, Chairman COMBEST and Ranking Member STENHOLM for the manner in which they have worked on this bill. In my years in the legislature and in the years I have been here, I have never seen a better effort. They deserve a lot of appreciation for their hard work.

As we all know, America has a long established strategic oil reserve in the event of a petroleum shortage or supply interruption. The creation of this reserve is a responsible policy that has protected our country and its industrial foundation from potential instability in oil and fuel markets as well as from disruption of foreign oil supplies. Since the inception of the reserve, our energy needs have become more diverse, and our capacity to develop and produce large amounts of clean burning renewable fuels has been tested and proved.

Consumers, car manufacturers, commodity processors and farmers recognize that renewable fuels are quickly becoming a vital and integral part of our national supply of clean-air transportation fuels. The time is right to establish a strategic renewable energy reserve. Farmers can help America's energy security by dedicating a renewable commodity reserve to emergency renewable fuel production.

For these reasons, I am offering a renewable energy reserve amendment, using product grown from the land that can be repeated year after year and give us some independence from OPEC and a chance to show the country and the world we are serious about alternatives.

I am offering the renewable energy amendment to, one, establish a government-owned and farmer-stored renewable energy reserve containing an amount of farm commodities equal to 4 months' production of ethanol and biodiesel. These commodities will be stored on-farm in corn and soybean base and will be designated solely for the production of renewable fuels.

Two, create a renewable energy reserve that will complement all biobased fuel initiatives and add to America's emergency energy preparedness plan.

Three, shift some of our national energy consumption away from high-priced imported oil and towards renewable energy products grown on our Nation's farms. This strategy is compatible with our national environmental objectives and will strengthen our economy and our national security.

And, lastly, create a renewable energy reserve that will ensure a steady supply of feed stock for energy production in the event of a national emergency, crop production shortfall, increased commodity prices or a gasoline/diesel shortage.

The cost of this amendment will be approximately $650 million over 10 years. The funding for the renewable energy reserve will be taken from the commodity title through an across-the-board percentage reduction in the overall funding of less than 1 percent.

According to USDA estimates, as the U.S. moves toward banning MTBE and increasing the use of ethanol as a transportation fuel, the tripling of demand for ethanol would increase U.S. farm income by an average of $1.3 billion each year and would save the country over $4 billion annually in imported oil and hundreds of millions of dollars annually in taxpayer outlays for farm programs.

I urge my colleagues to join me in the support of this amendment.

Mr. COMBEST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let me, first of all, say there is no one on our committee who works harder in behalf of his farmers than the gentleman from Iowa (Mr. BOSWELL). There is no one on our committee that I have more respect for than the gentleman from Iowa.

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But I do rise in opposition to the amendment, Mr. Chairman, basically for two reasons. Number one is the most critical.

As I have indicated, one of the words you are going to hear throughout the discussion of this farm bill for the next however long is going to be balance. The maintaining of that balance is important because that is what has been brought together as far as a broad base of support.

Now, granted, the gentleman in making some changes in the fixed decoupled payment does not greatly rob that account, but I am also aware that there are numerous amendments that, bit by bit by bit by bit, begin to attack that. I am concerned about going down that road, because if this balance becomes undone, I think this thing may go into free-fall.

Secondly, in terms of what the amendment does, we discussed this subject in the committee during markup of this bill. I can appreciate where the gentleman is coming from, but I have concerns about a program which sets up reserves of commodities.

History historically has shown us that reserves can result in large quantities of commodities that eventually may become government stocks. I think it creates the removal of commodities from the market in order to put into storage, which I think gives a false market signal; and I think it can have some impact on production. Under current law, and I think most of us agree, the government is not and should not be in the business of managing supply. Eventually, with stocks as they build up, it leads to lower prices, therefore, I think potentially costlier program payments in order to keep the farm economy going. I am not questioning the intent, but I think what this does is it establishes a precedent for reserve programs of the past that have not worked well. They have been tried, and they have failed.

Finally, I think what it does is it takes from again a balance that reaches across-the-board and it shifts that balance into only dealing with and providing assistance for a much smaller number of people.

For that reason, Mr. Chairman, I would oppose the gentleman's amendment.

Mr. BOSWELL. Mr. Chairman, I ask unanimous consent for one additional minute to make a response.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BOSWELL. Mr. Chairman, I thank the gentleman from Texas (Chairman COMBEST) for his comments. This reserve will not hang over the market. These commodities are designated specifically for energy reserve. 66.2 million annually for 300 million gallons of renewable fuel seems like a reasonable request.

I appreciate the gentleman's comments and concerns. The gentleman mentions all the other amendments. This just happens to be the most important one.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. BOSWELL).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BOSWELL. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on amendment No. 13 offered by the gentleman from Iowa (Mr. BOSWELL) will be postponed.

Are there further amendments?

AMENDMENT NO. 26 OFFERED BY MR. HALL OF OHIO

Mr. HALL of Ohio. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 26 offered by Mr. HALL of Ohio:

In section 307, insert after paragraph (7) (page 188, after line 22) the following (and conform the subsequent paragraphs accordingly):

(8) by striking section 206 (7 U.S.C. 1726);

In section 307, insert after paragraph (11) as redesignated (page 189, after line 21) the following (and conform the subsequent paragraphs accordingly):

(12) in section 407(c)(1) (7 U.S.C. 1736a(c)(1))—

(A) by striking ''The Administrator'' and inserting ''(A) The Administrator''; and

(B) by adding at the end the following:

(B) In the case of commodities made available for nonemergency assistance under title II or III for countries in transition from crisis to development or for least developed, net food-importing countries, the Administrator may pay the transportation costs incurred in moving the commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs.

MODIFICATION OF AMENDMENT NO. 26 OFFERED BY MR. HALL OF OHIO

Mr. HALL of Ohio. Mr. Chairman, I ask unanimous consent to modify the amendment with the modification that has been placed at the desk.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

MODIFICATION TO AMENDMENT NO. 26 OFFERED BY MR. HALL OF OHIO

The amendment as modified is as follows:

In section 307, insert after paragraph (7) (page 188, after line 22) the following (and conform the subsequent paragraphs accordingly):

(8) by striking section 206 (7 U.S.C. 1726);

In section 307, insert after paragraph (11) as redesignated (page 189, after line 21) the following (and conform the subsequent paragraphs accordingly):

(12) in section 407(c)(1) (7 U.S.C. 1736a(c)(1))—

(A) by striking ''The Administrator'' and inserting ''(A) The Administrator''; and

(B) by adding at the end the following:

(B) In the case of commodities made available for nonemergency assistance under title II for least developed countries that meet the poverty and other eligibility criteria established by the International Bank for Reconstruction and Development for financing under the International Development Association, the Administrator may pay the transportation costs incurred in moving the commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs.

Mr. HALL of Ohio (during the reading). Mr. Chairman, I ask unanimous consent that the modification be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. Without objection, the amendment is modified.

There was no objection.

The CHAIRMAN. The gentleman from Ohio (Mr. HALL) is recognized for 5 minutes on his modified amendment.

Mr. HALL of Ohio. Mr. Chairman, my amendment makes a slight technical change to the Food for Peace, P.L. 480 Program. This is one of our primary food aid programs, along with section 416(b) and Food for Progress. These vital programs allow the bounty our farmers produce to go to feed the least among us. America is great because America is good, and this is the best America has to offer the world.

This modified amendment further defines the poor countries that would be able to receive U.S. commodities and the transportation costs to get them to the hungry. It is supported by the World Food Program and private aid organizations.

I am pleased that the gentleman from Texas (Chairman COMBEST) supports this amendment. I thank the gentleman and his staff, especially Lynn Gallagher, for all of their assistance. I also appreciate the gentleman from Texas (Mr. STENHOLM) and his concern for our food aid program.

This amendment is a very small step towards my larger hope that the United States would increase our food aid for the poorest nations of the world. While we donate more food than any other country, to whom much is given, much is expected. In reality, we provide only one-half of one percent of our budget for humanitarian aid, and this should be much higher.

I spoke earlier of the good will our food aid buys around the world. My travels to poor countries around the world have convinced me that our enemies and allies respect us because of our compassion and our generosity. We are a compassionate and generous country, and our food aid programs are a terrific example of this.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. HALL of Ohio. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I thank the gentleman for yielding, and I thank him for his courtesy in discussing his amendment process with us prior to offering it.

I would say that there is no one in the House who can stand taller than the gentleman from Ohio (Mr. HALL) in his concern about hunger around the world. I respect him for that, and am very happy to accept the amendment.

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentleman from Ohio (Mr. HALL).

The amendment, as modified, was agreed to.

The CHAIRMAN. Are there further amendments?

AMENDMENT NO. 53 OFFERED BY MR. STENHOLM

Mr. STENHOLM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 53 offered by Mr. STENHOLM:

At the end of title I (page 133, after line 13), insert the following new section:

SEC. ___. REPORT ON EFFECT OF CERTAIN FARM PROGRAM PAYMENTS ON ECONOMIC VIABILITY OF PRODUCERS AND FARMING INFRASTRUCTURE.

(a) REVIEW REQUIRED.—The Secretary of Agriculture shall conduct a review of the effects that payments under production flexibility contracts and market loss assistance payments have had, and that fixed, decoupled payments and counter-cyclical payments are likely to have, on the economic viability of producers and the farming infrastructure, particularly in areas where climate, soil types, and other agronomic conditions severely limit the covered crops that producers can choose to successfully and profitably produce.

(b) CASE STUDY RELATED TO RICE PRODUCTION.—The review shall include a case study of the effects that the payments described in subsection (a), and the forecast effects of increasing these or other decoupled payments, are likely to have on rice producers (including tenant rice producers), the rice milling industry, and the economies of rice farming areas in Texas, where harvested rice acreage has fallen from 320,000 acres in 1995 to only 211,000 acres in 2001.

(c) REPORT AND RECOMMENDATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the information collected for the review and the case study and any findings made on the basis of such information. The report shall include recommendations for minimizing the adverse effects on producers, with a special focus on producers who are tenants, on the agricultural economies in farming areas generally, on those particular areas described in subsection (a), and on the area that is the subject of the case study in subsection (b).

Mr. STENHOLM. Mr. Chairman, this amendment requires USDA to review the effects that decoupled payments under the Agriculture Market Transition Act have had on the economic viability of farmers and farming infrastructure, especially in areas where conditions limit the program crops that can be grown.

The review must include a case study of the effects that decoupled payments, increases in decreases payments, for example, disaster assistance, and other countercyclical decoupled payments, will have on rice producers and the rice industry in Texas. USDA has 90 days from enactment to report its findings and recommendations on ways to minimize adverse impacts on rice farmers and the rice industry to the Committee on Agriculture.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I appreciate the gentleman's yielding, and want to also indicate again for the record that this is a no cost amendment. There are a number of people in rice-producing areas of Texas that share the gentleman's concerns, as I do; and I would be happy to accept the amendment.

Mr. STENHOLM. Mr. Chairman, reclaiming my time, I would point out the relevance of this study in that we are also, in the bill before us, going to have similar situations perhaps develop in other regions of the country; and I think the relevance of this study may be very helpful to us to avoid some of the problems that have already occurred in portions of rice country, namely in Texas.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. STENHOLM).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

AMENDMENT NO. 55 OFFERED BY MR. STENHOLM

Mr. STENHOLM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 55 offered by Mr. STENHOLM:

Page 213, line 6, strike ''$10 million'' and insert ''$9,500,000''.

Beginning on page 214, strike line 13 and all that follows through line 6 on page 215, and insert the following:

(f) PUERTO RICO.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

(1) in subparagraph (A)—

(A) in clause (ii) by striking ''and'' at the end;

(B) in clause (iii) by adding ''and'' at the end; and

(C) by inserting after clause (iii) the following:

''(iv) for each of fiscal years 2003 through 2011, the amount equal to the amount required to be paid under this subparagraph for the preceding fiscal year, as adjusted by the percentage by which the thrifty food plan is adjusted under section 3(o)(4) for the current fiscal year for which the amount is determined under this clause;''; and

(2) in subparagraph (B)—

(A) by inserting ''(i)'' after ''(B)''; and

(B) by adding at the end the following:

''(ii) Notwithstanding subparagraph (A) and clause (i), the Commonwealth may spend up to $6,000,000 of the amount required under subparagraph (A) to be paid for fiscal year 2002 to pay 100 percent of the cost to upgrade and modernize the electronic data processing system used to provide such food assistance and to implement systems to simplify the determination of eligibility to receive such assistance.''.

(g) TERRITORY OF AMERICAN SAMOA.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is amended—

(1) by striking ''Effective October 1, 1995, from'' and inserting ''From''; and

(2) by striking ''$5,300,000 for each of fiscal years 1996 through 2002'' and inserting ''$5,750,000 for fiscal year 2002 and $5,800,000 for each of fiscal years 2003 though 2011''.

Page 216, line 18, strike ''(h) and (i) shall take effect of'' and insert ''(g), (h), and (i) shall take effect on''.

Mr. STENHOLM. Mr. Chairman, this amendment adds two provisions regarding Puerto Rico and American Samoa in the nutrition programs. For Puerto Rico, the amendment would allow Puerto Rico to spend up to $6 million of the 100 percent Federal funds in fiscal year 2002 on upgrading and modernizing the electronic data processing systems used to provide food assistance and to implement systems to simplify the determination of eligibility.

For American Samoa, the amendment decreases the amount available for simplified application and eligibility determination systems in section 405 from $10 million each year to $9.5 million each year. The amendment raises the amount available for American Samoa in section 406(g) from $5.75 million in fiscal year 2002 to $5.8 million in each of fiscal year 2003 through 2011.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I appreciate the gentleman yielding.

Mr. Chairman, I also want to indicate this is a no net cost provision of the amendment. I am glad to accept the amendment. I appreciate the gentleman's introducing it.

Mr. STENHOLM. Mr. Chairman, reclaiming my time, I would point out to the House that the delegate from American Samoa and the delegate from Puerto Rico have agreed to this. This is done at their request, as well as ours today.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. STENHOLM).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

Mr. COMBEST. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we are in the process of trying to work through a number of amendments in which we have had an opportunity to deal with a variety of Members, and I think that the process is moving potentially somewhat more expeditiously than was anticipated.

But I want to take just a moment, if I might, Mr. Chairman, to expand somewhat on a comment that I made in my opening statement relative to the amount of work that has gone into this committee print that we have before the House today.

The people who do so much of the hard, heavy lifting in our committees are those people who do not sit around the dais or who do not cast votes, but who sit in those offices sometimes three or four deep and literally, as the case was in the development of this farm program, spent all night. That happened on the majority and the minority side, working in concert.

My friend, the gentleman from Texas (Mr. STENHOLM), has numerous times mentioned the bipartisanship of this committee. This goes well beyond just Members. This goes to the staff as well.

Certainly there are, from time to time, some philosophical differences. That is the nature of the process. That is the nature of the legislative process. But there is a recognition of the bigger goal, and that bigger goal is to try to achieve something in a manner in which we are seeing an extension of handshakes across the aisle.

I have personally never felt that we can pass a farm bill that only receives Republican support. Number one, it probably would say a great deal about the inadequacies of that farm bill if it in fact was a partisan bill.

It is also many times difficult. Of the 51 members on the committee whose service on that committee is requested and whose service on that committee is asked for and who have deep interests in agriculture, we have many varying opinions from time to time. But all of that is finally put aside when we have the opportunity to come together and to look at the interests of agriculture as a whole, recognizing there are some regional differences, recognizing that there are differences in philosophy, recognizing there are differences in weather, recognizing there are differences in cropping habits, that corn grown in the chairman's district of Illinois is substantially different than corn grown in the ranking member's district or this gentleman's district. Yet, it is a program which we have to try to develop that fits all of it.

Without adequate input and without taking into consideration those people who produce that, those people who market that, those people whose livelihood depends upon that, we, in fact, would not be able to write a farm bill that has such a broad base of support.

Not enough can be said about the people who work for us on that committee. I might just mention if the statistic still holds true to this day, Mr. Chairman, I believe it is the only full committee of the House in which the Members exceed the number of staff. So it does, I think, show how much work that is dumped upon them from time to time. I will say that we could not be better served than we currently are.

□ 1315

Mr. STENHOLM. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we are now having another demonstration of what has been so frustrating to the House Committee on Agriculture as we have moved to get to this point. We had 60 amendments notified and here we are, none of the Members who felt compelled to make amendments and change are here to offer their amendments. Under House procedure, what we should do is we should move to final passage of the bill, because obviously, all of those who have felt so compelled to argue and to offer amendments are nowhere to be found. So we feel compelled now to take 5 minutes to talk about whatever we are going to talk about. Really, I guess we have the Boswell amendment, we could vote on it; but I understand that is not what they want to do.

So let me make a comment or two. I did not get recognized on the Boswell amendment a moment ago. Let me take just a moment and talk about the energy section of the bill that is before us.

Mr. Chairman, it was not but about 2 years ago that we had a depression not only in the corn and cotton patch, but also in the oil patch. At that point in time, since I represent the cotton patch and the oil patch, I was concerned about low energy prices, I was concerned about energy and energy policy as a national security; and that concern is still there. But one of the things that we recognize is that we cannot produce food and fiber without oil and gas; we cannot produce oil and gas without food and fiber; and, therefore, it is time for us to start working together, which is exactly what we have done in this bill.

In fact, something happened when we had hearings on the energy title that I did not believe I would ever see. We had independent oil and gas producers testifying in behalf of bioenergy, biodiesel, ethanol, because those in the independent oil industry began to realize just as we today are making our, we hope, compelling argument on behalf of the remaining farmers and ranchers in this country, that we have to work together, and that we do need to produce more energy. I had looked for ways to be supportive of an energy reserve today, because I think the gentleman from Iowa (Mr. BOSWELL) is on the cutting edge of what we are eventually going to need to do.

But as we looked into it and we got into, as the chairman pointed out, the trade-offs that have to occur, this fine balance that we are talking about and with some of the divisions that we have within the bioenergy industry regarding the merits of such, I do not and cannot support his amendment today. But I will point out that we have in the bill emergency loans for sharply increasing energy costs. We have loans and loan guarantees for renewable energy systems. We have biomass derived from conservation reserve program lands. We have wind turbines on conservation reserve program lands. We have the reauthorization of the Biomass Research and Development Act, which gives us the road map to get to where the gentleman from Iowa wants to be, and I want to be with him in getting there. We have the requirement of the Secretary to give priority to improved energy efficiency on farms and farm energy. We have the hazardous fuel reduction grants in this bill, and we also recognize the role of bioenergy in promoting the industrial consumption of agriculture products for the production of ethanol and biodiesel. We expand the program by directing the Secretary to include animal fats, agricultural by-products and oils as eligible commodities under existing bioenergy programs.

Now, the USDA is already carrying out the CCC bioenergy program and $150 million is being provided for fiscal year 2002, the same as fiscal year 2001. So it is certainly not without sympathy for the gentleman's amendment. It is there, but it is the question, as we have already talked about, and the precise balance, and I understand that it is very important to him.

AMENDMENT NO. 62 OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 62 offered by Mr. TRAFICANT:

At the end of title IX (page ——, after line ——), insert the following new section:

SEC. . COMPLIANCE WITH BUY AMERICAN ACT AND SENSE OF CONGRESS REGARDING PURCHASE OF AMERICAN-MADE EQUIPMENT, PRODUCTS, AND SERVICES USING FUNDS PROVIDED UNDER THIS ACT.

(a) COMPLIANCE WITH BUY AMERICAN ACT.—No funds made available under this Act, whether directly using funds of the Commodity Credit Corporation or pursuant to an authorization of appropriations contained in this Act, may be provided to a producer or other person or entity unless the producer, person, or entity agrees to comply with the Buy American Act (41 U.S.C. 10a–10c) in the expenditure of the funds.

(b) SENSE OF CONGRESS.—In the case of any equipment, products, or services that may be authorized to be purchased using funds provided under this Act, it is the sense of Congress that producers and other recipients of such funds should, in expending the funds, purchase only American-made equipment, products, and services.

(c) NOTICE TO RECIPIENTS OF FUNDS.—In providing payments or other assistance under this Act, the Secretary of Agriculture shall provide to each recipient of the funds a notice describing the requirements of subsection (a) and the statement made in subsection (b) by Congress.

Mr. TRAFICANT. Mr. Chairman, I want to thank the gentleman from Illinois (Mr. LAHOOD), who always seems to be in the chair at the right time and does a fine job.

I want to commend the chairman of this committee and the ranking member. I want to spend just a second talking about the ranking member. He has shown bipartisanship in this House for all of the years I have been here; and he has exemplified that, I believe, as well throughout everything he has done. Even when his principles are in opposition to that being offered by others, he has always been a gentleman and tried to find that common ground.

This amendment is well known by all. It is the right thing to do. If, in fact, there is money made available under this bill, the recipients of it shall get a notice that the Congress of the United States would like to see those funds expended for the purchase of American-made goods. I think the farm community understands it and may be one of the biggest supporters of this legislation.

We have very few trade surpluses in America. I believe agriculture, if I am not mistaken, is still a trade surplus. I am not sure of that. But we are now beginning to average over and close to $300 billion a year in trade deficits; and if it was not for our farmers, God forbid.

But my second amendment will deal with an issue that concerns the cattle and animal husbandry industry of this Nation. Ground beef was coming across our border, beef that originated in Australia coming across our border, uninspected, and being sold as ground beef in marketplaces throughout the United States of America. So the first one is a Buy American amendment.

Mr. Chairman, I yield to the distinguished gentleman from Texas (Mr. COMBEST), the chairman of the committee, to ask for his support on the amendment.

Mr. COMBEST. Mr. Chairman, absolutely, I am happy to support the gentleman's amendment and appreciate his tenaciousness in this area.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I would point out that the preliminary data for 2001 show that we are exporting $5.5 billion and we are importing $39 billion. That leaves us a trade balance of $14.5 billion.

Mr. Chairman, I have no objection to the gentleman's amendment. I enthusiastically support it, and I thank him for his kind remarks.

Mr. TRAFICANT. Mr. Chairman, I would like to say that the reason we have that trade surplus is the result of the leadership we have had from gentlemen like this.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. TRAFICANT).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. TRAFICANT. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Ohio (Mr. TRAFICANT) will be postponed.

REQUEST TO OFFER AMENDMENT NOT PREPRINTED IN THE CONGRESSIONAL RECORD

Mr. TRAFICANT. Mr. Chairman, I ask unanimous consent to offer at this point a second amendment I have at the desk that was not printed October 3.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. COMBEST. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard and the Chair would object as being precluded by the order of the House from entertaining the request.

Are there further amendments?

AMENDMENT NO. 52 OFFERED BY MR. SMITH OF MICHIGAN

Mr. SMITH of Michigan. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 52 offered by Mr. SMITH of Michigan:

At the end of section 183 (page ____, beginning line ____), insert the following new subsection:

(d) PAYMENT LIMITATION REGARDING MARKETING ASSISTANCE LOANS TO COVER ALL PRODUCER GAINS.—In applying the payment limitation contained in section 1001(2) of the Food Security Act of 1985 (7 U.S.C. 1308(2)) on the total amount of payments and gains that a person may receive for one or more covered commodities during any crop year, the Secretary of Agriculture shall include each of the following:

(1) Any gain realized by a producer from repaying a marketing assistance loan for a crop of any covered commodity at a lower level than the original loan rate established for the commodity.

(2) Any loan deficiency payment received for a loan commodity.

(3) Any gain realized by a producer through the use of the generic certificate authority or through the actual forfeiture of the crop covered by a nonrecourse marketing assistance loan.

Mr. SMITH of Michigan. Mr. Chairman, I think this is a very important amendment if we are going to keep public support for agricultural programs. The amendment puts an absolute limit on all benefits derived from price support programs of the Federal Government.

I am a farmer. I have spent time as chairman of the ASCS committee in Michigan administering farm programs. I help write them in Washington. If anybody has read the papers, they know that there have been many stories from AP and other news sources about the millions of dollars that are going to some of the big landowners. I think that we are hoodwinking the American people if we say that there is a limit of $150,000 in this case; and by the way, up until last year, the limit was only $75,000; but we now have a limit of $150,000. If you have a wife, you can go to the USDA office and have that spouse also included as an additional producer, making it $300,000.

I think we are hoodwinking the American people if we lead them to believe that there is any limit on benefits that can be derived from Federal programs on price support. That is because in a rather complicated program, we have nonresource loans, which means that even if one does not get the marketing loan payment, even if one does not get the price support from a loan deficiency payment, one always has the opportunity of forfeiting a crop or, in many cases, the Government says instead of the forfeiture, we will give a certificate.

So in reality, there is no limit. What we are faced with is people like NBA star Scotty Pippen, billionaire tycoon J.R. Simlot, and 20 Fortune 500 companies receiving Federal checks from the programs.

The President, the administration said today, one problem he has with this farm bill, and allow me to read the statement that came out this morning from the statement of administration policy: ''This bill fails to help farmers most in need. While overall farm income is strengthening, there is no question that some of our Nation's producers are in serious financial straits, especially smaller farmers and ranchers. Rather than address these unmet needs, H.R. 2646 would continue to direct the greatest share of resources to those least in need of government assistance. Nearly half of all recent government payments have gone to the largest 8 percent of farms, usually very large producers, while more than half of all U.S. farmers share only 13 percent of the payments. H.R. 2646, without this amendment, would continue this disparity.''

I call on my colleagues to do something that helps farmers, and we help farmers because we are going to be inundated. Anybody that read the Wall Street Journal today knows that, again, they criticized this program because it goes to the big producers. Let me suggest to my colleagues why there is momentum to not have any limitations on price support benefits. It is because of the grain dealers, the grain deals, the car deals, the Purinas, the Archer Daniel Midlands. Every grain operator profits by their volume. They have so much income for every bushel, every hundred weight; and so there is that momentum, plus the huge farmers. We have an 80,000-, 130,000-acre farmer that controls 130,000 acres down in Florida where he lives, ended up with something way in excess of $1 million. Mr. Chairman, 154 recipients, in total, quoting the AP story, collected

more than $1 million and wealthy recipients are doing it.

We need to home in on this program. One way to do it is to say that there is going to be a real limit of $150,000 that includes not only the LDPs and the marketing loans, but also includes if you will, the end run that these huge landowners exercise to get benefits from forfeitures and so-called certificates.

□ 1330

My amendment would save, according to the CBO, $1.2 billion in benefits, or what is the figure, $1.3 billion.

So this amendment, by limiting it to these giant producers, saves $1.3 billion. The giant producers are located, many of them, in cotton farms in Texas, and of course, rice in Arkansas.

Mr. Chairman, I include for the RECORD a Dear Colleague letter on this matter.

The document referred to is as follows:

WASHINGTON, DC,
October 3, 2001.

''There's a lot of medium-sized farmers that need help, and one of the things that we're going to make sure of as we restructure the farm program next year is that the money goes to the people it's meant to help.''—President George W. Bush, August, 2001

DEAR COLLEAGUE: Few people are aware that many of our farm commodity programs, for all of their good intentions, are set up to disburse payments with little regard to farm size or financial need. Often in our rush to provide support for struggling farmers we overlook just where that support is going:

This amendment only limits price supports, not AMTA, conservation, or any other type of farm payment.

The largest 18 percent of farms receive 74 percent of federal farm program payments.

In 1999, 47 percent of farm payments went to large commercial farms, which had an average household income of $135,000.

The bulk of benefits over $150 thousand paid out on the 2000 harvest went to cotton and rice farmers—in fact, two large rice cooperatives in Arkansas collected nearly $150 million between them.

Unlimited government price supports for program commodities disproportionately skews federal farm aid to the largest of producers while encouraging overproduction and allowing the largest producers to become even larger. Let's do more to be fair to small and moderate size family farm operations by establishing meaningful, effective payment limitations.

Sincerely,

NICK SMITH,
Member of Congress.

Mr. COMBEST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let us talk about this amendment for a moment. This amendment was offered in committee; and after USDA was called upon for comment, the amendment failed by voice vote. This is not just a limitation amendment. What this does is it dramatically changes the way that the loan program works.

Following the farm crisis in the 1980s, the marketing loan program was created. Its purpose was to aid a producer in marketing commodities to minimize the government accumulation of stocks, to minimize the potential loan forfeitures, and to minimize the cost.

The information which the gentleman from Michigan (Mr. SMITH) put in the committee report in ''additional views'' talks about the imposition of this limitation would only affect the largest one-half of 1 percent of farmers. It claims that the average acreage harvested to reach that loan limitation would be, for example, 1,950 acres of cotton for 1,700 acres of rice.

In reality, it would take 701 acres of rice in Arkansas or 432 acres of cotton in California, and I do not think that a 432-acre farm is in the top 1 percent in size.

Let me give an example of how this would work, in reality. Today, a cotton farmer in California with 432 acres and an average yield would be affected by this amendment. Let us assume that the farmer put all of his cotton from the 432 acres in the loan. With a 19 to 20 billion bail crop, the loan deficiencies would continue downward to 30 cents.

Even though the farmer could have forfeited the cotton to the Government in the past, this amendment would limit the amount which they could forfeit, which would therefore then force that farmer to take that loan out when he could have gotten 50 cents and a market price of 30 cents.

It is a dramatic change in the way that a non-recourse loan program in the past has worked for the past 50 years, and it is not simply a matter of concern about the largest one-half percent of the farmers. Again, I want to reiterate, a 701-acre rice field in Arkansas or a 432-acre cotton field in California is not an exceptionally large 1 percent of the top farms in the country. That is a very average-sized farm. It is not simply a limitation on the payments; it is a dramatic change in the way the program operates.

I would strongly oppose the gentleman's amendment.

Mr. MILLER of Florida. Mr. Chairman, I rise in support of the amendment offered by my colleague, the gentleman from Michigan. It just makes common sense that we try to make this a more fair and equitable type of bill, because it really does help very, very wealthy people.

I was kind of embarrassed, a newspaper article on the front page of my Sarasota paper, unfortunately it was back on September 11, on the front page showed President Bush waving upon his arrival the night before.

The other big article was an AP wire service story about how most farm subsidies go to a few. It talks about how 1,200 universities and government farms and State prisons get money. It talks about how Ted Turner gets $190,000 from it, Scotty Pippin, the basketball player making $14 million a year, gets $26,000. It talks about people after people who get $1 million, hundreds of thousands of dollars.

All that the amendment of the gentleman from Michigan (Mr. SMITH) does is try to make a little more equity and tries to make a little more fairness in this program.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Florida. I yield to the gentleman from Michigan.

Mr. SMITH of Michigan. Mr. Chairman, I thank the gentleman for yielding.

Just to respond to the gentleman from Texas (Chairman COMBEST), we have a recourse loan program, so we do not glut the program, available to these farmers as a recourse loan. That means we do not have to sell the product at harvest time, so this does not diminish the effort we have made over the years to allow orderly marketing. It is still there.

Let me also say that according to the Congressional Research Service, averaging the last 2 years, we would have had to have had 6,142 acres of corn to reach the $150,000 limit; 6,600 acres of soybeans; 13,000 acres of wheat; 13,000 acres of sorghum; 1,951 acres of cotton; and 17,000 acres of rice. Prices vary over the years, so the acreage is going to vary over the years. These are all huge farmers.

There are 80,000-acre landlords that are sucking in a lot of the benefits that could go to small farmers. Again, scored, this saves $1.3 billion. At a time when we are desperately looking for finance, at a time when we are desperately looking for fairness, I would ask my colleagues to consider something that takes the great advantage away from the big farmers, slows down the motivation of those big farmers to get even bigger, buying up the small farms. It is not the kind of farm policy we should have in the United States.

Mr. MILLER of Florida. Mr. Chairman, just in conclusion, one of the concerns I have about this total bill, it has 70-some billion of new spending over and above what has been spent over the past year. It is supposed to come out of our non-Social Security surplus. Now, not only do we not have a Social Security surplus, we are going to be into deficit spending.

Anything we can do to reduce that 70-some billion of new spending that was put in the budget back in May of this year, that I supported, that was expecting these $300 billion surpluses. Now that we do not have these huge surpluses, it makes it very difficult for us fiscal conservatives to support a bill like this.

So anything that can reduce the total cost of this bill by $1 billion I would hope would be supported by this House.

Mr. POMEROY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I strongly favor the underlying bill; but as I mentioned in my opening comments in general debate, the underlying bill is not perfect. I believe one of the more visible imperfections is its failure to address payment limits.

I think, as an advocate for family farmers, that our ability to sustain the Nation's commitment to farm programs depends upon the American public feeling like their taxpayer dollars are supporting family farmers, not large corporate enterprises that simply do not have the same compelling case to make for the Nation's resources.

The GAO has reported that one-half of all farm payments went to just 7 percent of all farms, the largest farms. This is misdirected policy. By passing the Smith amendment, we place a limit that actually works, that limit $150,000 in Federal payments, a significant amount of Federal support. I believe it would work.

I recognize that there are economic differences in the production of various commodities and that the production of rice and cotton, Southern-based commodities, requires larger economic operations.

At the same time, by moving this payment limit from where it was just 2 years ago, from $75,000 up to the $150,000, I think much has been done to accommodate the different scale of economics undergirding production in that part of the region.

Make no mistake about it: in the end, payment limits make sense. We devote our resources to keeping the family commercial operations in the business; we do not divert half of all money in the bill to the largest 7 percent of the farms; and we have a program that going forward, year after year, will be one less likely to be attacked for squandering Federal resources.

This is about bringing integrity and common sense to farm programs. I urge support of the amendment.

Mr. CHAMBLISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment; and I would take issue with my friend, the gentleman from Florida, who mentioned some folks by name who are getting payments.

He mentioned Scotty Pippin. According to the figures he mentioned, this provision, this amendment, would not apply to that individual because he does not reach that payment limitation.

Mr. Chairman, what we are asking to be done here with this amendment is to change the rules in the middle of the stream. We have got farmers who have been operating under the current law for years and years and years, and they have structured their farming operations within the confines of the law.

That law now seeks to be changed in the short term. We could have farmers reconstruct their farming operations; but if they did, the tax consequences to the American farmer would be huge. That would be enough to put the farmer out of business.

I take issue with my friend, the gentleman from Michigan, that this does not have anything to do with the marketing loan provision. It absolutely does. We have to look at the payment limitation and work it in coordination with the marketing loan provision. That is why we have the payment limitation and why we have the marketing loan provision.

But more importantly, I was up here a little bit earlier. I had an example of the Walker farm that we used in Alabama, where it was deemed to be, by a lot of people, a corporate farm. What it is is a 7,000-acre operation that is operated by seven families, all of whom, seven of whom, qualify as producers, as actively engaged in farming, who have money at risk in the operation.

Those are the folks who this amendment would seek to really hurt. That provision would really destroy that operation; and if those folks have money at risk, then they ought to be able to come under the payment limitation rule and not be excluded.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CHAMBLISS. I yield to the gentleman from Michigan.

Mr. SMITH of Michigan. Mr. Chairman, each one of these individuals is eligible, if they go to the local FSA office, to be a separate producer entity, each available to that $150,000 limit.

Mr. CHAMBLISS. They are now. That is my point.

Mr. SMITH of Michigan. This would not touch that.

Mr. CHAMBLISS. Yes, it would, too. It would limit that operation.

Mr. SMITH of Michigan. No, sir, this is a limit per individual producer. Excuse me.

Mr. CHAMBLISS. The limit is there now. We have the certificate provision to take care of it, over and above that.

But we would destroy the current structure of the way farms are set up if we changed the payment limitation at this point in time. I would urge a no vote on this amendment.

Mr. BLUMENAUER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment is an example of how we can today at least take a system that was designed two-thirds of a century ago and attempt to make it a little better, a little more relevant.

I strongly support the amendment offered by the gentleman from Michigan (Mr. SMITH) and am proud to associate myself as a cosponsor of it.

Mr. Chairman, we have heard on this floor how narrowly channeled our support is. Seventy-four percent of the total subsidies go to 18 percent of the producers; two-thirds of the farm support goes to just 10 percent. The last speaker pointed out that half goes to just 7 percent.

George Bush has, as recently as this last month, pointed out that there are a lot of medium-sized farmers that need help; and one of the things that we are going to do is make sure that we restructure the farm program to make sure the money goes to the people it is meant to help.

I think what the gentleman from Michigan has done is to attempt to give a dimension to the words of our President. The numbers of the gentleman from Michigan (Mr. SMITH) have indicated, and we have all received the reports from CRS that talk about how much acreage is necessary to trigger that limit. I think this is a modest step in the right direction.

I know the gentleman from Michigan has some further thoughts on this, and he has my strong support for the amendment.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BLUMENAUER. I yield to the gentleman from Michigan.

Mr. SMITH of Michigan. Mr. Chairman, I thank the gentleman for yielding.

This is going to come back to harm the average farmer in the United States. We have farm organizations that support it, and some of the big ones do not support it; but we are looking at a situation where the President has indicated to us this morning that this overpayment to the big farmers is a problem.

Let me read a quote that he made last month. The President said: ''There are a lot of medium-size farmers that need help, and one of the things we are going to make sure of as we restructure the farm programs is that the money goes to the people that it is meant to help.''

I hope we consider doing this, because, number one, we encourage more production, overproduction, if we say the big farmers that already have a lower unit cost of production are getting that fixed payment, so they tend to get bigger. They tend to buy out other farms, the medium-sized farmer that is struggling to make a go of it and tries to buy out the smaller farmer. So we are perpetuating the large, corporate-type farming operations.

Maybe that is what some people want to call a family farm. I do not think that is what the public policy of the United States Congress should be, supporting and expanding with the kind of farm program that does not have some real limits on farm payments.

This does not apply to the average sized farm, which is a little over 500 acres. One has to have 6,000 acres of most any of these crops to reach the $150,000 limit.

Mr. BLUMENAUER. I appreciate the gentleman's framing the words of our President. I could not have said it better myself.

This is an opportunity for some bipartisan support to take an important step for making these important programs work a little better, inspire more confidence from the American public, save some money, and be able to target it where it is most needed. I strongly urge support for this amendment.

□ 1345

Mr. SIMPSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I can assure the gentleman from Michigan that the average size farm in Idaho is larger than 500 acres, substantially larger than 500 acres.

The Smith amendment seeks to include marketing certificates under established payment limits on the farm program benefits, but would effectively limit the use of marketing certificates and inhibit the following benefits: Marketing certificates enhance competitiveness of U.S. commodities. Marketing certificates enable the marketing loan program to work effectively when commodity prices are low, thereby making U.S. commodities available at market clearing prices. This enhances demand and market share and maintains the entire agricultural infrastructure.

Marketing certificates prevent stock overhang. Without certificates there will be a larger stock overhang going into next year, weakening next year's prices, making it more difficult for farmers to secure operating loans. Large farmers will hold stocks depressing prices for small and medium farmers.

Marketing certificates prevent loan forfeitures. Without marketing certificates, producers would place their crops into the commodity credit corporation loan and would likely forfeit the commodity, tying up storage and leaving the government to market commodities almost certainly at a substantial loss and at competition with the private sector during the following year's harvest. Merchants would buy from the government, and the farmer would receive less for his crop.

Mr. Chairman, I get interested in this talk about large corporate farms versus family farms. So far I have never really been able to figure out what is a large corporate farm versus a family farm. I know individuals in Idaho that are corporations. Four brothers together. They own a very, very large farm, probably 30,000 acres or so. The USDA, as I said earlier, said $250,000 of gross sales makes you a large farmer. It does not take a large acreage farm to create $250,000 of gross sales.

Actually, 99.5 percent of those large farms are family-owned; 99.5 percent of those are family-owned. Of those farms, those large farms that we say are large, somehow bad corporate farms or whatever, and sometimes families create corporations for tax purposes, they create 53 percent of the crop value but only get 47 percent of the payments. They get less than the value of the crop that they produce compared to the small farmer. We are already tilting it toward the small farmer.

When it comes to Scotty Pippen, we always throw those names out there because they are great in the paper. Here we have a guy making a ton of money playing basketball. He would receive this payment even if this amendment passed because he got it under the forestry program. It is forest land that he has. If you limited this payment to zero, he would still get his $26,000 under the forestry program.

Mr. Chairman, I would urge my colleagues to reject this amendment and stay with the underlying bill.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the gentleman's amendment and would like to ask the gentleman from Michigan (Mr. SMITH) his source of the savings.

The gentleman from Florida made the allegation that this is saving $1.3 billion. I am asking the gentleman as to what is his source of that number.

Mr. Chairman, I yield to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Chairman, I would tell the gentleman from Texas it is the Congressional Budget Office.

Mr. STENHOLM. There is a CBO estimate?

Mr. SMITH of Michigan. Yes.

Mr. STENHOLM. The gentleman's amendment is the one that deals with marketing certificates?

Mr. SMITH of Michigan. The $150,000 now only applies to the marketing loans and the loan deficiency payments. This would expand it to also include the other benefits from price support of the forfeitures and the certificates. This is a new CBO estimate that they just gave us this morning. The old CBO estimate said that it was going to be something like $600 million. They gave us the new estimate this morning of $1.33 billion.

Mr. STENHOLM. Reclaiming my time, I would love to see that information because that certainly is contrary to anything that I have seen.

Marketing certificates, which I believe this is aimed at limiting, have been around for 14 years. They have been used for a very good purpose, and that is to avoid building up CCC stocks. The effect of the gentleman's amendment would simply be to build-up stocks, because to equate the loan with a price support cash payment is totally fallacious. This is not the way that marketing certificates work. What we try to do is avoid CCC build-up of stocks.

If we are going to make it ineligible, if we want to make them ineligible for loans, that is one thing, but that is not what the gentleman is attempting to do. I do not believe that that is what his intent is; but the amendment before us does not do that, which I believe the gentleman is saying that it does.

Market certificates avoid market disruptions caused by payment limits. When you run up against that payment limit, then we have one choice. We put it into the loan, and then the government pays us for it or we then market it.

Under the theory of the Freedom to Farm Act of which as we held the hearings last year, farmers loved the Freedom to Farm, but they do not like the results, the price.

This is a fundamental change in the direction of farm programs. Fundamental. If one wants to go down that route, then vote for the gentleman's amendment. I would think though that the gentleman would be better served by his intent if he went back through the committee process, looking ahead to another year, and saying that if we want to limit the size of operations, then let us do it in a predictable way, not in a retroactive way.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Michigan.

Mr. SMITH of Michigan. Mr. Chairman, I just want to say that what USDA suggests on implementing this amendment, it would be simply, instead of a nonrecourse loan that means you can forfeit, it would be a recourse loan. So you can still borrow the money, but eventually you will have to pay it back at the lower interest rate.

Mr. STENHOLM. Reclaiming my time, I thank the gentleman for his explanation. I, even more enthusiastically, oppose the gentleman at this stage of the game.

Mr. KIND. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will try to be brief. I, too, want to rise in support of the gentleman from Michigan's (Mr. SMITH) amendment. I think basically what it is saying is when is enough enough when it comes to the subsidy payments that direct Federal payments to some of the biggest producers in the country? We all know that the producers do not operate in a vacuum. They are making economic decisions day in and day out.

Unfortunately, when I talk to a lot of the economists and those that study agriculture policy, they are fearful and very concerned that most of the economic decisions that are made is not

based on what the market will support and what would drive market forces, but rather, for the government paycheck, and that is why I think we have seen an explosion of growth in various commodity producers around the country because they are looking at certain largess coming from Washington and these Federal payments and making their economic and business decisions accordingly.

The Members have heard this from many, many different people. They are saying the same thing on the Senate side. Even the administration, in their policy statement they released this morning, is making the same exact point. So the Members do not have to believe the gentleman from Michigan. The Members do not have to believe me and what is being said about it. Look at our own administration right now and what they say. They are very clear in their statement of policy when they come out in opposition to the base bill.

One of the reasons they do so is because it encourages overproduction while prices are low and I quote, ''A direct consequence of American farm policy for many decades has been excessive production and low prices. This policy began to change in the last farm bill. The administration believes strongly that our national farm policy should not distort market signals, thereby directly or indirectly depressing farm prices. H.R. 2646 would continue to contribute to overproduction caused partially by increased production-based payments to farmers per bushel grown at above-market prices.''

They go on to say that the approach under the base bill also fails to help the farmers most in need, and again, I quote the administration's policy statement in which they said, ''While overall farm income is strengthening, there is no question that some of our Nation's producers are in serious financial straits, especially smaller farmers and ranchers. Rather than address these unmet needs, H.R. 2646 would continue to direct the greatest share of resources to those least in need of government assistance. Nearly half of all recent government payments have gone to the largest 8 percent of farms, usually very large producers, while more than half of all U.S. farmers share in only 13 percent of farm payments. H.R. 2646,'' again according to the administration, ''would only increase this disparity.''

So I think the point the gentleman from Michigan is making is the point that many of us are making, and some of the amendments that we are planning on offering in the course of this farm bill debate, is that at some point we have to start making some decisions in regards to that farm policy, seeing what the overall economic impact is going to be based on the business and economic decisions that many producers are making throughout the country.

So I rise in support of the gentleman's amendment. I think he has support from both the administration and also the work that is currently being conducted in the U.S. Senate in regards to their farm policy. I think it is a reasonable approach in order to put a check on the unbridled increase in production which leads to oversupply. It leads to a limiting of commodity prices and invariably leads to multibillion dollar farm relief bills coming out of this United States Congress over the last few years.

We are caught in this vicious cycle right now, and I think the gentleman from Michigan's amendment is trying to address that and break us out of this cycle that we find ourselves in.

Mr. BERRY. Mr. Chairman, I move to strike the requisite number of words.

This is the best fed country in the world. All you have got to do is walk around the streets to see that. We are all doing pretty good. I certainly get more than my fair share of it, but all the rhetoric on this floor today fails to realize that.

I have heard just in the last few minutes over and over again how we have an oversupply. These people that are talking about an oversupply, how do you check what the stocks to use ratios are in this country? We have got the lowest ending stock projected for next year that we have had since 1973. There is not any huge supply of grain built up here or anyplace else in the world. I do not know where this imaginary supply is. I do not know where this overproduction is. It does not exist.

Freedom to farm let people plant for the market. They did plant for the market. The supplies are not there and we actually have some risk if we do not continue to produce at that level. We could run out of food in this country. It is not a social program. Farm programs are not designed to protect small farmers or large farmers or create some kind of social condition or recreate a Jeffersonian democracy. That is not what they are for. They are to make sure that America has enough food and fiber to be self-sufficient and be secure. That is what this is all about.

If we are going to start limiting government programs in the way that has been mentioned here today, then we should limit the airlines to $150,000. We just passed big bucks last week. Let us just limit the airlines, give them all $150,000 and cut them off at that. You cannot make it, buddy, tough luck.

That makes just as much sense as what this amendment does. If this is such a profitable deal and everybody that is involved in agriculture is standing at the government trough, why are not there more people lined up out there to do it? Boy, I tell you what, if you want to get rich, just go to Arkansas, buy you a big rice farm. You will find out how big, how wealthy you can get. There is not anybody down there wanting to do it right now. Once we create a situation in this country where people just do not want to farm anymore, we are at risk with our food supply.

This talk of overproduction is just simply not true. We need to pay attention to the situation and not kill the goose that laid the golden egg and make sure that our farmers are able to stay in business and do the wonderful job that they have done for this country since it was founded.

Mr. SHAYS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the President of the United States said there are a lot of medium-sized farmers who need help, and one of the things we are going to make sure of is that we restructure the farm program, so that the money goes to the people who need it the most.

□ 1400

Mr. Chairman, on every occasion that Congress has taken up a farm bill or an agricultural appropriations act there is one argument that is as predictable as a football game on Thanksgiving: pass this bill, we are told, or it will mean the end of the family farm. Well, today, we have an opportunity to literally put our money where our mouths are.

The Smith amendment is very simple. It establishes—actually, it enforces—a reasonable limit on the amount farmers can receive in deficiency payments. And if I may say so, a limit of $150,000 is not only reasonable, it is plain generous. Our current farm programs already include this cap, but the larger farms have exploited a loophole that allows them to bypass it through the use of commodity certificates.

This amendment will not reduce government subsidies on a single small farm, unless of course a small farm is defined as 20,000 acres of cotton. What it will do is restore some sanity to the way we appropriate government price supports. Consider the following: the largest 18 percent of farms receive 74 percent of Federal payments. In 1999, 47 percent of farm payments went to large commercial farms; and in that same year, a single farmer received more than $1.2 million in government handouts.

If my colleagues think that is the way our government programs should operate, by all means vote against this amendment. Those who think a single farmer should receive more than $1 million in government subsidies, while small farmers are barely making ends meet, vote against this amendment. But if my colleagues think it is time large farms stop fleecing American taxpayers, support this modest amendment.

Mr. Chairman, I helped end welfare in my urban areas. It is about time we

started to reduce welfare for rich farmers.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. SMITH).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SHAYS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Michigan (Mr. SMITH) will be postponed.

Are there further amendments?

AMENDMENT NO. 20 OFFERED BY MR. ENGLISH

Mr. ENGLISH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 20 offered by Mr. ENGLISH: At the end of subtitle B of title I (page 66, after line 3), insert the following new section:

SEC. ___. PRODUCER RETENTION OF ERRONEOUSLY PAID LOAN DEFICIENCY PAYMENTS AND MARKETING LOAN GAINS.

Notwithstanding any other provision of law, the Secretary of Agriculture and the Commodity Credit Corporation shall not require producers in Erie County, Pennsylvania, to repay loan deficiency payments and marketing loan gains erroneously paid or determined to have been earned by the Commodity Credit Corporation for certain 1998 and 1999 crops under subtitle C of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231 et seq.). In the case of a producer who has already made the repayment on or before the date of the enactment of this Act, the Commodity Credit Corporation shall reimburse the producer for the full amount of the repayment.

Mr. ENGLISH. Mr. Chairman, I would like to thank the distinguished chairman of the Committee on Agriculture for considering this amendment and, through it, the plight of a group of farmers in Erie County, Pennsylvania, in a truly unique situation in the Nation.

My amendment rights a wrong that left many of our local farmers holding the bag because of a clerical error by the Federal Government. Last year, the Department of Agriculture ruled that our farmers were ineligible for the Federal Loan Deficiency Program payments because their applications were filled out improperly, notwithstanding the fact that they carefully followed the instructions of the local farm service office.

Erie County farmers were told by the Department that they needed to repay the thousands of dollars with interest to the Federal Government. The catch is that the farmers would have qualified for the payments by all understandings if they had simply filled out the forms correctly.

This amendment, which was scored by the CBO to cost $2,000, would therefore round to zero. This amendment does not affect budget authority, only outlays, meaning it is clearly not in violation of rule 302(f).

This amendment simply waives the debt for those farmers who did not repay the money, while refunding those who have already submitted their payments.

We must ensure that not one of our farmers is held responsible for the Federal Government's mistake. The money these farmers received under this program is vital to the local farm community. Agriculture is the number one industry in our State, our region, and in Erie County. Farming is a vital part of our local and national economy, and we cannot allow a clerical error caused by the supervision of the Federal Department of Agriculture to cost many farmers their livelihood and impose on others such a Draconian burden.

Mr. Chairman, I thank the gentleman from Texas (Mr. COMBEST) and the committee for their willingness to work with me to ensure that our local farmers are not punished for a bureaucratic mistake.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I want to tell the gentleman that I appreciate the difficulty he has been going through in Erie County, Pennsylvania. He has been trying to get this issue resolved, and we think we can do it legislatively in the bill.

CBO would not score this at a cost, and so I am glad to accept the amendment and appreciate the gentleman's willingness to try to work with us on this issue and hope it comes to now a positive resolution.

Mr. ENGLISH. I thank the chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. ENGLISH).

The amendment was agreed to.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: amendment No. 13 offered by the gentleman from Iowa (Mr. BOSWELL), amendment No. 62 offered by the gentleman from Ohio (Mr. TRAFICANT), and amendment No. 52 offered by the gentleman from Michigan (Mr. SMITH).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 13 OFFERED BY MR. BOSWELL

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment No. 13 offered by the gentleman from Iowa (Mr. BOSWELL) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 100, noes 323, answered ''present'' 1, not voting 6, as follows:

[Roll No. 363]

AYES—100

Bartlett	Inslee	Olver
Bereuter	Israel	Pallone
Blagojevich	Jackson (IL)	Pascrell
Boswell	Jackson-Lee (TX)	Payne
Brady (PA)	Johnson, E. B.	Pelosi
Brown (OH)	Jones (OH)	Peterson (MN)
Capuano	Kaptur	Pomeroy
Cardin	Kennedy (RI)	Rahall
Carson (OK)	Kucinich	Ramstad
Clayton	LaFalce	Rivers
Condit	Langevin	Rothman
Conyers	Leach	Roybal-Allard
Crowley	Lee	Rush
Cummings	Lewis (GA)	Sabo
Davis (CA)	Lofgren	Sanchez
Davis (IL)	Lowey	Sanders
DeFazio	Luther	Sandlin
DeGette	Maloney (NY)	Schakowsky
Delahunt	Markey	Schiff
Dicks	McCarthy (MO)	Serrano
Dingell	McCollum	Slaughter
Ehlers	McDermott	Smith (WA)
Evans	McGovern	Solis
Farr	McKinney	Strickland
Filner	McNulty	Stupak
Frank	Meehan	Thompson (CA)
Gephardt	Moore	Thurman
Grucci	Moran (VA)	Udall (NM)
Gutierrez	Morella	Waters
Hall (TX)	Nadler	Watt (NC)
Herger	Neal	Weiner
Hoeffel	Oberstar	Woolsey
Holt	Obey	Wynn
Honda		

NOES—323

Abercrombie	Bryant	Doggett
Ackerman	Burr	Dooley
Aderholt	Burton	Doolittle
Akin	Buyer	Doyle
Allen	Callahan	Dreier
Andrews	Calvert	Duncan
Armey	Camp	Dunn
Baca	Cannon	Edwards
Bachus	Cantor	Ehrlich
Baird	Capito	Emerson
Baker	Capps	English
Baldacci	Carson (IN)	Eshoo
Baldwin	Castle	Etheridge
Ballenger	Chabot	Everett
Barcia	Chambliss	Fattah
Barr	Clay	Ferguson
Barrett	Clement	Flake
Barton	Clyburn	Fletcher
Bass	Coble	Foley
Becerra	Collins	Forbes
Bentsen	Combest	Ford
Berkley	Cooksey	Fossella
Berman	Costello	Frelinghuysen
Berry	Cox	Frost
Biggert	Coyne	Gallegly
Bilirakis	Cramer	Ganske
Bishop	Crane	Gekas
Blumenauer	Crenshaw	Gibbons
Blunt	Cubin	Gilchrest
Boehlert	Culberson	Gillmor
Boehner	Cunningham	Gilman
Bonilla	Davis (FL)	Gonzalez
Bonior	Davis, Jo Ann	Goode
Bono	Davis, Tom	Goodlatte
Borski	Deal	Gordon
Boucher	DeLauro	Goss
Boyd	DeLay	Graham
Brady (TX)	DeMint	Granger
Brown (FL)	Deutsch	Graves
Brown (SC)	Diaz-Balart	Green (TX)

Green (WI)
Greenwood
Gutknecht
Hall (OH)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaHood
Lampson
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
Manzullo
Mascara
Matheson
Matsui
McCarthy (NY)
McCrery
McHugh
McInnis
McIntyre
McKeon
Meek (FL)
Meeks (NY)
Menendez
Mica
Miller (FL)
Miller, Gary
Miller, George
Mink
Moran (KS)
Murtha
Myrick
Napolitano
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Osborne
Ose
Owens
Oxley
Pastor
Paul
Pence
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rangel
Regula
Rehberg
Reynolds
Riley
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sawyer
Saxton
Schaffer
Schrock
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Spratt
Stark
Stearns
Stenholm
Stump
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (MS)
Thornberry
Thune
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watson (CA)
Watts (OK)
Waxman
Weldon (FL)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Wu
Young (AK)
Young (FL)

ANSWERED ''PRESENT''—1

Otter

NOT VOTING—6

Engel
Houghton
Millender-McDonald
Mollohan
Reyes
Weldon (PA)

□ 1431

Messrs. WALSH, GORDON, TOOMEY, BOEHNER, MCKEON, CALLAHAN, HYDE, TIBERI, GREENWOOD, OXLEY, BARTON of Texas, BECERRA, Ms. KILPATRICK, Ms. HART, and Mrs. NORTHUP changed their vote from ''aye'' to ''no.''

Messrs. HOLT, BROWN of Ohio, SANDERS, RAMSTAD, STRICKLAND, LEWIS of Georgia, MOORE, OLVER, FARR of California, HALL of Texas, WEINER, DICKS, Ms. DEGETTE, Ms. WATERS, and Mrs. JONES of Ohio changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated against:

Ms. MILLENDER-MCDONALD. Mr. Chairman, on rollcall No. 363, I had a hearing/press coverage with the Ambassador of Pakistan re: Women and children refugees migrating from Afghanistan. Had I been present, I would have voted "no."

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on each additional amendment on which the Chair has postponed further proceedings.

AMENDMENT NO. 62 OFFERED BY MR. TRAFICANT

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Ohio (Mr. TRAFICANT) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 418, noes 5, not voting 7, as follows:

[Roll No. 364]

AYES—418

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Miller (FL)
Miller, Gary
Miller, George
Mink
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)

Weller	Wilson	Wynn
Wexler	Wolf	Young (AK)
Whitfield	Woolsey	Young (FL)
Wicker	Wu	

NOES—5

Armey	Kolbe	Stark
Dreier	McDermott	

NOT VOTING—7

Engel	Millender-McDonald	Reyes
Houghton	Mollohan	Saxton
		Weldon (PA)

□ 1440

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Ms. MILLENDER-McDONALD. Mr. Chairman, on rollcall No. 364, I was detained due to a hearing/press coverage with the Ambassador to the U.S. from Pakistan re: Women and children refugees migrating from Afghanistan. Had I been present, I would have voted "yes."

AMENDMENT NO. 52 OFFERED BY MR. SMITH OF MICHIGAN

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Michigan (Mr. SMITH) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 187, noes 238, not voting 5, as follows:

[Roll No. 365]

AYES—187

Abercrombie	Davis (CA)	Hinchey
Ackerman	Davis (IL)	Hoeffel
Allen	Davis, Tom	Holden
Andrews	DeFazio	Holt
Armey	DeGette	Honda
Baca	Delahunt	Hooley
Baird	DeLauro	Hostettler
Baldacci	DeLay	Inslee
Baldwin	DeMint	Israel
Barcia	Dicks	Istook
Barrett	Doggett	Jackson (IL)
Bartlett	Doyle	Johnson (CT)
Bass	Dreier	Jones (OH)
Becerra	Duncan	Kanjorski
Berman	Ehlers	Kaptur
Biggert	Ehrlich	Keller
Bilirakis	Eshoo	Kelly
Blumenauer	Farr	Kennedy (RI)
Bonior	Fattah	Kildee
Borski	Ferguson	Kind (WI)
Boswell	Flake	Kleczka
Brady (PA)	Fossella	Kucinich
Brown (OH)	Frank	LaFalce
Capps	Frelinghuysen	Langevin
Capuano	Gekas	Lantos
Cardin	Gephardt	Larson (CT)
Chabot	Gilchrest	LaTourette
Clay	Gilman	Leach
Clayton	Goode	Lee
Conyers	Goss	Lewis (GA)
Cox	Green (TX)	Linder
Coyne	Harman	Lipinski
Crane	Hart	LoBiondo
Crowley	Hefley	Lofgren
Lowey	Obey	Simmons
Luther	Olver	Slaughter
Maloney (CT)	Owens	Smith (MI)
Maloney (NY)	Pascrell	Smith (NJ)
Markey	Paul	Smith (WA)
Mascara	Payne	Solis
McCarthy (MO)	Pelosi	Stark
McCarthy (NY)	Peterson (PA)	Stearns
McDermott	Petri	Strickland
McGovern	Pitts	Stupak
McInnis	Platts	Sununu
McKinney	Pomeroy	Tancredo
McNulty	Rahall	Tauscher
Meehan	Ramstad	Thune
Meeks (NY)	Rivers	Tiahrt
Menendez	Rohrabacher	Tierney
Mica	Roukema	Toomey
Miller (FL)	Roybal-Allard	Towns
Miller, Gary	Royce	Udall (CO)
Miller, George	Rush	Udall (NM)
Moore	Sanchez	Velázquez
Moran (KS)	Sanders	Wamp
Moran (VA)	Sawyer	Watt (NC)
Morella	Schakowsky	Waxman
Murtha	Sensenbrenner	Weiner
Nadler	Shadegg	Woolsey
Napolitano	Shays	Young (FL)
Neal	Sherman	
Ney	Sherwood	

NOES—238

Aderholt	Evans	Larsen (WA)
Akin	Everett	Latham
Bachus	Filner	Levin
Baker	Fletcher	Lewis (CA)
Ballenger	Foley	Lewis (KY)
Barr	Forbes	Lucas (KY)
Barton	Ford	Lucas (OK)
Bentsen	Frost	Manzullo
Bereuter	Gallegly	Matheson
Berkley	Ganske	Matsui
Berry	Gibbons	McCollum
Bishop	Gillmor	McCrery
Blagojevich	Gonzalez	McHugh
Blunt	Goodlatte	McIntyre
Boehlert	Gordon	McKeon
Boehner	Graham	Meek (FL)
Bonilla	Granger	Millender-McDonald
Bono	Graves	Mink
Boucher	Green (WI)	Myrick
Boyd	Greenwood	Nethercutt
Brady (TX)	Grucci	Northup
Brown (FL)	Gutierrez	Norwood
Brown (SC)	Gutknecht	Nussle
Bryant	Hall (OH)	Oberstar
Burr	Hall (TX)	Ortiz
Burton	Hansen	Osborne
Buyer	Hastings (FL)	Ose
Callahan	Hastings (WA)	Otter
Calvert	Hayes	Oxley
Camp	Hayworth	Pallone
Cannon	Herger	Pastor
Cantor	Hill	Pence
Capito	Hilleary	Peterson (MN)
Carson (IN)	Hilliard	Phelps
Carson (OK)	Hinojosa	Pickering
Castle	Hobson	Pombo
Chambliss	Hoekstra	Portman
Clement	Horn	Price (NC)
Clyburn	Hoyer	Pryce (OH)
Coble	Hulshof	Putnam
Collins	Hunter	Quinn
Combest	Hyde	Radanovich
Condit	Isakson	Rangel
Cooksey	Issa	Regula
Costello	Jackson-Lee (TX)	Rehberg
Cramer	Jefferson	Reynolds
Crenshaw	Jenkins	Riley
Cubin	John	Rodriguez
Culberson	Johnson (IL)	Roemer
Cummings	Johnson, E. B.	Rogers (KY)
Cunningham	Johnson, Sam	Rogers (MI)
Davis (FL)	Jones (NC)	Ros-Lehtinen
Davis, Jo Ann	Kennedy (MN)	Ross
Deal	Kerns	Rothman
Deutsch	Kilpatrick	Ryan (WI)
Diaz-Balart	King (NY)	Ryun (KS)
Dingell	Kingston	Sabo
Dooley	Kirk	Sandlin
Doolittle	Knollenberg	Saxton
Dunn	Kolbe	Schaffer
Edwards	LaHood	Schiff
Emerson	Lampson	Schrock
English	Largent	Scott
Etheridge	Latourette	Serrano
Sessions	Tanner	Walden
Shaw	Tauzin	Walsh
Shimkus	Taylor (MS)	Waters
Shows	Taylor (NC)	Watkins (OK)
Shuster	Terry	Watson (CA)
Simpson	Thomas	Watts (OK)
Skeen	Thompson (CA)	Weldon (FL)
Skelton	Thompson (MS)	Weller
Smith (TX)	Thornberry	Wexler
Snyder	Thurman	Whitfield
Souder	Tiberi	Wicker
Spratt	Traficant	Wilson
Stenholm	Turner	Wolf
Stump	Upton	Wu
Sweeney	Visclosky	Wynn
	Vitter	Young (AK)

NOT VOTING—5

Engel	Mollohan	Weldon (PA)
Houghton	Reyes	

□ 1451

Mr. BLAGOJEVICH changed his vote from ''aye'' to ''no.''

Mr. TIAHRT and Mr. GREEN of Texas changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. COMBEST. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SIMPSON) having assumed the chair, Mr. LAHOOD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011, had come to no resolution thereon.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 2 o'clock and 53 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1753

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. ROGERS of Michigan) at 5 o'clock and 53 minutes p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2883, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2002

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 107–228) on the resolution (H. Res. 252) providing for consideration of the bill (H.R. 2883) to authorize appropriations for fiscal year 2002 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Retirement and Disability System, and for

other purposes, which was referred to the House Calendar and ordered to be printed.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

REVISIONS TO ALLOCATION FOR HOUSE COMMITTEE ON AGRICULTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. NUSSLE) is recognized for 5 minutes.

Mr. NUSSLE. Mr. Speaker, in accordance with sections 213 and 221 of H. Con. Res. 83, I hereby submit for printing in the CONGRESSIONAL RECORD adjustments to the section 302(a) allocation to the House Committee on Agriculture, set forth in H. Rept. 107–60, to reflect $0 billion in additional new budget authority and outlays for fiscal year 2002 and $28.492 billion in additional budget authority and $25.860 billion in additional outlays for the period of fiscal years 2002 through 2006.

Section 213 of H. Con. Res. 83 authorizes the Chairman of the House Budget Committee to increase the 302(a) allocation of the Committee on Agriculture for legislation that reauthorizes the Federal Agriculture Improvement Act of 1996, title I of that Act, or other appropriate agricultural production legislation.

Section 221 provides that for the purpose of enforcing H. Con. Res. 83, the applicable allocations are those set forth for fiscal year 2002 and for the total for the period of Fiscal Years 2002 through 2006. This section further provides that the Chairman is authorized to make the necessary adjustments in the allocations and aggregates to carry out the purposes of the budget resolution.

Both as reported by the Committee on Agriculture and as modified by the rule, the bill is within the levels assumed for this bill in the two periods applicable to the House; Fiscal Year 2002 and for the total of Fiscal Years 2002 through 2006 as required under section 302(f) of the Congressional Budget Act of 1974.

If you have any questions, please contact Jim Bates of my staff at 6–7270.

TERRORISM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. MCINNIS) is recognized for 60 minutes as the designee of the majority leader.

Mr. MCINNIS. Mr. Speaker, this afternoon I want to visit about a couple of areas in regards to terrorism. Obviously, the issues that are on this floor, the issues that have overwhelmed the United States since the ugly events of September 11 have centered on terrorism and centered on defense and the home security of this Nation.

This afternoon I want to spend a few minutes of my Special Order talking about two different types of terrorism and what we can do about it, and also incorporate in some of the defense mechanisms for some of the homeland security that I think we need to have.

Mr. Speaker, let me begin by talking about a level of terrorism that has been lost in the battle, and that is the concept called ecoterrorism that is occurring within the borders of the United States.

What does ecoterrorism roughly describe? What has happened is there are some activists out there, citizens of this country or people acting within the borders of this country in regards to environmental issues that feel that they can only get attention if they do some type of destruction to some symbol, whether it is putting steel rods into a tree that they are afraid is going to be cut for timber so that the logger who comes up and uses a chain saw risks hitting that steel nail with his chain saw, and could physically harm him; and thus, the loggers, knowing that these trees may have these steel spikes inserted randomly into trees, they are afraid to log them; to the situation we had in Vail, Colorado, where they burned down a $13 million lodge all using the front of environmentalism.

Mr. Speaker, many of us on this floor feel very strong about the environment of this country; but none of us on this floor should tolerate for one moment ecoterrorism, the kind of things that occurred in Vail, Colorado, the kind of things that occurred in the district of the gentleman from Oregon (Mr. WALDEN), the kinds of things where people intentionally spike these trees so that somebody that goes in to log any of these trees stands the risk of losing their life if they put a chain saw to that tree. That type of behavior is unacceptable.

Mr. Speaker, I am chairman of the Subcommittee on Forest and Forest Health of the Committee on Resources, and we will be focusing in the several months ahead on ecoterrorism and what we can do to encourage people in this country to work within the framework of our law if they have disagreement on environmental policies.

Unfortunately, what has happen is some people are looking for a cause. Deep down they do not care about the environment. They care about destruction, and they want to hook onto any kind of cause they can hook onto. We have seen this in many of the protests. Many of the people, outside of the professionals who have been hired to run the protests, many people do not have a deep-down belief in the cause that they are protesting or the cause for which they are assisting ecoterrorism within the boundaries of the country. It is just a cause. It is something for them to do.

□ 1800

Unfortunately what has happened is some people have turned a blind eye, because this destruction, this terrorism, is being activated under the so-called cloak of protecting the environment.

As I said earlier, all of my colleagues here feel strongly about the protection of our environment. Sure we have different debates on how we interpret that issue. But nobody on this floor, I would hope, would condone ecoterrorism in this country. And in the not too distant future, we ought to have people like the National Sierra Club, like Earth First, like the Conservation League, without prompting from the United States Congress, these organizations ought to step forward and actively condemn acts of ecoterrorism to try and forward some type of environmental agenda.

It is a problem in this country and it is a problem that has begun to escalate. It is getting bigger and bigger. They went from putting spikes in a tree to damaging equipment that was sitting on a site. Pretty soon they moved up to burning $13 million buildings in Vail, Colorado, which is within my district. These types of acts to me are dangerous acts. Obviously they do not rise to the level of the horrible terrorism that we saw on September 11, and I intend to spend a good part of my time this evening, or this afternoon, addressing those particular issues.

But it, nonetheless, is a small cancer of its own. It is a cancer that we have to get ahead of. And it is something that we have to have a zero tolerance for in our society.

I urge my colleagues, if you have any constituents out there that share with you any type of support that they are giving to ecoterrorist type of activity, that you actively discourage them, and if any kind of information is shared with you that these individuals are breaking the law, I think you have an obligation to go to the authorities and report your conversation with these ecoterrorists. We have to adopt and every respectable environmental organization in this country ought to adopt a zero tolerance of ecoterrorism. We have seen what happens when so-called terrorism gets taken out of context, when so-called terrorism goes to the extent that it has gone on September 11.

So we need to get on top of this ecoterrorism that we now are seeing within our own borders, our own citizens who have chosen not to work within the framework of the law but to break the law and to flagrantly break the law in such a way as to cause ecoterrorism.

We had a hearing today. We have issued a subpoena. There is an organization out there called ELF, E-L-F.

This organization has a spokesman. This spokesman, I think, is probably one of the most radical American citizens in regards to ecoterrorism. I have asked that that individual be subpoenaed.

Today, the full Committee on Resources, not the subcommittee, but the full Committee on Resources issued a subpoena. We fully intend to serve that subpoena and have that individual appear in front of my subcommittee, and hopefully later on in front of the full committee, to explain on what basis that an individual or a group of individuals or an organization or an association should be allowed to step out and create this type of terrorist act under the guise of protection of the environment.

I am going to go on. I want to proceed from ecoterrorism and make the transition here to the terrorist acts of September 11.

Before I do that, Mr. Speaker, I would be happy to yield to my colleague the gentlewoman from North Carolina (Mrs. CLAYTON).

RURAL DEVELOPMENT AMENDMENT TO FARM SECURITY ACT OF 2001

Mrs. CLAYTON. I thank the gentleman for yielding. I appreciate it very much. I do understand the importance of the subject and appreciate him allowing me to proceed.

Mr. Speaker, I stand before this body once again to focus attention on the matter of our struggling rural communities and on the need to increase our investment in rural development.

Today, we heard on this floor time after time from Member after Member about the struggles of rural America. We have heard in great detail about the difficulties that our rural communities face and have been called upon to respond accordingly. Many have testified to the fact that when the farm economy of rural America suffers, so too does the rest of America, and that is indeed true. Clearly, agriculture has long played and will continue to play an important role in the well-being of rural America. That is why I support the Farm Security Act of 2001 and also urge my colleagues to pass it. It provides a strong safety net for American agricultural producers and rural America in trying times for the farm economy.

While I do not think that anybody in this body among my colleagues doubts the critical role that agriculture plays in the rural economy, I believe that we must ask ourselves whether agriculture alone can redeem rural America. The statistics that the census has recently provided us indicate that we are losing many of our most productive young people because rural America has very little to offer them. A farm safety net will provide a refuge for our farmers during times of economic hardship and we should do this. This is as it should be. We should do that. But we must ask ourselves, will the farm safety net create nonfarm jobs or a safety net for persons who are not in agriculture? Will the safety net help our rural communities deal with the multibillion-dollar backlog of unfunded infrastructure projects, whether it is water or sewage or roads or telecommunication?

Will this safety net increase the economic livelihood of the workers who have to drive 60 miles round trip to work at a Wal-Mart where they get $6.25 an hour or to the textile person who drives a similar amount and maybe only gets $8, or to a poultry factory? Will it provide running water to the 1 million rural Americans who still, after the remarkable economic boom of the 1990s, do not have running water in their home? We do not now, not in every home. In fact, in rural America we still have a large proportion of Americans without running water. Will it prevent the great hollowing out of rural America that I referred to earlier that is currently taking place once again? And will rural America be a good place for young people to stay and raise their family and have an expectation that they will have a quality of life?

I say with deep, deep regret, and disappointment, but the answer to these questions is no. This Congress must begin thinking of rural America, not just as farmers, we must include our farmers obviously, and they are struggling, who struggle with low commodity prices. We must have them involved. They are central to anything we do. But we must also start thinking about their families, their neighbors, their communities. We must think about rural America as that woman I spoke of, the person who works for the poultry factory or works for the textile factory, if the factory is still there, by the way, and cannot sustain their families. That is a part of the fabric of rural America.

We must do more for rural America. I believe we can start with this farm bill. That is why I am offering an amendment to increase rural development funding in this farm bill by $1 billion over the next 10 years. Will this amendment solve the problems that I have been discussing earlier? Of course, it will not. The answer is no. No one is suggesting that any one bill or any one thing will be the magic bullet that saves rural America. But what I am suggesting is that we need to broaden both our view and our investment in rural America. My amendment is just the first step in doing this.

The boom time of the 1990s that benefitted so much of America never touched many rural areas. When I talk with people back in my district, which is an overwhelmingly rural district, they do not need to be warned about the fact that we may have an economy that may be slipping into recession. You see, they already know that they are in one, because their farmers have low prices, they have seen their textile industry close, they have seen factories indeed promised to come, making decisions not to relocate.

Joining me in offering this amendment are my colleagues, the gentleman from Pennsylvania (Mr. PETERSON), the gentleman from Oregon (Mr. BLUMENAUER) and the gentleman from Nevada (Mr. GIBBONS). The amendment provides $450 million for rural drinking water infrastructure grants and $450 million for community strategic planning assistance and investment, and $100 million for value-added agricultural market development grants over the next 10 years.

I would like to reiterate once again, this farm bill must serve American farmers. And it does. It does very generously. But it must also serve their families, their neighbors, their communities. It must serve the 90 percent of rural Americans who are not employed in the agricultural economy. The Committee on Agriculture can take a leadership role on this and I beg them to do that. I also beg my colleagues to support my amendment tomorrow.

The term ''balance'' has come up many times in this debate on the floor about the Committee on Agriculture. I would like to associate myself with the call of my colleagues for a balanced farm bill. The committee bill that we are considering today is a good start. I thank the chairman and the ranking member for their efforts. But I would like to suggest that indeed they can do more, and the Clayton-Peterson-Blumenauer-Gibbons amendment does not imbalance the bill. In fact, it adds more balance. It accepts the principle we set in the committee. We are actually providing a substantial investment. In the end, it simply doubles the amount that we are giving to 90 percent of the people who are in rural America. It provides for producers, but it provides for many other people who are living in rural America across the country whose problems do not stop or end at the field's edge.

I urge my colleagues to reject the notion that a vote for the Clayton-Peterson-Blumenauer-Gibbons amendment is a vote against farmers. I reject the notion that farmers are selfish. I know farmers who care about clean drinking water, farmers who care about infrastructure because they know if their communities in which they are living do not have these grants, their tax base goes up. They also want a viable community that is around them because they want their children and their neighbors to have an opportunity, and they also know so very well what it means to have value-added, to add long-term productivity to their raw commodity.

Mr. Speaker, I urge my colleagues to support this bill and support rural

America. I, again, thank my colleague for yielding.

Mr. McINNIS. Mr. Speaker, at the beginning of my comments, I talked about ecoterrorism in the United States. I want my colleagues to understand that it is the goal of my committee that I chair, the Subcommittee on Forests and Forest Health, which has jurisdiction over some of the properties upon which the crime of ecoterrorism has occurred, that our committee is considering this a priority, and in light of the horrible terrorist act that occurred on September 11, once we restabilize from that situation, our subcommittee intends to aggressively pursue those people who condone or somehow participate in ecoterrorism within the boundaries of our country.

Terrorist acts of any kind, to forward or push forward the agenda of any cause, is improper when utilized in that type of form.

We have wonderful laws in this country, and there are lots of laws, and our Constitution itself provides for things like the freedom of speech. You can walk down and protest, the freedom of protest. There are lots of tools available to those who object to current laws or to those who object to the direction this country is going without you having to resort to breaking a law. That is the key issue here. Whether it is terrorism performed by another country, which we unfortunately saw on September 11, or whether it is ecoterrorism that is performed within our own boundaries.

I just want to remind my colleagues, this is exactly what took place in my district. My district is the Third Congressional District of the State of Colorado. It is the mountains of Colorado. We have up there Vail, Colorado, and in Vail, Colorado, just 3 years ago, we had some terrorists, U.S. citizens, we suspect, and we suspect from an organization called the ELF organization that went up, and this structure is a $13 million structure and it was completely inflamed. They burned that structure. That structure was not built illegally. That structure was not in violation of any local zoning code. It was just in violation of the mindset of a few radical, criminal elements within the boundaries of our country who decided that the only way to address this issue was not to approach the local zoning board, not to approach any elected officials, not to go out and have an open protest at the city center.

□ 1815

Instead, the way to do it is very slyly at night sneak in and put all kinds of fuel in this lodge and burn it to the ground. I wish those people knew how many trees were cut to replace the trees that were burned in this lodge. I wish those people that committed that act of eco-terrorism understood how many jobs were lost. Not jobs of multimillionaires or jobs of executives; these are jobs of people that ran concessionaire shops, or jobs of people, even the maintenance people, that worked in these facilities. They lost their jobs. I hope those eco-terrorists feel real proud of themselves.

But I want people to know, and I want my colleagues to understand, that I intend to continue to pressure our law enforcement agencies to pursue eco-terrorism as actively as they are pursuing other criminal acts against our society. I appreciate the committee's support today. We had only one ''no'' vote in the committee, in the whole committee, which objected to the issuance of a subpoena to this spokesman for the organization called ELF, which is probably the most radical eco-terrorist organization in the United States.

Now let me transition, because I want to talk for the rest of my time about the horrible cancer that we have discovered and we have suffered since September 11. We actually know that the cancer existed beforehand, but September 11 is obviously where it was made evident.

All of us understand exactly what I am talking about. My comparison to terrorism and cancer, I think, is an analogy which fits perfectly. I know of no cancer, I know of no cancer, ever discovered in the history of mankind that is friendly to the human body. I know of no cancer that has ever been discovered or researched by the medical experts in our country that is recommended for the human body. Cancer is cancer, and it is deadly in many cases.

We know that we have to take an aggressive fight against cancer. You cannot love cancer away. Do not misunderstand me. Love is an important element. It helps build up the psychological strength that you need to fight cancer. You cannot pray cancer away.

Many people, many of your constituents may disagree with me and believe that prayer alone will get rid of that cancer. In my opinion, and I am a strong Christian, in my opinion the Supreme Being that I believe in thinks that a person has to deploy a little self-help; that, sure, prayer is a necessary part of the fight against cancer, but you cannot do it on prayer alone. You have got to go in and aggressively cut that cancer out of there.

That is exactly what we need to do with terrorism. That act of terrorism, no matter what they say, no matter if they try and justify it, justify the terrorist act of September 11, do not buy it for one moment. It is a vicious cancer, and no cancer is good for the human body. And no act of terrorism is good, for not only our society, it is not good for the society of the entire world, regardless of which country you come from.

We need to battle this, and we need to battle it as aggressively as any one of my colleagues would battle cancer within your own body. Not for one moment, if you had cancer, and some of my colleagues have experienced it, not for one moment have you ever found anybody that says, well, the cancer in your body is justified. You had it coming. You deserved that cancer because of an action you took. Even for those people who smoke, we do not say to them, well, you deserve the cancer. We may say, look, you may have contributed to this, but it does not justice the cancer. It is the same thing with this terrorism.

I would ask people as you begin, and I am beginning to see this in newspaper articles, or I am beginning to see it in the commentary and editorial papers, well, the United States, you know, when we sit back and take a look at it, maybe the United States was too aggressive on its foreign policy, or maybe the United States kind of deserved it because they were bullies.

What a bunch of crap; unacceptable crap, in my opinion. Unacceptable. There is no justification, there is no excuse, none, zero, that you can put forward for the kind of atrocities that were performed against this country, that were activated against the people of the world.

Remember, remember, 80 separate countries lost citizens in these terrorist attacks of September 11. Every ethnic race that I know of, every ethnic background that I know of suffered losses as a result of this terrorist act. The Muslim people, people of Islam, the religion of Islam and the Muslim population suffered some horrible losses in this act of terrorism.

This act of terrorism did not discriminate between women and children and mothers and fathers and military officials and policemen and firemen. It did not do any discrimination. It went out and destroyed every human part that it could get its hands on, just as cancer does.

Cancer shows no discrimination. Cancer comes after you, and that is exactly what these terrorists have done. We need to go after this aggressively as our society feels about cancer. And cancer, as we know, to take it on, is a long-term battle, and it requires lots of resources to be able to conquer it.

It is the same thing here. Do not let anybody try and justify or say that the United States somehow deserved or somehow walked into this act of terrorism, this act of barbarism.

Thank goodness we have the leadership team that we have in place today, because, you see, again another analogy to cancer. It is like cancer on the brain. Our President and his team, whether it is Condoleezza Rice, whether it is Colin Powell, whether it is Donald Rumsfeld, his defense team, his team he has at the White House, realizes that when you have got cancer on

the brain, you cannot blow the brain out of the body, out of the skull. You have to do very medical, very careful, very focused surgery so as to be able to go into the brain, take the cancer out of the brain, and leave the brain, as much of it intact as is possible.

The White House and our government, and I am very proud of the response that our government so far has undertaken, and that is do not jump the gun; do not go out half-cocked and start blanket bombing everything. Figure out what those targets are. Pick those targets carefully and eliminate them. And do not for one moment again be convinced that anything short of eradication of that cancer is going to cure the cancer.

Can you imagine going into the doctor and the doctor saying, well, we got the cancer, but we left a little of it around because we really did not want to offend the cancer. We did not want to go too deep into it.

You know as well as I know that if you have got cancer and they can get access to it, you want them to cut out every last cell of that cancer. The same thing applies here. We need to cut out every last terrorist cell that we can find in this world, because if we do not, as Tony Blair said yesterday in his remarks, if we do not defeat it, referring to the terrorism, if we do not defeat it, it will defeat us. It is that simple. It is a very clear distinction to make. It is as clear as night and day. We either beat it, or it beats us. We either defeat it, or it defeats us. It is a very simple proposition. You win, or you lose. There is no halfway point, none at all.

In this particular case, the winner takes it all. Remember that song by ABBA, ''the winner takes it all.'' That is exactly what we are facing here with this terrorism. If we do not beat it, it will beat us.

Fortunately, the good people of this country have responded in a very strong manner, and they have shown this President and this government the support that this government feels is necessary to go out and eradicate the terrorist cells that exist, and they have expressed confidence that this administration and this government, that those of us who represent the people of this country, that we will not go out half-cocked and do things that are stupid.

Now, the American people also understand that this is a battle that will take a long time. The American people understand there will be casualties. The American people understand that every action has a reaction; that when we respond and when we begin with the capabilities to eradicate either a bank account or a terrorist cell or some other type of elimination of the threat, that there may be retaliation. How can you get into a battle without the threat of retaliation? Everybody beats on their drums when you threaten to come after them. What other choice do they have?

Now, I feel very strongly that the American people want us to eradicate terrorism, the kind of terrorism that is demonstrated through either eco-terrorism within our own borders or the type of terrorism we saw committed within our borders but by people outside our borders on September 11.

I want to read to you a fascinating article, and I do not usually do this, read text. I like speaking without text. I rarely use notes. These are not my words that I am about to read you. These are the words of a young woman, I would guess she said when she moved to New York City she was 19, so she is somewhere I would say between 19 and 22 or 23 years old.

This article was found in Newsweek, dated October 1, 2001. The October 1 edition. If you have an opportunity to buy a Newsweek, take a look at it and read this article. It is fascinating.

This is a young girl, her name is Rachel Newman from New York City. I do not know her. I have never talked to her. I hope some day I have the privilege to meet her. She is about the same age as my three children. Lori's and my children are out of the home. Two of them just recently graduated from college, they are draft age. I have a 19-year-old girl in college, just about the same age as this Rachel Newman. Let me read the article to you. I know it is tough to listen to somebody who reads, especially on the floor like this. But give the meaning to the words and listen to her philosophy and what has happened to her since she personally witnessed an airplane go into one of those towers.

The article is entitled ''The Day the World Changed, I Did Too.''

''Just weeks ago, I thought of myself as a musician and a poet. Now I am calling myself a patriot. By Rachel Newman.

''I never thought listening to God Bless America would make me cry, but I guess crisis brings out parts of us we did not know existed. I have thought and felt things in the past several days that I never would have expected to. When I was 19, I moved to New York City to be a musician. The first thing I did was get a tatoo on each hand. One was of a treble cleft, the other was of an insignia for Silver Tone guitars. I did it as a reminder of my commitment to making music, but also to ensure that I would never be able to work for an establishment corporation. I did not want to devote myself to someone else's capitalistic dream.

''If you asked me to describe myself then, I would have told you I was a musician, a poet, an artist, and, on somewhat a political level, a woman, a lesbian, and a Jew. Being an American would not have made my list. It is now 3 years later, and I am a junior at a Manhattan college.

''In my gender and economics class earlier this semester, we discussed the benefits of socialism, which provides for all members of society, versus capitalism, which values the self-interests of business people. My girlfriend and I were so frustrated by the inequality in America that we discussed moving to another country.

''On September 11th, all that changed. I realized I had been taking the freedoms I have here for granted. Now I have an American flag on my backpack, I cheer at the fighter jets as they pass overhead, and I call myself a patriot.

''I had just stepped out of the shower when the first plane crashed into the North Tower of the World Trade Center. I stood looking out the window of my Brooklyn apartment, dumbfounded as the second plane barreled into the South Tower. In that moment, the world as I had known it was redefined.

''The following Monday, my school reopened; and I headed for class. Foolishly thinking that life would 'get back to normal.' When I got off the subway, the first thing I saw were photocopied posters of the missing hanging on the walls of the station. There were color pictures of men and women of every shape and size, race and religion, lying on the beach, playing with their children on the living room floor, or dancing and laughing with husbands, wives or lovers.

□ 1830

''Once outside, I passed store fronts covered with even more photos. When I finally reached my building, I saw a police barricade that stretched down the block and was draped with posters on both sides. After I learned that my first class had been canceled for a campus forum with the university president, I sat in the courtyard and talked with some other dazed and distraught students. It became clear to me very quickly that people were strongly antihate toward innocent Arab Americans as I was, but they were also antiwar. I am not a violent person. I usually avoid conflict of any kind. I am also not a hateful person. I try to have an open mind and to respect other people's opinion. But when I heard my fellow students saying that they did not want to fight back, despite the terrorists' direct attack on our country, I felt they were confusing revenge with justice.

''I heard my peers say things like, 'This is our own fault for getting involved in everybody else's business.' And, 'This is because we support Israel and we shouldn't be doing that, because they took the land from the people that it belonged to.'

''It made me angry to hear my acquaintances try to justify atrocious terrorist acts. Many of these students don't see the difference in mentality between us, the majority of the people

in the world who desire peace, and them. The people who are willing to make themselves into human bombs to destroy thousands of lives. These terrorists despise our very existence. Americans have to be educated about the history of the Middle East. We can't afford to have uninformed opinions, no matter what course of action we think the United States should take.

''I am doing my part. Weeks ago, all I could think of was how to write a good rap. Now I am putting together an informational packet for students on our foreign policy towards the Middle East.

''In an ideal world, pacifism is the only answer. I am not eager to say this, but we do not live in an ideal world. I do not believe that our leaders should be callous or bomb already ravaged countries like Afghanistan. I worry that innocent citizens in that country will have a much different reaction to our fighter jets than I do. Americans may want peace, but terrorists want bloodshed. I have come to accept the idea of a focused war on terrorists as the best way to ensure our country's safety. In the words of Mother Jones, 'What we need to do now is pray for the dead and fight like hell for the living.' ''

That was an article by Rachel Newman, and she was 19 when she moved to New York. Obviously from the article she is now about 23 years old. I think it is one of the best pieces that I have read during my entire political career. I hope some day I have an opportunity to meet this person. I think this article is incredible, and I think it describes very accurately what is happening out there for those people who somehow think that these barbarians, that these terrorists, that this cancer is somehow justified.

No matter what our beliefs are, how could we ever imagine, how could we ever believe so strongly that somebody could blindly go without discrimination and hit a tower with such fierceness that people are leaping out of the tower to their death 110 stories down below? There is a picture out there showing a couple holding hands as they leap off the building. How can we possibly look at a country as good and as strong and as wonderful as the United States of America and say that the United States of America and its people deserve this? How could we say that any country in the world deserves an act of barbarism like was carried out in this country on September 11.

Now, I understand, I understand that in our Constitution, and I am proud, frankly, that our Constitution allows freedom of speech. So I do not deny anybody the right to make those statements, but they have an obligation to understand what their statements are. It is kind of like the professor in Amherst, Massachusetts, who, the night before this took place, made a big issue about Amherst was flying, that people in that town were flying their flags too often and they should be restricted from flying their American flags. Mr. Speaker, there are consequences to free speech. You can make it, but do not be upset when people question you, or when people I think who have a fundamental right to come to you and say, how do you justify that? I do not deny these people the right to make that freedom of speech, but I despise the fact that they cut our country short, that they do not realize that the people that carried out this horrible act of barbarism against our country were seeking to undermine the very right that they were exercising, that is, the right of free speech.

Do we think for one moment that these people have human rights in the beliefs that they exercise? Remember, this is not the religion of Islam. Islam does not allow violence, unless you have jihad, which jihad is a description of a battle against an injustice, and even jihad has rules. Jihad requires that you not kill women and children. Jihad says, you do not destroy a soldier who does not have his weapon drawn. Jihad says that you did not destroy buildings; you do not destroy a tree that even has a green leaf on it. All of these principles were violated.

This act of violence was carried out under the cloak of the Muslim population or under the cloak of the Islam-type of religion or under the Koran book, but that is all false. These people had one thing in mind: not to further the belief of Islam, not to further the needs of the Muslim people, but to destroy a society that has been a society of freedom, that has been a society of constitutional rights, the right of movement, the right to own private property, the right of equality. The second that any of us hear someone try and justify this act or somehow support the people that are behind this, take a look at how they treat women. Take a look at their record on human rights. Take a look at what other contributions, positive contributions they have made for society.

Not very long ago, I heard somebody say, well, you at least have to put yourself in their shoes. They believe so deeply in their cause that when they flew those airplanes and they got in those planes, they knew they were going to give their lives in this mission to hit those towers, or to hit the Pentagon. I about fell over. Do we know what the mission of those people were, those terrorists? It was pure and simple. It was to commit suicide in order to destroy other human life, and destroy a society. They did not discriminate. They did not care whether they killed children. They did not care whether they killed mothers. They did not care whether they killed fathers. They did not care whether they killed military, cops, firemen, preachers, Muslim, fellow Muslims, fellow people of their religious beliefs. They did not care. All they wanted to do was kill people, and that was their mission. That is what they gave their life for.

Now, not long after they gave their life to destroy life, there was what, 300-and-some firemen and 200-and-some police officers who ran up the stairs of those towers to meet certain death. They knew they were going to die when they went up those towers. But that was their mission, and that was their duty. What did they give their lives for? They gave their lives to save lives. They gave their lives to go up to people who were injured, who were hurt, who were scared and save their lives. So how can anybody not draw a clear distinction between wholesomeness and cancer? That is exactly what those terrorists are. They are the worst case of cancer our society has ever known.

Fortunately, there is a commitment of our society, there is a commitment from governments all over this world. The coalition that our administration has put together is a strong coalition, and they have one goal in mind: to beat it. Because if we do not beat it, it is going to beat us. As I said earlier in my remarks, this is a very clear decision. In this case, the winner takes it all. We either beat it or it beats us. As Tony Blair, again, as I said earlier in my remarks, Tony Blair said so well yesterday, so well yesterday, that if we do not defeat it, it will defeat us. When we talk about defeating us, look at what America has offered to the world.

There is nothing, in my opinion, to apologize for for being an American. I do not stand in front of anybody and apologize for being a citizen of the United States of America. I have no apologies for the United States of America. This country has fed more people than any other country of the history of the world; and many, many of those people are outside our borders.

This country has done more for other countries, specifically including the country of Afghanistan, and other countries out there, has done more for those countries than any other country in the history of their country. This country has done more to protect the freedom of religions around this world than any other country in the history of the world. There is no other country in the history of the world that allows the types of freedom of speech, freedom of protest, freedom of assembly, freedom of private property than the United States of America. There is no country in the world that has educated more people than the United States of America. There is no country in the world that has made more contributions to the field of medicine and health care than the United States of America. There is no other country in the history of the world that has gone time and time and time again with its

military might outside its borders to help its friends and allies throughout the world.

Take a look the next time you are in Europe, see what kind of cemeteries are over there. Take a look at that. Those are American cemeteries over there. Those are young American men, and in today's society, they would be young American men and women, if that conflict were to occur today. We are willing to make sacrifices for the good of the world.

Now, sure, some people may gripe because, well, America does not quite have it right there, and maybe we need some adjustment; but as a whole, we have nothing to apologize about. Now we face an enemy that is spread thin, that has been very effective in its first strike. Remember, they got the first hit. Now, we get to come back. But nonetheless, we have to say, they were fairly effective in the horrible, horrible harm that they did to this Nation. But this Nation will respond, and it will respond in a unified fashion. Unified not only within our borders as reflected by the poll results and so on and just going out on the street and talk about it or listen to people, as reflected by people like Rachel Newman who wrote, as I said earlier, one of the finest articles I have ever seen, but also reflected this uniformed, shoulder-to-shoulder type of attitude is reflected with countries throughout the world, whether it is our good, solid brothers and sisters in the United Kingdom, whether it is our allies in Mexico, in the country of Mexico, our neighbor to the south.

By the way, an interesting thing I would like to bring up, our military recruiters, I had a couple of recruiters tell me that they are actually getting calls out of the country of Mexico, our neighbors to the south, of Mexican citizens who want to come up and join the U.S. military to fight for this country because they believe in this country. Now, that is a good neighbor. Canada to the north. I mean, face it. We are ready for the challenge. We wish we did not have the challenge, just the same as every one of us wishes we would never get cancer. But the fact is, cancer and terrorism have struck. They are both deadly. They both fit in exactly the same description, in the same bowl, and both of them need to be eradicated. This battle will be won by the United States and its allies. It will not be won by the countries that advocate, shelter, or actively participate in acts of terrorism as a cause. It will not work.

Now, what are some of the things that we need to do in this country?

□ 1845

Mr. Speaker, there are a couple of things that I ask Members to keep in mind as we begin to go through.

First of all, Mr. Speaker, we need to persevere in our support for the Government. That is not to say that our constituents should not have a right, and obviously they have the right, to question what we are doing. That is one of the checks and balances in our system.

But we have to continue to give our support when it is appropriate; and I think it is appropriate, in a maximum capacity right now, frankly, to our administration as we carry out the type of response that is necessary to eradicate the terrorist acts or the terrorists that have done this, propounded this horrible evil upon our country.

But there is another issue we have to address as the Congress of the United States: missile defense. We are absolutely being foolhardy if we think that in the future there is not going to be either an intentional or an accidental missile launch against this country.

I do not believe today that Russia is going to intentionally launch a nuclear missile against the United States. I do not think that today China is going to launch a missile, a nuclear missile, intentionally against the United States. But I do believe the potential for an accidental launch out of either one of those countries could happen.

If Members think the destruction by an aircraft does something, wait until they see what a nuclear weapon does. I do believe that there are countries, and do Members think for one minute if these terrorists had a nuclear weapon instead of an airplane that they would not have used that nuclear weapon? If they had that nuclear weapon, that would have been a nuclear weapon deployed in New York City, not an airplane.

We have people out there who will use nuclear weapons against the United States of America, and we as the Congress have an inherent obligation, an inherent obligation to provide the maximum protection possible for our people from a nuclear missile attack. We can only do that, or a big part of what we can do rests with missile defense.

Mr. Speaker, we have to get on that road. We have tremendous technology. We are almost there. We have almost got it perfected where we can stop incoming missiles into this country. We need to complete those technical studies. We need to deploy in this country a missile defense system. That is critical.

So we talked about a couple of things: one, our perseverance as citizens of this country; two, our support for the administration and our military that is out there; then, our need for a missile defense system.

Now, let me talk about the final issue that I think is critical, and that is, we have to put some of this political correctness aside and we have to talk about the problem at our borders. The fact is, our borders are disorganized, and there are a lot of people who wish harm on this country that are crossing it. In fact, some are probably crossing it as we now speak.

I was told by my good friend, the gentleman from Colorado (Mr. TANCREDO), that there are 250,000 deportation orders out there for people who are in this country now illegally, and they have never even been served. No effort has been made to take these out and get these people out of this country.

Our borders are loose, and the follow-through, not just on the perimeter of the United States but once these people get in, for example, on student visas, we have a huge problem with student visas. What is happening is that a lot of people who get a student visa, which requires one to go to school, they never show up to school. They use that as their passport, the price of admission to get within our borders. Then they melt into society and nobody pursues them. Nobody goes after them.

We have to tighten our borders. I am not saying tighten the borders as to change the history of our country, which welcomes immigration. Our country was built and the greatness of this country was built on immigration. But we have gotten very, very sloppy; and we have an obligation to the people of this country to regulate and to tighten up this ship. We have to get it back in shape. Those borders are demanding attention today.

The resources I believe that are necessary will be appropriated by this Congress, but we have to get out of this era of being politically correct. It is not politically correct, for example, to ask a person too much about their private life, kind of like it used to be. Maybe it is not politically correct to have them go through your underwear when they look at your suitcase at the airport.

Some of these days have gone by. We have to become more realistic. We have to look with a realistic eye, not an idealistic eye but a realistic eye, as to what the threats are and what we need to do, while protecting and respecting the civil liberties granted to us under our Constitution.

I am confident that we can do it; that as a people, as a people, the response we will have as a result of September 11 will in the long run be positive for the entire world. We will represent the Statue of Liberty proudly as she looks out over those waters.

It is an obligation. It is an inherent responsibility of myself and every one of the Members in this Chamber to carry forward this country and the greatness that our forefathers have done. I have no doubt that we will do it.

THE TERRORIST ATTACK AND TRAGEDY AT THE WORLD TRADE CENTER

The SPEAKER pro tempore (Mr. ROGERS of Michigan). Under the Speaker's announced policy of January 3, 2001, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I wanted to spend some time this evening talking about the tragedy at the World Trade Center, the terrorist attack.

I do intend to get a little personal with regard to my district, which happens to be very close to New York City. Many of the people who worked in the World Trade Center and who died in the World Trade Center were actually my constituents.

I also would like to talk a little bit this evening about some of the things that we are doing in Congress in response to the terrorist attack, some of the things that we have already done legislatively, and where I think we may go or should go over the next few weeks or the next few months in terms of what we do in Congress to respond to that attack.

I may or may not be joined by other colleagues this evening so I may not use all the time; but, Mr. Speaker, I wanted to say on a personal note, I visited the World Trade Center with President Bush the Friday after September 11, and it was a very devastating scene at the site, at ground zero.

I used to work in New York City in a building known as the Equitable Building. I commuted back and forth to New Jersey, to my district, when I was younger. The Equitable Building is basically a block away from the World Trade Center. If you walk out, you used to be able to see the World Trade Center. Of course, I went to the World Trade Center many times in the course of my work when I worked in downtown Manhattan, so it really was a shock to go to ground zero in Manhattan the Friday after the terrorist attack and to see the devastation.

But I have to say that as upset as I was that day in seeing the devastation and the piles of rubble, I was uplifted by so many volunteers that came from my own State and my own district and from all over the country, really, to try to help out, both initially, in the immediate aftermath of the terrorist attacks, and then, of course, in the days and weeks now that follow.

They were people who were involved in the rescue operations and in clearing the place. It was really an uplifting experience seeing all those people out there working together.

I think when I was standing there on that Friday and the President came by, there were three firemen from Hollywood, Florida, who wanted a chance to shake the President's hand. Of course, I kind of hustled them up so they could shake the President's hand. I really did not have any idea until I got there that day that there were police and fire and emergency rescue workers that were coming from as far away as Florida. There were probably many from even further away, from other parts of the country, or even from other parts of the world, for all I know. It was really, as I said, an uplifting experience to be able to witness all of that in the face of this tragedy.

I wanted to say if I could, Mr. Speaker, that I want my constituents and residents in New Jersey to know how much the people of New York, the leaders in New York, appreciated all the things that New Jersey volunteers did.

My district is actually across the water or across what we call the Raritan Bay. One can actually take a ferry from the World Trade Center area and in the course of maybe half an hour, 40 minutes, reach my district on the other side of Sandy Hook and Raritan Bay.

What we found in the aftermath of the tragedy is that many of the volunteers from my district were helping ferry people back and forth, as well as supplies back and forth to Manhattan on the ferries that traveled back and forth.

Mr. Speaker, we lost probably, in the two counties that I represent, Middlesex and Monmouth Counties, about 200 or so people in the World Trade Center. Needless to say, at this point most of the people have had memorial services and their relatives have reconciled themselves to the fact that their loved ones are not going to return. I have attended many vigils in the district. We also had two forums in the district in the week after September 11. One of them was in Middlesex County and the other was in Monmouth County.

The one in Monmouth County, my home county, where there were the larger percentage of the victims, was actually held in Middletown. Middletown is a suburban community where some of the ferries operate. Middletown lost over 30 people, and probably had more victims of the tragedy than any other municipality, other than New York City itself.

There was an article, Mr. Speaker, in the Washington Post on September 24 that talked about Middletown and the tragedy and how it impacted the people in Middletown. I do not want to read the whole article because it is very lengthy, but I will include it in the RECORD.

Mr. Speaker, I will quote a few things from the article. It is rather sad. I know as time goes on we do not want to dwell on the sorrow, but I do think that because Middletown lost so many people, that I would like to read some sections of the article, because I think it says so much about how people suffered and how they responded.

A lot of the thoughts that were in this article in the Washington Post were expressed at the forum that I had in Middletown within a week or so after the World Trade Center tragedies. Some of it was actually uplifting. When we had the forum at the VFW in Middletown, some of the women that were part of the Ladies Auxiliary at the Veterans of Foreign Wars there, they helped a lot with the forum; and one of them actually wrote a national prayer which I would like to read.

If I could just take a minute to read some of the accounts in the Washington Post, it starts off, ''New Jersey Town Becomes Community of Sorrow. Commuter Haven Took Heavy Hit.'' It is written by Dale Russikoff from the Washington Post, Monday, September 24.

It says, ''Middletown, New Jersey. It was the water and the great city just 10 miles across it that drew them here. By train or bus, New York is little more than an hour away, but by far the most romantic commute, an oxymoron in most other towns, is by water. At dawn, people who leave split levels and colonials and ranch homes by the thousands board ferries at Sandy Hook Point, and 45 minutes later look up from laptops and newspapers to see the sun rising behind the majestic Manhattan skyline and the World Trade Center towers, where much of Middletown worked.

''Wall Street money built mansions in places such as Greenwich, Connecticut, and Large Mountain, New York, but in Middletown, New Jersey, as the name implies, they created a suburban ideal for the State's up-and-comers, safe neighborhoods, good schools, strong churches, open spaces, roomy houses with mortgages they didn't choke on.

''So when the Twin Towers fell on September 11, much of Middletown fell with them. The official toll stands at 36, and authorities fear it will reach 50, among the highest, if not the highest, of any town outside New York City. But the aggregate number does not begin to convey the losses.''

Mr. Speaker, it goes on to talk about the grieving residents, my grieving residents. It talks on a little bit about the experiences after the tragedy.

It says that more than half of the people who we lost in Middletown ''. . . worked for Cantor Fitzgerald,'' and I am quoting again from the Washington Post, the fabulously successful bond brokerage at the top of the World Trade Center Tower 1 that lost 700 employees.

''For a generation, now, Middletown has been a beacon for the young traders of Cantor Fitz. That was the nickname.''

I understand that most of the people that were lost in Cantor Fitzgerald were on the 105th floor, so basically they had no chance to escape. It was

where the terrorist plane actually hit, so they did not really have the opportunity to escape.

□ 1900

The last thing I wanted to read from this Washington Post article, it was when we had the forum in Middletown the week after the World Trade Center tragedy. As I said, it was at the VFW. I would like, Mr. Speaker, for my colleagues to understand that Middletown is not only a commuter town, but it also has a military base. Earle Naval Weapons Depot is located there and there are several thousand people that work at the Navy weapons depot. There is a lot of loyalty and pride in Middletown over the fact that Earle is based there and that there is a long tradition of the sailors being there and of people working at the base.

Middletown is also not very far from Fort Monmouth in Monmouth County, which is an Army base that has about 12,000 employees and is the communications and electronics command for the Army.

So we have in Middletown and in Monmouth County and in my entire district, a strong affinity with the military. It was interesting because when I was at the VFW that night in Middletown, even with so many people having died from that town, and even with the military bases being there and people already getting prepared at the base for a potential war against terrorism, many of the people that showed up, and many of them had fought in World War II and Korea and Vietnam, stressed the fact that they wanted us only to go after the terrorists. They did not want bombing and ground troops to go into Afghanistan or some other places unless it was actually going to mean that we were going to get the terrorists and the people responsible, or the people that harbored. They did not just want us to get involved in an indiscriminate war that might impact innocent people.

I was not surprised by that, but I think it needs to be stressed because sometimes in Congress we worry about the nature of our response.

This was the last section from the Washington Post that is sort of on point in this article. It says, ''Not all the people of Middletown are comforted by talk of war. Many have children in the military who may soon be in harm's way and several who lost family members in the September 11 attack are horrified to hear Americans calling for people of other countries to die en masse to avenge their loved ones.''

Mr. Speaker, I wanted to read this National prayer that I said was composed by the chaplain, Emma Elberfeld. This was a prayer that was basically handed out that evening at the VFW and it says, ''Lord, we come to you on bended knee, head bowed and our hearts filled to overflowing with so much grief for the many people who have been injured and killed in our National crisis. We ask you, Lord, to give courage and strength to those who so bravely go to their aid. Although their hearts are heavy and filled with sorrow, we ask you, Lord, to give them the endurance needed to help them through this difficult task.

''Please give us the strength, Lord, to get through each difficult and devastating day that faces each of us in our country. Protect and guide our military that are now being called to duty.

''We ask, Lord, please guide our leaders of this great country in their hour of decision. The burden that has been placed on shoulders during this crisis has been overwhelming. We humbly ask that with Your infinite wisdom, You guide them gently to the right decisions.

''Lastly, Lord, we ask that You allow us all to come together as a Nation. Help us stand tall and united so that we might help each other in our hour of need. Amen.''

This is by Emma Elberfeld, chaplain, and Peg Centrella, Americanism chairlady.

Mr. Speaker, I wanted to, if I could, spend a little time, in part, this is for my constituents, talking about some of the responses that we have had here in Congress, how we have dealt with the situation and where I think we should go from here.

I should mention that next Monday I have scheduled in my district a forum on homeland security, because there has been a lot of concern about what Congress will do to secure things at home. Health concerns, for example, the threat of chemical or biological warfare. Also, I have a forum scheduled the following Sunday, I believe October 14, where we are going to talk and stress tolerance because I should explain that my district is very diverse ethnically.

I had a meeting one night in one of the towns that I represent called North Brunswick, which is near New Brunswick where Rutgers University is headquartered. I could count people from 30 different countries of the 40 or so people that came to the forum. They were from such exotic place as Uzbekistan, for example. We have a very high percentage in my district of Asian Americans, of Americans from the Mideast, large Indian populations, South Asian population, Pakistani population, Sri Lanka, and a large Muslim population as well.

There has been a great deal of concern about the fact that we need to be tolerant. That we do not want people who happen to look Arab or Pakistani or from Central Asia that they be targeted and somehow they be seen as at fault for the attack on September 11. I will talk a little bit more about that this evening, although I do not intend to go on too much longer.

As you know, Mr. Speaker, that we passed in the immediate aftermath of the World Trade Center tragedy, we passed a supplemental appropriations bill, of which I think was $40 billion of which half, about $20 billion, has to go to help the victims and the rescue operations that resulted from the World Trade Center tragedy and the Pentagon attack. I want everyone to understand in my district and in New Jersey that a significant amount of that money will go not only to help victims, but also to help the towns and the fire departments and those that provided rescue operations, because the bill, as you can imagine, is rather extensive.

We also, as you know, Mr. Speaker, within a few days after the World Trade Center attack, passed a resolution authorizing the President's use of force. I will say once again and reiterate, as I assume every one of my colleagues feels very strongly, that basically we were authorizing the President to use whatever force was necessary in order to go after these terrorists, to eliminate the terrorist cells and the network, and also to be used against those who harbor or protect or supply the terrorists.

I am 100 percent supportive of that, that everything that needs to be done should be done to make sure that they are rooted out and they do not pose a threat again to the United States or to innocent victims here in the United States.

As I mentioned, myself and the gentleman from New Jersey (Mr. HOLT) who also represents parts of Monmouth and Middlesex Counties, we both visited to the two military bases that we share, Earle Naval Weapons Depot as well as Fort Monmouth, and we saw the state of readiness that they are at.

Earle is the only ammunition depot on the Eastern seaboard that has the capacity to take ammunition by rail, if you will, from the heartland of the United States, and then has direct access to the Atlantic Ocean so that that ammunition can then be transported to ships and naval vessels that would have to go to a theater of war in the Atlantic or over in the Persian Gulf.

Fort Monmouth is the communications and electronics command for the Army. Anything that involves communications or electronics that is supportive of the war effort against terrorism essentially goes through Fort Monmouth. They do all the research and development under CECOM, Communications and Electronics Command, for the Army, but they are also involved in communications in the field for a soldier that is in place in a theater of war.

So one can see how significant these bases are, and myself and Congressman HOLT went to visit. We were very much pleased by what we saw in terms of the

state of readiness and everybody being so organized to take part in this response to terrorism, and we will continue to do whatever we can to be supportive of those bases.

Also, Mr. Speaker, the next week after the World Trade Center attack, we came back to Congress and we passed the airline bailout bill, as I call it, and that was very important for my home State of New Jersey, because although we do not have a major airport in my District, we are not very far from Newark Airport and Continental Airlines. Of course, it is a major depot for them and we do have many people that have been laid off and we have the airlines suffering. So that was an important bill.

I did want to say that I think many of my colleagues have pointed out, and particularly last night, we had a special order led by the gentleman from Florida (Mr. HASTINGS) where he talked about his displaced workers legislation. I, for one, and I know many of my Democratic colleagues were very concerned that that airline bailout bill did not provide any kind of benefits or help for workers who had been laid off, of which I have many in my District, and we will continue to agitate that the House leadership, the Republican leadership, needs to bring up a displaced workers bill so that those workers who have been laid off in the airline industry or in any industry that has suffered as a result of the World Trade Center tragedies, that those people who have been laid off would get extended health benefits, extended unemployment benefits and other benefits that are necessary for them to feed their families and to keep going and training to get another job if they cannot go back to their position in the airline industry or in the limousine industry.

For example, I mentioned limousines, because when I had my forum in Middletown, when I approached the VFW that night after the World Trade Center tragedy to have the forum, I noticed a number of limousines that were parked outside. I said, well, what is this, what are the limousines doing here? Then I walked into the forum and realized that these were limousine operators and drivers who had been laid off or who were making 5 or 10 percent of the trips that they used to make because a lot of it was to the airports or to New York City, and they need help, too.

So, even though we did the airline bailout, we need also to look at other industries that have been impacted, and we certainly need to help those displaced workers who have lost their jobs.

The other thing that we need to do in the future, and I know the Democrats in particular have been talking about, the form of an economic stimulus package. Obviously, since I am so close to New York City and have a lot of people that work in New York in the securities industry in New York, in the Stock Exchange, we are very concerned about what is happening there and the economy in general, and we need to provide a package that will stimulate the economy and get us out of this slump that we have been in.

Of course, I, and I know the Democrats have been stressing the need to provide a stimulus package that just does not help the corporations, or just does not help wealthy people, but also helps the average person so that this money gets back into the economy and is spent and helps stimulate the economy.

I wanted to talk a little bit now, if I could, before I end about these two other forums that I do plan to have over the next week or so, the one next Monday on homeland security and the one the following Sunday, I believe, on the issue of tolerance.

Within the Democratic Caucus, we have a Homeland Security Task Force that actually is chaired by one of my colleagues, the gentleman from New Jersey (Mr. MENENDEZ), and they are in the process of putting together a principles and actions on the issue of homeland security. Some people have said to me when I use the term ''homeland security,'' what does that mean? What are you talking about?

Basically, when I have had forums in my District, the issues that I put under the rubric of homeland security have come up quite a bit, and there has been a lot of discussion about it, issues such as what would happen in the event of a chemical or biological attack? Is our water supply secure? Are our nuclear plants, which we have some in New Jersey, secure? These are the kinds of things we need to respond to and deal with, obviously, over the next few weeks.

In addition, there is the whole issue of security with regard to means of transportation other than airlines. I heard Senator BIDEN from the other body speaking on the Senate floor just a few hours ago about Amtrak and about trains. Obviously in New Jersey, we are in the middle of the northeast corridor for Amtrak, the Metroliner, other high speed trains. One train obviously carries a lot more passengers than an airline does, and yet until September 11, I do not think anybody thought much about the security of a train.

In my District, and I am sure it is true all over the country, even to take a Metroliner or a high speed train, you basically walk on with your bags. Nobody checks your bags. If you have a Metroliner, usually they will check your ticket to see if you have a ticket, but there is not the consciousness that you need to worry about security. Well, we need to.

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We need to worry about security for all forms of transportation: buses, trains, and other kinds of mass transit.

And the other issue that has come up at the forums which fits under this rubric of homeland security, and there are many, but at the forum that I had in Middlesex County, in Edison, New Jersey, a lot of people talked about emergency management concerns and communications. In other words, how we communicate in the event of a terrorist attack. Do we have the ability to provide information? Most people were watching CNN, but there needs to be an emergency system absent CNN to communicate with people. And there was talk about whether that needs to be done at a State level or at the county level.

These are the kinds of things that come up under the general category of homeland security, and of course they need to be addressed. Hopefully, we will address them here in the Congress over the next few weeks and the next few months.

The last thing I wanted to mention, and I just mentioned having this forum in another week or so on the issue of tolerance, this is very important in my district but I think all over the country because of the diversity of our citizens, and particularly in my district because we have so many citizens that either are Muslim or could look like the stereotype that we have of somebody who comes from the Middle East or South Asia. A lot of my constituents, whether they be Indian, Pakistani, or whatever their religion, have told me they have actually experienced in some cases threats, in some cases slurs, whatever, in the aftermath of the tragedy.

We actually had one person, who was from Milltown, Mr. Hassan from Milltown, in my district, who had moved to Texas to set up a small grocery store a few months before September 11. His wife and his family were still in Milltown. He was actually murdered within a few days after the World Trade Center attack. Most of the information we have seems to indicate that it was a hate crime.

Of course, they brought his body back to my district, to Milltown, and there was a service at the mosque in South Brunswick. I spoke to his widow on the phone. With all the tragedies that we had in my district and all the people that died at the World Trade Center, I think talking to Mrs. Hassan was the most difficult conversation I have had in the last few weeks, if not in the last few years, because she talked about his patriotism and why he came to the United States; because he wanted to live in a free country, and how he believed in America. He was a capitalist, obviously, in the sense he wanted to open up a small business and be successful.

She expressed in such an eloquent way why it was important for us in this country to speak of tolerance and not tag Muslim Americans or Pakistani or Indian Americans as somehow involved in terrorist attacks. That is why I think it is important that we all continue to speak out on the issue of tolerance.

I was very impressed with President Bush, and my colleagues know I do not always agree with President Bush on many things, but I was so impressed with the fact that every day, not only on the day of the tragedy, September 11, but on the Thursday after, when I met him at the White House, on the Friday when we went to the World Trade Center, and when he addressed a joint session of Congress the following week, on every one of those occasions and every occasion I have seen him talk about the tragedies of September 11 he would talk about Muslims and how Islam does not preach violence, and that Muslim Americans should not be tagged and should not be treated any differently because of this World Trade Center attack.

We need to continue to do that. I have to say I was very impressed that in my district we had a number of vigils that I attended. At every one of the vigils that I have attended since September 11 there was a Muslim religious leader present to say a prayer and to offer condolences. And I think that the people organizing those vigils in my district were going out of their way to make sure that there was a Muslim cleric there saying a prayer, to make the point that Islam does not preach violence, and that the people who are of Muslim descent in the district and around the country should in no way be associated with this terrorist attack.

We know, in fact, that many Muslims and people of Mid Eastern or South Asian origin died in the World Trade Center. There were Palestinians, there were Pakistanis, and there were many Indian Americans. And when I went to see the rescue operations, I saw many of those people, either physicians or rescue workers or people involved in voluntary efforts that were from those same groups as well.

It is crucial that we continue to preach tolerance. Hopefully, we could even see some progress in some legislative initiatives, such as the hate crimes legislation that would increase penalties for hate crimes. Maybe we can also, in the aftermath of the World Trade Center attacks, pass legislation that would prohibit racial profiling. These are the kinds of things in a positive way that could be done as a positive response to the World Trade Center attacks in order to preach tolerance and to put this Nation on record legislatively even stronger against any kind of racial or ethnic attacks.

With that, Mr. Speaker, I wanted to end, if I could this evening, with a letter that was sent to me by one of my constituents from Long Branch, which is my hometown. This was at one of the meetings I held. This was a meeting I held with some Long Branch residents in the aftermath of the World Trade Center attacks.

This was sent to me and written by Colleen Rose, who lives at 311 Liberty Street in Long Branch, in my hometown, not far from my congressional office and not far from where I live. She really sums up well the way I feel and the way I think also most of my constituents feel. It is titled, ''To the Terrorists That This Concerns:

''It is obvious from your actions that you wanted me to feel the way you do. Well, I am an American. I have choices. I will not be controlled.

''Where you would have my country and those slain seen as victims, I choose to see them as patriots. Americans are not victims.

''Where your actions would have me feel fear, I choose to feel the courage, strength, and comfort of my countrymen around me.

''Where your actions would have me feel terror, I choose to feel pride in the way the people in the Pittsburgh plane crash fought back and downed the plane in the safest place possible, sparing as many lives as possible. And the way our rescue workers go on heedless of the possible injury to themselves.

''Where your actions would have me feel hopeless, I choose to feel great hope and faith in the overwhelming efforts of a Nation and world doing all that it can to come together as one people.

''Where your actions would have me feel powerless, I choose to feel empowered by my own actions in assisting the recovery in any way that I am able.

''Where you would have us cry tears of sorrow, I choose, and have chosen over the past few days, to cry tears of joy for the two rescue workers who exited the wreckage and were not added to the list of casualties, and for the acts of human kindness being expressed on a global scale.

''Where you have sent fire balls through the sky, I choose to light candles as an expression of spirit and solidarity.

''Where you have attempted to cause chaos, I choose to find stability in simple things, like the gifts of a first grade class sending a thousand peanut butter and jelly sandwiches with Hershey kisses taped to the top to the rescue teams.

''Where you have looked to demoralize us, we have chosen as a people to find a depth of national cohesion I had not thought possible.

''Where you would have me feel hate, I choose to give you none of my emotional energy. You get nothing from me, especially not something as strong and powerful as hate. You will be treated like the cancer you are and cut off of the body of humanity to save the greater whole. I hope that this is done with the medical detachment and accuracy of a surgeon cutting out the bad tissue to preserve what is good.

''Where you would have us overreact to your handiwork to prove to the world that we are evil, I would choose to respond and take out only those who would create such a chaos in the future and on other innocents of our global family. I pray my country feels the same way.

''In short, where you have looked to do us a great disservice, we have chosen to do ourselves a great service. We have chosen to take this as a reminder of what we really are. We have chosen to see each other as people, not as colors or races or creeds or majorities or minorities, but as people 'with certain inalienable rights.'.

''We will continue to choose.''

Mr. Speaker, I submit for the RECORD the article I referred to earlier from The Washington Post.

[From the Washington Post, Sept. 24, 2001]

N.J. TOWN BECOMES COMMUNITY OF SORROW

COMMUTER HAVEN TOOK HEAVY HIT

(By Dale Russakoff)

MIDDLETOWN, N.J.—It was the water, and the great city just 10 miles across, that drew them here. By train or bus, New York is little more than an hour away, but by far the most romantic commute—an oxymoron in most other towns—is by water. At dawn, people would leave split-levels and colonials and ranch homes by the thousands, board ferries at Sandy Point Bay and, 45 minutes later, look up from laptops and newspapers to see the sun rising behind the majestic Manhattan skyline and the World Trade Center towers, where much of Middletown worked.

Wall Street money built mansions in places such as Greenwich, Conn., and Larchmont, N.Y., but in Middletown, as the name implies, it created a suburban ideal for the Street's up-and-comers—safe neighborhoods, good schools, strong churches, open spaces, roomy houses with mortgages they didn't choke on.

And so when the twin towers fell on Sept. 11, much of Middletown fell with them. The official toll stands at 36, and authorities fear it will reach 50—among the highest, if not the highest, of any town outside New York City. But the aggregate number doesn't begin to convey the losses. For that, you have to visit St. Mary's Roman Catholic Church, which lost 26 parishioners. Or the nursery school at Middletown Reformed Church, where five children lost parents. Or the practice last Wednesday night of the Middletown Youth Athletic Association's girls' traveling basketball team, which lost its beloved coach of the last four years. Or the boys' team, on which one player lost his father and another, his mother.

Everyone is grieving for someone they knew by face, if not by name: the neighbor who was always working in his yard on Saturdays, the mother with the beautiful baby in the grocery store line, the father who cheered so loudly on the soccer sidelines, the familiar-looking man on the 6:24 a.m. train or the 7 a.m. ferry.

The Rev. John Dobrosky, the pastor at St. Mary's scarcely sleeps nowadays. He found himself in the epicenter of loss the other day while counseling fifth-graders at the parish school.

''How many of you lost someone close to you? he asked the class of 24 boys and girls in uniforms of light blue shirts and dark pants or skirts. Twelve hands went up, followed by a litany, delivered in young monotones:

Steve's daddy. My dad's best friend. My basketball coach. My baseball coach. My neighbor. Ryan's uncle. Christine's uncle. My best friend's dad. Mrs. Hoey's husband.

The religion teacher showed a visitor a letter she had received, signed by two sixth-grade girls: ''I know God loves us. But if he loves us so much, why did he let this happen? I know everything happens for a reason, but how could there be a reason for something this horrible to happen? I guess what I'm trying to say is, will you please explain this to me?''

The same day, Dobrosky visited a parishioner, Eileen Hoey, to give her the grim news that the body of her husband, Pat, had been found in the rubble known to the world as Ground Zero. Pat Hoey, 53, a civil engineer, was executive manager of tunnels, bridges and terminals for the Port Authority of New Your and New Jersey on the 64th floor of the North Tower. He worked 31 years for the Authority, the only employer he'd ever had, and he loved it, said his son Rob, a systems analyst for NEC America in Herndon.

Pat Hoey loved the George Washington Bridge most of all. He led the projects that lit up like a constellation for the millennium celebration last year and rigged it to hold a massive American flag on July 4 and special occasions. He e-mailed pictures of the bridge to his children. ''I've got it as the wallpaper on my desk top at work,'' Rob Hoey said. Last week, the Port Authority hung the huge flag on the George Washington Bridge in Patrick Hoey's honor.

After visiting the Hoeys, Dobrosky collapsed in a chair in the church rectory. ''We've seen evil. We've even smelled it,'' he said, pointing out the window, toward Sandy Point Bay. Amid a spectacularly blue sky, a grayish yellow film had settled just above the tree line. ''The cloud has crossed the bay,'' he said. ''Look, it's still there.''

There were clouds over Middletown before Sept. 11, but in retrospect, they seem almost see-through. For months, pastors and counselors had been ministering to distraught breadwinners laid off by nearby Lucent Technologies, the once high-flying spinoff of AT&T that went into decline with the high-tech bust. Now the families and friends of Middletown's missing or dead wish their loved ones had been so lucky as to have been laid off before Sept. 11.

More than half of them worked for Cantor Fitzgerald, the fabulously successful bond brokerage at the top of World Trade Center Tower One that lost 700 employees. For a generation now, Middletown has been a beacon for the young traders of ''Cantor Fitz.'' Robert Feeney, 47, who retired in 1998 after 20 years with the firm, said he moved to Middletown in 1983 on the advice of his boss, who then lived here. Then younger people came in, and followed him.

''We all worked hard, always under pressure, in close quarters, and we became a group,'' Feeney said. ''And it was just natural that young couples met and got married, and then the next step was to move to Middletown.'' From here, they commuted together on New Jersey Transit trains, on the Seastreak ferry or in car pools to Jersey City, where they took underground PATH trains through one of Patrick Hoey's tunnels to the base of the World Trade Center. They lived around the corner from one another, took vacations together, put their children in the same preschools.

''I went to their weddings, their christenings, their children's first communions,'' Feeney said of his younger colleagues. Now he's going to their wakes.

''Some of these girls are 35 years old with four kids, or 32 with three kids. A few of the kids are just starting grammar schools,'' he said. ''What have they done to these families?''

Middletown, with 70,000 residents, is a town with no center and no downtown. But in its extraordinary grief, it is now a community. St. Mary's set up a 24-hour counseling and prayer center staffed by two employees, and suddenly a flood of volunteers materialized to help keep it running. The Seastreak ferry turned itself into a lifeline, carrying more than 4,000 fleeing people from New York after the attack and ferrying supplies and personnel to the rescue effort ever since. Patrick Hoey's neighbors, including some his family never had met, gathered at his house one night, holding candlelight vigil at his door.

''Some of them said, 'We always saw him in the garden. He waved every time we drove by,' ''Rob Hoey said.

Last Wednesday night, the Middletown Youth Athletic Association's all-star girl's basketball team held its first practice without Paul Nimbley, 42, their beloved Coach Paul, who in four years taught them much of what they know about the game, and much about life, too. The girls, 12- and 13-year-olds, were awesome, as usual, sinking shots with nothing but net, spinning and blocking like their heroines on the New York Liberty. These were moves Coach Paul had taught them, they said—moves they practiced with all their hearts, in part because they loved to hear him say, ''You're looking really good out there, kid.''

He and his wife had five children, and he had a big job at Cantor Fitzgerald, but somehow he always had time for the team. The team has been at his house every night since, making cookies and pasta for his family, taking turns playing with his baby son to spare his wife, Cherri. On Wednesday, in his honor, they made themselves practice, with the support of three assistant coaches, fathers who said he had brought out the best in them as well as their daughters.

''We're going to play for Paul,'' a tearful Lauren Einecker, 12, said after the practice, her ponytail tied with a sweat band. ''He's going to be in our hearts every time we step out on the court,'' said Shannon Gilmartin, 12, a slip of a point guard.

Off to the side, John Dini, now the team's head coach, was fighting back tears. ''They call it terrorism,'' he said. ''But to me, it feels like my heart's been broken.''

Not all the people of Middletown are comforted by talk of war. Many have children in the military, who may soon be in harm's way. And several who lost family members in the Sept. 11 attack are horrified to hear Americans calling for people of other countries to die en masse to average their loved ones.

''You don't want a bomb to drop anywhere. You don't want anyone to go through this,'' said John Pietrunti, whose brother Nicholas, 38, was a back office worker at Cantor Fitzgerald. ''I turned on the TV and saw that big banner, 'Operation Infinite Justice,' and it was as if they were talking about a movie. I expected them to say, 'Coming soon.' . . . The way people are talking about retaliation is a disrespect to my brother and to everyone who died there.''

All around Middletown are reminders of the simple things that used to define life here, most of all, the lure of the water. It is written in the names of streets: Oceanview Avenue, Seaview Avenue, Bayview Terrace. Nobody has yet gotten used to the new meaning of the water. Anthony Bottone, owner of Bottone Realty Group Inc., showed a residential lot to developers last weekend and found himself saying, ''You could build a $500,000 house here and see the New York skyline from the second floor.''

''You should have seen the looks I got,'' he said.

The ferries resumed regular service last Monday, but now they carry more than commuters. Among the travelers are rescue workers, ironworkers, electricians and contractors, all involved in excavating the rubble. There are psychologists and social workers, too, in case passengers need emotional support. Some of last week's commuters were on the 7:55 a.m. ferry from New Jersey on Sept. 11, which reached Wall Street just as the first plane struck. Others had lost up to a dozen friends.

Social worker Aurore Maren rode the ferries all week, and was struck by the commuters' distress. ''They're helpless in their sense of loss and they're helpless in their sense there's nothing they can do to stop this from spinning even more wildly out of control,'' she said.

Maren was struck, also, by something else. As the ferry passed under the Verrazzano Narrows Bridge, opening up that amazing, wide-angle view of the Statue of Liberty and the New York skyline, the commuters did something she'd never seen before. They all turned around in their seats. They couldn't bear to look.

IMMIGRATION AND OPEN BORDERS

The SPEAKER pro tempore (Mr. ROGERS of Michigan). Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. TANCREDO) is recognized for 60 minutes.

Mr. TANCREDO. Mr. Speaker, it is once again my opportunity to address this body about an issue of great concern to me. It is an issue, of course, that I have been dealing with for quite some time. It is an issue that has taken on much more significance after the events of September 11; but it is an issue, nonetheless, that held and should have held our attention before that time. I am talking about the issue of immigration and the fact that this Nation for now at least for decades has embarked upon and embraced a concept that we have referred to often as ''open borders.''

Amazing as that is to many of our countrymen, there is still a philosophy, it is still a general sort of pattern of discussion in this body and around the country, think tanks, entities like The Wall Street Journal and others, to continually press this concept of ''open borders,'' even in light of all that has happened to us since September 11. It is a dangerous concept. It was dangerous before September 11, and it is dangerous today.

My colleague, the gentleman from New Jersey (Mr. PALLONE), addresses

the issue of workers that have been laid off, workers that have been denied jobs; and now, as a result of these horrible events of September 11 have lost their jobs. But let me point out that before September 11, even before the September 11 terrorist attacks, U.S. job cuts announced in 2001 exceeded the 1 million mark.

In this article, they give us a partial list. It goes on for four pages of the companies that had laid off employees, again, even before the attacks on our country on September 11. Lucent Technologies headed the list on this one with 40,000. Since then, I understand, they have announced that another 20,000 people would be laid off. Nortel Networks, 30,000; Motorola, 28,000; Selectron, 20,850; and it goes on to over 1 million Americans having been laid off before September 11.

Now, of course, everyone knows what has happened in America and especially to the airline industry since September 11. Hundreds of thousands of Americans more have been laid off. It is not just of course the men and women who have been laid off in the airline industry directly, it is the thousands, maybe hundreds of thousands that we may be approaching here very soon that have been laid off as a result of the fact that the airline industry is down.

I do not know at this point in time, as of today, as of this moment, what our unemployment rate is; but I will hazard a guess that when it is announced by the Labor Department, the most recent figures will show a significant jump. And I do not think that is much of a task to predict something like that.

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I say to my colleagues in this body and I say to the administration, when we are presented with the administration's plans for an economic stimulus package, when presented with the plans to deal with the unemployed, I know I have heard already of plans in the works to extend unemployment compensation to all of these people who have been laid off, and I have heard various other kinds of comments. The gentleman from New Jersey (Mr. PALLONE) talked about doing something with health insurance. All of that is admirable, but why will we not deal with one very basic problem, and that is we have had for almost 4 decades essentially porous borders, borders that really do not exist.

We have faced a flood of immigration that has never before in this Nation's history been paralleled. Nothing we have seen in the Nation's history, not even in the, quote, heyday of immigration in the early part of the 20th century, not even then did we see the kind of numbers that we have seen in the last 3 or 4 decades.

Right now we admit legally into this country about 1 million people a year, and we add to that another quarter of a million that come in under refugee status. But, of course, that is just the legal immigration, which is four times higher on an annual basis than it ever was during the heyday of immigration into this Nation in the early 20th century, the early 1900s. Four times greater. We are looking at four times the number of people coming into the country legally, and who knows how many are coming across our borders illegally; but I would suggest that it is at least that many every single year.

The net gain in population of this Nation as a result of illegal immigration is at least a million. I have seen estimates far higher, of 3 million, 4 million. The INS does not really know and does not really care. The INS is a coconspirator in this immigration flood we have had. The INS considers itself not to be an agency that protects the border, that keeps people out who are not supposed to come here, that finds people who are here illegally and deports them, that finds people who are here even legally and have violated the law under their visa status and deports them. The INS does not consider itself to be an agency designed to do that job I have just described.

Mr. Speaker, the INS considers itself to be, and I quote from an INS official I was debating on the radio in Denver a couple of months ago, and during the question period by the moderator who said to her why does the INS not essentially round up people. She said because that is not our job. She said, Our job is to find ways to legalize these people. Astounding as that might sound to the majority of Americans who are listening, to the people in the INS, that is the culture.

Mr. Speaker, to suggest to them that their responsibility, an equal responsibility at least, is to keep people out of the United States who have not been granted a visa, who are not legally coming here under any sort of immigration status, to suggest to them that that is their role and that they should perhaps do something about the number of people who have come in illegally, we should find them, send them back to their country of origin, we should find an employer who employed them knowing that they are here illegally. Instead of thinking that is their job, they say their job is to essentially help these people find a way into the United States, and once they get here, find a way to make them legal.

This is incredible, Mr. Speaker. It is almost beyond imagination that this is the perception and this is the culture inside the INS.

Almost every single day I am confronted by another horror story that makes this one pale in comparison in terms of the corruption inside the INS, in terms of the culture that exists inside that agency, and of course with the acquiescence of the Congress. I do not for a moment suggest that we have not played a role in this corruption.

We have essentially allowed the INS to do what they do, to abandon their responsibility, to thwart the law. We have allowed them to do so because in this body there has been, I am not so sure it is as prevalent as before September 11, there is a philosophy of open borders. There are a lot of reasons why we have found ourselves in this particular situation.

Some of those reasons are quite political in nature. It is very possible that if we encourage massive immigration from certain areas of the world these people will eventually become citizens of the United States. Certainly their offspring who are conceived and born here in this country, I guess I should just say born in this country, will become citizens of the United States via the way we grant citizenship here, and therefore able to vote.

There is a perception if we can get millions and millions of these people here, keep them here long enough to establish families, they will all become part of one particular party. That is, frankly, why we saw in the last administration a push, if Members remember correctly, to get as many people legalized and citizens awarded so they could vote in the election for the past President.

Well, that is one reason why we have such massive fraud in this whole area of immigration. Another reason is because again it is the culture inside of the INS, and it is abetted by another aspect of our society and that is, of course, businesses, large businesses and small, that employ immigrant workers, some legally here, some illegally here.

Before I go into the numbers that I came across today as a result of having a very interesting and disturbing meeting with two people, American citizens both who have been laid off of their jobs and replaced by foreign workers, H–1B visa recipients, specifically, before I get into that story I want to relate to this body an actual conversation I had last night with someone who chooses to keep his name secret but is involved in the judicial process with regard to immigration.

This person has had a lengthy period of time working in his particular capacity dealing with immigration. He is part of our legal system. He called me to tell me of his great and incomprehensible frustration, the frustration that he feels every single day, recognizing the fact that although our judicial system is set up to address the issue of people who are here illegally or people who violate their status while they are here, and orders are entered to send them back, that it does not happen. These people are not sent back.

Now, could it possibly be true, Mr. Speaker, what this gentleman told me? He said that there are presently almost a quarter of a million people in the

United States who have gone through the system. There has been an adjudication, there has been a determination by a court of law that these people have violated their status. They have violated the law of the land. Either they have overstayed their status under the visa, or they were here doing something that the visa did not allow, or in fact they committed crimes against this country, crimes that had nothing to do with immigration, regular old run-of-the-mill crimes like felonies, like robberies, like murder, like muggings, and that when they go into immigration court, because they are here as an immigrant, because they are here under a visa status, they do not face the same system of justice that an American citizen would face. Mr. Speaker, could this be true?

Mr. Speaker, let me say that the person who told me this should know. I am going to establish that as a fact tonight. I am at least going to make that challenge. I am going to challenge anyone who disagrees with what I have just said, that there are almost a quarter of a million people here in the United States who have been found guilty of a crime.

They are here as guests of the United States under a visa process, a quarter of a million who are wandering around who have never been returned to their country of origin; and the reason is because that duty, that job, that responsibility, is one that we turn over not to the Department of Justice, in a way it is the Department of Justice because its a subset of it, but it is not to the police department, it is not to the regular court system.

They do not come before a Federal, district, or county court. They come before an immigration court. The immigration court can and almost always does when they violate the law say you are going to be deported. We repeal the immigrant's status here. The immigrant's legal status, we withdraw it.

Guess what happens, Mr. Speaker? Again I challenge any of my colleagues here on this floor or in this body to prove me wrong. A quarter of a million of these people have simply been ignored by the INS. They have chosen to simply ignore the situation.

In fact, I am told that many times attorneys for the INS who are supposed to be on our side in these proceedings, they are supposed to come in and give the Government's position, they end up becoming a defense attorney for the plaintiff. Either that, or I am told they are so incompetent, so incapable of actually mounting a prosecution that the whole thing is a farce.

Now I do not think that most people in America understand or know this. I do not think that most of my colleagues in this body know what I am saying tonight. But some do. Some know that it is absolutely true because I was talking to a colleague tonight earlier and I was relating this story. I was saying is this possible. This colleague happens to be a member of the Committee on the Judiciary, and more specifically a member of the Subcommittee on Immigration and Claims.

As is often the case when I get into a discussion like this, I find that I am always being one-upped. When I start telling somebody a story like this, they say, well, listen to this.

This gentleman told me about a conversation he had had with a magistrate in the immigration court because I had indicated if what I said was true and if people could come to the United States, commit crimes and essentially walk away without any kind of punishment because they are in this never-never land of immigration court, it is far better to commit a crime in the United States as an illegal alien than as a citizen of the country.

□ 1945

As a citizen, you will face a judicial process that has some integrity, at least we can hope, and if you violate the law and if you are found guilty and if the judge chooses and a jury agrees, you can go to jail.

In an immigration court, that is not at all the case. In an immigration court, you are oftentimes told, well, you will be deported for this act. But, of course, unless the INS actually takes some part of this, comes in afterwards and says, okay, this person is to be deported, we will see that he or she is deported and we will watch to make sure they do not come back. Unless that happens, you are free to wander the land and do what you want to do. And a quarter of a million people today in this country are in that status, having been adjudicated, having been found guilty of violating their status and are simply walking around the country, free to do what they want to do, because the INS chooses not to deal with it.

I was in the process of telling you about a conversation I had with another Member who said, that is nothing. Listen to this. I heard from a magistrate that something had been happening in his court. When people recognize what I have just described, this scam, and the charade that we call immigration courts, it does not take too long for people to figure out how to work the system. He said that a magistrate told him that before him had come somebody who had been born in the United States, his parents had been born in the United States, his grandparents had been born in the United States. This fellow was a citizen of the United States. He had robbed an old lady, beaten her up, stolen her purse. He was arrested. Evidently not his first offense, by the way.

When he was arrested, he had no identification on him. He said to the arresting officer when asked why he had no identification, he said, ''Because I am here illegally. I am not a citizen of this country.'' They, of course, the arresting officers, took him to a Federal court, to immigration court, at which point the magistrate said, I will give you a choice of either serving time here or returning to your country of origin, which he said was Mexico. Naturally the defendant said, ''All right, Judge, I'll go back home. I'll take your severe punishment. I'll go back home.''

They put him on a bus, which is, by the way, more than happens most of the time. At least putting this guy on the bus was a step up, because most of the time they turn around and walk away, without any action. But they put him on the bus, they took him to the border and they said, okay, good-bye. His slate was at that point wiped clean. He then went to a phone, called his mother in the United States and said, Mom, bring me down my ID. She dutifully got in the car, drove across the border, brought him his ID. He then, of course, came across the border as the American citizen he was, showed them the material, he came in now under a different name, his own name but as an American citizen. No problem. The slate has been wiped clean. And another travesty occurs.

I am told by the gentleman today that this judge who told him the story said this has happened many times in his courtroom, because, of course, people have found a way to scam the system. It really does not take, quote, the proverbial rocket scientist to figure this out. If it is better to be an illegal alien in this country when you commit a crime, then why not pretend you are an illegal alien to escape justice? Or why not just be an illegal alien and commit the crime? You will not do the time. The gentleman that called me last night went on at great length about the corrupt nature of the system, the fact that time and time again, even when bond is posted by these people.

By the way, he talked about the fact that drug dealers, I mean big-time drug dealers who bring these people in to transport drugs for them, when they get arrested, the drug dealer puts up the bond, it is just a cost of doing business. The individual bonded out never shows up again for the hearing and is never ever looked for by the INS. I say never. In very few cases. The INS will always tell you, well, it is a matter of resources, we have returned this many, but the reality is this, Mr. Speaker, they do not care for the most part.

There are, of course, many people, and I have had them in my office, I have had INS agents come into my office and say, ''Look, I'm afraid of telling this story publicly, but, Mr. TANCREDO, you are absolutely right in talking about this and describing the nature of this system. It is corrupt.''

There are many, many people who serve in the capacity of enforcement agents who are trying to do their best on the borders, but what they are doing, Mr. Speaker, is trying to hold back the ocean with a sieve. We could not get much attention paid to these kinds of problems up to this point in time. It has been very, very difficult to get anybody to care.

I have talked about it at length on many occasions at this microphone and in the conference and at every opportunity I have had. Up to this point in time, certainly prior to September 11, the response I got was almost uniformly one of, ''Well, we really can't get into that issue, we really can't deal with immigration reform because, you know, Congressman, if we do, we're going to be called racists. If we try to stop the flood of immigrants into this country, you've got a whole huge constituency here in the United States that would turn against us.''

I say, who here legally supports illegal immigration? And if they do, I do not even want their vote. For the most part, Mr. Speaker, I believe that the vast majority of people in this country, of citizens of this country who came here through the regular process, who are legal citizens of the United States, be they Hispanic or Asian or whatever, they agree with us, that we must do something to stop the flood of illegal immigration into this country. But we have this fear, a fear which has paralyzed this Congress, and we are not over it yet, even after the September 11 events.

Before I get to that, I want to stay focused on this issue of H1B visas, people coming into this country under a visa program called H1B and the incredible fraud that exists there.

I told you that I met earlier today in my office with two people, two people who had been employed, they are part of the statistics in this article. They are just two of the four pages of numbers I have here of people who have been laid off prior to September 11 because of the downturn in the economy. But they were not just laid off because of the downturn in the economy. They were laid off because they were replaced by cheaper labor to do their very same job. They were replaced by people who came here legally under the H1B visa program.

Now, for those people who do not know what we are talking about, Members of the House, perhaps, that do not know what an H1B visa program is, I will explain it simply, it is a visa that allows you to come and work in the United States. Usually it is a white collar job under an H1B. There are various kinds of visas that allow you to come in and take other kinds of jobs, more menial in nature, less skilled jobs, but this one, in particular, I am going to talk about for a few moments is called the H1B visa program.

Recently, the Congress of the United States raised it. In 1998, the Congress of the United States raised the level, the number of H1B visas that we could grant, from 65,000 a year to 115,000 every single year. At that time, Mr. Speaker, industry representatives told Congress that there were not enough Americans with the necessary skills to fill the jobs that were available. Yet government studies, most notably the Department of Labor, rejected the industry's claims of a worker shortage. After months of negotiation, Congress adopted a temporary increase until 2002 when the annual level would supposedly return to 65,000. The 1998 H1B law also provided some protections against wage depression and job loss for American workers. However, they have not taken effect since the government has yet to issue the regulations to implement the safeguards.

Today, despite continuing evidence that there is no high tech labor shortage and with the exception of possible spot shortages, the demand for foreign workers by American technology companies has prompted this body, this Congress, to propose raising substantially annual H1B limits. We were pressured to do so, Mr. Speaker, by businesses and industries which, in turn, came in just recently with these figures.

They told us that they did not have enough American workers to fill the jobs, and that is why we had to go ahead and increase the visas in H1B. Mr. Speaker, I do not know whether they actually lied, but I will say this, that they misrepresented the situation dramatically. Because over and over and over again, we have seen cases where people were laid off of their job and were being paid X number of dollars and were replaced by H1B visa recipients paid less money. It was not a matter of not being able to fill the job, Mr. Speaker. It was an unwillingness to pay the price. And so they, of course, recognizing how the market works in these situations, supply and demand works, they increased the supply and, therefore, the wage rates went down precipitously.

Now, this has become this massive, massive fraud that is lining the pockets of many millions of people around the world, but not the workers in the United States. One of the perpetrators of this fraud, an organization that I believe could be charged with aiding and abetting the fraud, is the American Immigration Lawyers Association. It has perfected the art of exploiting loopholes and technicalities in the law.

They work with what are called body shops that are set up all over the world, India and Pakistan especially, Malaysia. Body shops by the way, Mr. Speaker, that phrase does not relate to any sort of auto work or any other sort of, I guess, any other kind of business. A body shop in this case refers to these organizations like employment agencies. They are set up all over. They bring people in. They give them some sort of fraudulent package of résumés. They construct fraudulent résumés for the people they bring in in India and Pakistan, saying that they have had years of experience in a particular field, which is required under the H1B visa program, to have at least 2 years' experience in the field. So they construct a fraudulent résumé. They put these people through a brief, maybe 6-week course sometimes, and award them diplomas and degrees and whatever, and then put them into the H1B program and they charge these people exorbitant fees. There are interesting articles again here to prove that.

□ 2000

They charge these people exorbitant fees and then promise them jobs in the United States. Some of them get here, of course, are put into the pipeline, sometimes laid off immediately and end up in jobs that have nothing to do with the kind of work they were supposed to be here, that their visa had cleared them for. There are many articles about that, people coming into the United States to be computer technicians, ending up, of course, as menial laborers in many cases. But many, many thousands, in fact hundreds of thousands of other cases of people coming into the United States under H–1B and taking jobs that Americans had, because they will work for less. There is massive, incredible fraud in this entire program.

The fraud in this program, as I say, is rampant. It is widely understood within that community, within the H–1B community, even within the INS itself, that once you get here by an H–1B visa, you will never have to leave. It is sort of the colloquialism in the immigrant community deal with this whole issue of just getting here under H–1B, that you never have to leave. Even if you get laid off, even if you are not working in the kind of job you were originally assigned to, that does not matter, no one is coming after you. Again, it is because the American Immigration Lawyers Association has aided and abetted in this fraud.

Mr. Speaker, we have now accumulated literally millions of people here in the United States who should not be here because they have overstayed their visa or in some other way caused an infraction of the visa. They are not working in the field.

Mr. Speaker, another part of this, of course, is people who come here under an education visa and are supposedly attending school here. I think we have heard about one or more of these particular kinds of individuals came here to learn how to fly. Some of them attended classes; some did not. When we look into that whole arrangement between the schools that were providing

this kind of experience and education and the whole issue of visa fraud, I think we are going to be very interestingly surprised.

But the fact is that there are 30 million visas that are allotted annually, 30 million people every year are told they can come into the United States for a certain period of time. These primarily are tourist visas. But then a huge number are in the categories I talked about, work-related or education-related visas.

It is my understanding, and once again I am going to state it as a question. Could this be true? A question posed to me by the individual I talked to last night on the phone, who is actually part of the immigration judicial process, if such a thing actually exists? He told me, and could this be true, Mr. Speaker? He told me that of the 30 million visas awarded annually, about 40 percent are violated annually; 12 million people violate their visa status every year, according to this gentleman.

I pose this as a question. I do not have information in front of me to substantiate it. But I will tell you once again that the individual that talked to me was an individual who should and in fact I believe with all my heart does know. It was not someone at the lower level of the immigration service or judicial process.

Millions of people are here, I think, who have overstayed their visas. I just talked, remember, about the quarter of a million that have already been adjudicated; the 225,000, actually, not quite a quarter million, but that was 1997, so I am sure it is up to a quarter million now, people who have actually gone through the process, been found guilty and not sent back. I am not talking about the millions who are probably here who have never been brought to any sort of court, never found themselves in front of a judge because they overstayed their visa. They just simply stay, and they take jobs.

My friends, especially my friends on the other side of the aisle, talk about the need to do something for the unemployed in the United States. Well, I can tell you what to do, Mr. Speaker. You can cut off illegal immigration. You can eliminate or reduce dramatically H–1B and all of the other visa types that come in here. You can put troops on the border and make sure that people do not come across this border illegally. You can overfly the border. You can use sensors and detectors to protect this Nation, not just from those people who are coming without malicious intent, who are coming simply to improve their lives, of which there are millions, and I certainly understand and empathize, but protect yourself also against the people who come here with evil, malicious, or malicious intent. And there are, unfortunately, far too many of them.

Today in this body, Mr. Speaker, many Members are still reluctant to deal with the issue of immigration reform. Many Members have told me personally that they agree entirely with everything that I say about this issue, but, after all, dealing with it is another thing entirely. It is not politically correct, and it may be politically volatile.

Well, let me tell you, Mr. Speaker, that although there are people in this body who do not get it, who do not understand the nature of this problem or the depth of it, who think they can get by; that we can all get by with ignoring this massive fraud that is perpetrated on this Nation; ignore the incredible problems that come as a result of massive immigration, both legal and illegal; ignore the fact that the crimes that were perpetrated on the 11th were perpetrated by people who came here on visas, who were not American citizens, some of whom, as far as we know right now, were not living up to their visa application guidelines, some, as I understand, who may have overstayed. Who cares? Overstayed your visa? Who cares?

The fact is that all of these people, and the Members of this body, many of them feel that it is too controversial and we cannot deal with it. But let me tell you, Mr. Speaker, that the American public knows the truth of this issue. At least they know the problem with illegal immigration.

Some of what I have said tonight, certainly I was not aware of it even until just recently, from discussions as I say I have had with people who called or other Members of the House. I had no idea how deeply rooted the corruption in the process, in the whole INS structure and immigration system, really is.

But most people know there is something wrong. Although my colleagues in this body may not feel the heat right now, I guarantee you that they will. And they should, because that is the only way change will occur.

In a recent Zogby poll, actually September 27, Zogby International poll, it is a survey of likely voters that shows virtually all segments of American society overwhelmingly feel the country is not doing enough. By wide margins, it says, the public also feels that this lack of control in immigration makes it easier for terrorists to enter the country. And, of course, they are absolutely right.

Moreover, Americans think that a dramatic increase in border control and greater efforts to enforce immigration laws would help reduce the chance of future attacks. They are absolutely right. It would not necessarily guarantee it, it is true. It does not guarantee the fact. If we were able to seal the border tomorrow, it would not guarantee the fact that we would not be subject to another attack, but it would lessen the chance.

To suggest that people can get in even if we try to enforce our immigration laws and therefore we should not enforce immigration laws is like saying, you know, I know there are laws on the books against robbing banks, but people do it, so why do we bother putting the money in the vault? Why not put it on the counter? After all, they are going to rob us anyway. That is about as ludicrous as to suggest we should not try to deal with our borders and close the sieve, because right now people get through.

When asked whether the government was doing enough to control the boarders and screen those allowed into the country, 76 percent said the country was not doing enough, and only 19 percent said the government was doing enough. Those 19 percent were probably people who are here illegally and just told the person calling them up on the phone that they were going to be voting.

While identified conservatives were the most likely to think that not enough was being done, by 83 percent, get this, Mr. Speaker, 74 percent of the liberals and 75 percent of the moderates indicated that enforcement was insufficient. In addition, by a margin of more than two to one, blacks and whites and Hispanics all thought government efforts at border control and the vetting of immigrants were inadequate.

So although this body may not think there is a problem or that dealing with it is politically volatile, Americans do not think there is a problem with dealing with it. They think there is a problem with not dealing with it. They believe and they know, and they are right, Mr. Speaker, that there is a huge problem that we confront as a Nation because of our unwillingness to deal with this concept of immigration control.

Again I stress the fact that it goes across political philosophies. It goes across racial lines. It does not matter if you are black, Hispanic, or Asian or white. They feel the same way about this issue, because they are Americans, just like anybody else; and they are worried, just like anybody else, about their own safety.

And is that not our responsibility, Mr. Speaker? Are we not the ones charged with the responsibility in this body to develop, among other things, plans and proposals and programs to ensure domestic tranquility and provide for the common defense? Is that not our job? And are we not uniquely charged with the responsibility of determining immigration policies?

No State can do it, Mr. Speaker. No matter how inundated that State may be, no matter how difficult it may be for them to deal with it, they cannot establish immigration policy. Only this Federal Government can; and, after it is once established, only the Federal Government can enforce it.

I suggest, Mr. Speaker, that if we ignore this any longer and another event, God forbid, another event of a similar nature as those on September 11 occurs, and occurs as a result of our inability or unwillingness to protect ourselves from people who come here to do us evil, then we are culpable in that event.

I, for one, Mr. Speaker, choose to do everything I can and speak as often as I can and as loudly as I can about the need to control our own borders.

We talk about the defense of the Nation, the defense of the homeland. An agency has been created for that purpose. I suggest, Mr. Speaker, that the defense of the Nation begins with the defense of our borders. I reiterate and repeat, the defense of this Nation begins with the defense of our borders. It is not illogical, it is not immoral, it is not even politically unpopular, as many of my colleagues would think. It is the right thing to do. Americans know it.

What is it going to take, Mr. Speaker, I wonder, for the rest of my colleagues to come to this conclusion?

We have written a bill to deal with terrorism. It got marked up today in the Committee on the Judiciary. As I understand it, although I have not seen the specifics, I am told that every provision we had about immigration control got watered down.

□ 2015

That all attempts on our part to deal with the possibility of terrorism, terrorists coming into the Nation, identifying them, detaining them, deporting them, all of those proposals by the administration got watered down so that we could have a nonpartisan or a bipartisan bill come to the floor. I believe, Mr. Speaker, that I will not be allowed to offer an amendment to that bill. I believe that it will come to this floor with a rule that will prevent me or anyone else from offering some of the amendments to tighten up the borders. I am sickened by this possibility, but I think that that is where we are headed, because no one wants to rock these boats.

Mr. Speaker, I am willing to do so because I cannot imagine doing anything else. It is my job, it is my responsibility to bring to the attention of my colleagues and the American people, to the extent that I am humanly capable of doing so, the dangerous situation we face as a result of our unwillingness to deal with the concept of immigration control. Tell me how we will face our children. Tell me how we will face the future, Mr. Speaker, if another event occurs as a result of our unwillingness to address the issue of immigration control because we fear the political ramifications thereof.

I think, Mr. Speaker, that the only way we will ever change our policies is if the American people rise up in one accord and confront their elected representatives with this issue. Do not be placated by platitudes and do not be assuaged by those people who tell us that we are doing something because we may allow for 7 days of detention of potential terrorists, and that is the whole immigration reform package. Do not listen to it, I say to my colleagues. Demand more.

What are the possibilities? I do not want to think of the possibilities of not acting. Think of the seriousness of our deliberations and of the potential consequences of inaction on this issue. They are more than I wish to deal with. I cannot imagine that we will shrink from this responsibility, but that is what appears to be in the wind, Mr. Speaker. All I can do is come here and beg Members to listen to these arguments and to act on behalf of the people of this country who look to us to keep them secure, to ensure domestic tranquility, and to provide for the common defense.

THE EFFECTS OF TERRORISM ON EDUCATION POLICY IN AMERICA

The SPEAKER pro tempore (Mr. GRUCCI). Under the Speaker's announced policy of January 3, 2001, the gentleman from New York (Mr. OWENS) is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, I would like to talk about three important items which definitely overlap: education, reparations and terrorism. As a member of the House and Senate Conference Committee on H.R. 1, the Leave No Child Behind Act, a major initiative of President Bush that probably will come to the floor in the next 10 to 15 days, I would like to emphasize the fact that this legislation focusing on education, which will probably set a tone and establish some basic principles and concepts and procedures and movements for the next 10 years, is very important legislation. It is still important today, despite the pressures that we feel as a result of the tragedy of September 11. In fact, after September 11, education becomes even more important in general; and specifically, as we move toward creating recovery and construction programs, education must play a major role in this process of creating recovery and restructuring and construction programs.

September 11 presented us with a tragic and compelling landmark event. It said to us that terrorism will be a scourge on civilization for a long time. Modern societies are amazingly vulnerable to terrorism. The domino impact of the destruction of the World Trade Center towers overwhelms the mind. How can one event have so many repercussions? How can one event, one destructive, heinous event lead to the collapse of so many life elements of our economy and of our way of looking at certain civil liberties, and a number of other major tenets of our society? One event.

During World War II when targets were picked to cripple the industrial might of Germany, they bombed the oil fields in Romania and they bombed the industrial complex in Hamburg and a number of different targets, they had definitely aimed at crippling the industrial might of Hitler, not any one target ever had that kind of an impact. But in our present society we have constructed, it is so fragile in one sense that a strike at one point can lead to the tremendous repercussions which impact not just my City of New York or the State of New York, but the entire Nation and the economy of the entire world. So I want to highlight the fact that this event let us know that we can have people with cavemen mentalities.

In fact, Osama bin Laden, and I say bin Laden because The New York Times said that he pronounces it as Sadden; their pronunciation guide said it rhymes with Sadden, and I think it is ironic that it rhymes with Sadden, S–A–D–D–E–N. Osama bin Laden is supposed to live in a cave and there are people surrounding him in a cave; but, nevertheless, out of that cave, we do not get a caveman mentality, we do not get an illiterate. We get an evil genius, an evil person with totally no regard for human life who can strike at one of our vulnerable points and cause so much harm. Educated people surround bin Laden; educated people who know how to use computers and know how to communicate all over the world and who are very patient and very well organized, who know how to take advantage of every soft spot in our society; educated people who can only be corralled and only be matched by educated people. We say, well, we have plenty of educated people. We do not need to worry about that. But I want to take a few minutes to examine some of the institutions of our society.

Just as my predecessor was examining INS, I think unfairly in so many ways, but just as he examined INS, I want to examine some of the institutions in our society which are constructed to protect us. Those institutions are run by very well-educated people, run by very well-trained people, scientists, specialists, maybe some geniuses are in the CIA and FBI. So where did we go wrong and what are we as citizens supposed to do?

In my district, I assure my colleagues, we have lost many wonderful human beings. All human life is sacred and every soul that died in the World Trade Center was sacred. I have gone to many memorial services. I experienced firsthand a situation where my daughter-in-law, who worked in the World Trade Center on the 68th floor of the first tower, was supposed to be at work at 9:30 instead of 9 o'clock, her

usual time. Because she was due at 9:30, she heard the plane hit the building from the ground. She was not in the building at that time. But for 4 hours, I did not know where she was. We did not know where she was. And the kind of anxiety that I went through, we went through, for 4 hours is just a tiny, tiny portion of the kind of anxiety that others have suffered over these last few weeks.

When we finally found out where she was, I confess, I cried uncontrollably for a while. I found myself crying often uncontrollably for those others who did not get out and for various stories that I hear; and I cry when I realize that probably this great catastrophe could have been avoided. I have the same experience that every other human being has in terms of the loss of immediate people that I know, the loss of heroic firemen and policemen, and I react like everybody else.

But on top of that, as an elected official, I wake up at night and I feel something else. My post-traumatic stress has another element. And I have noted in conversations with some of my colleagues that they are probably feeling the same thing. We are the Government. We are responsible. Therefore, when the gentleman from Missouri (Mr. GEPHARDT) stood on the floor and said, we failed to keep our people safe from harm, we have to accept that, in some way, we are failing and have failed.

I am going to have a series of town meetings, not memorial services. Other people are doing that very well, and I have attended those. If people who have lost relatives want to come to town meetings, they certainly are welcome; and we can take time out to deal with their concerns. But I want to have a series of town meetings that are probably very small, because I am not going to take a long time to plan them and look for a big audience; but I want my constituents all over the district to come and talk to me about their reaction to what has happened. I want them to hear that I feel, as a tiny portion of the total apparatus of government, I feel guilty. I want them to hear that I feel that we as Americans have a job to do; we have a new mission in this complicated world, very complex. Our society is far more complex than any nuclear physics apparatus or any ballistic missile apparatus. The society and the functioning of the society like ours is very complex, and it must have well-tuned, well-lubricated institutions which deal with that complexity. I want to talk to them about it and I want them to hear me, and I want to hear from them.

In elections, we often hear our constituents talk endlessly about what have you brought home to the district. How many buildings have you gotten, Federal buildings have you gotten built? How many grants from the Federal Government have you brought home? What benefits directly and concrete can you offer? And the orientation of most of us has to be in the direction of what can I do for my district in a very concrete way.

□ 2030

So who wants, in this situation, to spend time on the floor of the House or in any other way confronting institutions of our government that are not functioning properly and which are not under the jurisdiction of our committees?

I am on the Committee on Education and the Workforce. I am willing to talk to you all day about the Department of Education and the various ramifications of what they have done or not done, but I am not on the Permanent Select Committee on Intelligence. I am not on the Committee on the Judiciary.

Often when I come to the floor and talk about those items, my colleagues do tell me that, Well, you are out of your league. Other folks know more about that. I have been sort of driven away from a discussion of certain items as a result of being reminded that I am not the expert.

Well, I am not the expert, but from now on I intend to be like the child in Hans Christian Anderson's ''The Emperor Has No Clothes.'' Because I am not the expert, I am going to ask the questions that the fresh eye and fresh ear can afford to indulge in. It is very important that I tell my constituents a year from now that I asked all the questions, I sought the answers, I did the best I could, even though these things were not directly under the jurisdiction of my committee.

I am going to ask some questions of the CIA and the FBI. I have done that before, I think 3 or 4 years ago. For several years in a row, several colleagues would join me, or I would join them in using the CIA appropriations as an opportunity to discuss the function of the CIA, so we would always offer an amendment to cut it by 10 percent or 1 percent. We do not know exactly what the budget is, but the New York Times consistently says it is $30 billion plus. So we used to come to the floor. It was an opportunity to talk about various problems.

Mr. Speaker, our amendment got fewer and fewer votes. It was one of those items where I felt a little guilty about discussing it because I am not on the committee and I do not have the expertise, so I retreated. I have not talked about the CIA in several years, but I intend to talk about it tonight.

Education, terrorism, and reparations. The last part of that is reparations. The treatment of the subject of reparations at the World Conference Against Racism in Durbin, South Africa, this past summer is evidence that freedom-loving societies are carrying unnecessary baggage as we seek a more just world. It is as much a part of the dialogue on what our role is and where we go now as we search for the terrorism network and the terrorism, the individuals who guided that network, and we do things that are unusual, and in some cases incurring collateral damage that is unavoidable.

What is our moral mission here? How are we going to justify that? We can justify it only if we reassert the fact that we stand for freedom; we stand for democracy; we stand for the pieces of the Declaration of Independence that people like to push aside. We still believe that everybody has the right to life, liberty, and the pursuit of happiness. We really believe that. We have the right to hoist a flag and march behind that flag and to deal with those perpetrators who are determined to knock down those principles.

We have a right to have as much fervor and as much zeal as anyone else, but we have to understand that the lack of fervor and the lack of zeal makes us more vulnerable. We have not pursued the perfection of our institutions with the right amount of fervor and zeal. Too many of us, Member of Congress, have run away, backed down, as I did: ''The CIA is someone else's job; the FBI is someone else's job.''

Yet in this calamity that we have just begun to live through, there are critical questions that somebody must answer. The INS was being blamed by the previous speaker, my colleague on the Committee on Education and the Workforce. I know all about H–1B visas and the kinds of things that he was talking about, but his overall thesis was that we were in the present predicament because there are too many people from outside the country being let into the country.

That sounds like something that Sitting Bull might have said, or Chief Joseph. The Native Americans probably had real justification for making that kind of statement: Too many people have been let in the country, and it is our country.

I reject any blanket statement that says that as a nation of immigrants we are at a great disadvantage. We are not at a great disadvantage as a nation of immigrants; we are at a great advantage. President Clinton has often said that diversity, diversity is one of our greatest strengths. As we seek world markets, as we seek the good will of people all over the globe, and as we seek right now these various alliances and coalitions to fight terrorism, our diversity is our greatest advantage.

I recall seeing not too long ago, a few months ago, an old movie, one of those old thrillers. The movie was all about during World War II they were trying to break the German code. In order to do that, they came up with a daring plan in Washington where they went out and recruited ethnic Germans,

American Germans who were all put together on an American submarine, and they were put into a situation where they encountered a U-boat. And actually were able to fool, with their tactics, the people in the U-boat, and they took over the U-boat.

The point is that the whole project depended on the recruitment of ethnic Germans, people that we were at war with, but American Germans were Americans first. It is a good example of what is happening in many economic ventures. We have overwhelmed some of our opponents. The Japanese do not really know what has hit them in certain markets because they have very little diversity, but we have diversity which allows us entry into all kinds of markets and situations.

Likewise, if the CIA and the FBI made use of it, that same diversity could help us infiltrate spy rings and infiltrate terrorism rings, and provide better protection for us. At least it could provide us with translators.

One of the real scandals of the present situation is that the FBI was on television and the radio in my city 2 weeks ago advertising for people, they are probably still on but I just have not heard them recently, advertising for folks who could speak Arabic or Farsi. Well, better late than never, but I thought it was strange. We have been fighting an Arab-based terrorist ring for a long time. We knew that when they bombed the barracks in Beirut under Reagan. We knew that when they bombed the barracks in Saudi Arabia. We knew that when they bombed the Cole battleship. Why is it that we are not equipped with a sufficient supply of Arabic translators?

I have heard from the talking heads on television, and I have read in several articles, that this is a real problem; that there were documents and communications that lay there undeciphered, unread, not interpreted, because there were no translators. There were no analysts.

In this great country of ours, we ought to have groups of people who speak practically any language in the world. I went to my staff and asked, in New York City, how many colleges are there where Arabic instruction is provided? New York City has about 20 city universities, 20 colleges and city universities in the system, more than 20, and then there are other colleges; a total of about 40 different higher education institutions. We found only six, only six that had some courses in Arabic, only six. Let us not even go to Farsi, which is what some folks in Afghanistan speak, or Pashtu in Afghanistan, Urdu in Pakistan.

In this great Nation of ours, with 3,000 universities and colleges, more than 3,000, there should not be a single language that we do not teach somewhere. There should not be a single culture that is not being thoroughly explored by some group in one of our great universities or colleges.

But we need to understand our mission. We need to go back and understand that in this global community that we have helped to create, we made the WTO, we did Fast Track and NAFTA, we have argued that the markets of the world belong to us, and therefore we are willing to have an interaction with the rest of the world unlike any ever known before.

If we are going to do that, let us use some of our magnificent resources. We have foundations that are loaded with dollars, foundations which certainly could have programs on culture and languages that they finance in our various universities. I am not talking about a government program or a government initiative; but our universities and colleges and foundations should have an initiative which guarantees that no matter where we go on this globe, we have a body of people who understand the culture and the language of those people.

For the CIA, it becomes an immediate need; for the FBI, it becomes an immediate need. I will submit this article from the New York Times on Wednesday, October 3, in its entirety. I will read some excerpts from it.

Mr. Speaker, this is an article that appears today in the New York Times, Wednesday, October 3, entitled ''House Panel Calls for Cultural Revolution in FBI and CIA.''

Now, I am still a little reluctant to do too much criticism of these venerated institutions here on the floor because I have had these comments from my colleagues. One colleague said to me that I embarrassed him by, at a time like this, bringing up possible inadequacies in the CIA or FBI. He was embarrassed. His naivete embarrasses me, because here in the New York Times today it shows that there are a lot of people who are members of the intelligence community, very much pro the CIA and the FBI in every way, who are embarrassed and want to see something done.

This is an article by Alison Mitchell:

''The House committee that oversees the Nation's intelligence agencies has called for far-reaching changes in intelligence operations and for an independent investigation into why government did not foresee or prevent the terrorist attacks on New York and Washington. Reflecting the mood since September 11, the House Permanent Select Committee on Intelligence, in a report accompanying a classified intelligence bill expected to be taken up by the House this week, says it is a matter of urgency 'like no other time in our Nation's history' to address the 'many critical problems facing the intelligence agencies.'''

Now, these are people who are friends and protectors of our intelligence agencies talking. This is the committee of responsibility, the House Permanent Select Committee on Intelligence.

''The bill approved by the committee late last week would create an independent 10-member commission to study 'preparedness and performance' of several Federal agencies during and after the September 11 strikes. It would also increase the roughly $30 billion intelligence budget, but the exact dollar sums the bill contains are classified.''

There are always increases; $30 billion is not enough, even though that was roughly the amount we had during the Cold War when we had the evil empire of the Soviet Union to battle. But $30 billion is not enough; we need more.

''The committee calls for a cultural revolution inside agencies like the Central Intelligence Agency and the Federal Bureau of Investigation, and a thorough review of the Nation's national security structures.''

This is the House committee itself responsible for this. In the past they have been rather soft on the CIA. The man who heads the Permanent Select Committee on Intelligence is the gentleman from Florida (Mr. GOSS). He is a former CIA agent. But here is the problem. In a later paragraph in the same article, we run into the problem: ''The House committee chose its words carefully. In the report that accompanies its bill, the committee says it does not in any way lay blame to the dedicated men and women of the U.S. intelligence community for the success of these attacks.''

□ 2045

''If blame must be assigned, the blame lies with a government as a whole that did not fully understand nor wanted to appreciate the significance of the new threats to our national security despite the warnings offered by the intelligence community.''

How is that for a turn of logic in terms of, no, the agency that is directly responsible is really not responsible? It is the government as a whole. Well, we are right back to me. I am part of the government as a whole. Every Congressman is part of the government as a whole. We are to blame. But we are not going to accept the blame by ourselves. We and the CIA and the FBI, the staff, the policy-making structure, we are all to blame. Do not say that the wonderful dedicated men and women of the U.S. intelligence community cannot be blamed.

When we talk about reform of welfare programs, any mother who deliberately got more food stamps than she should have we put her in jail. We call for maximum responsibility. So why are we running away from maximum responsibility and maximum accountability for people who are in such a critical position?

I will not read the entire article but I do want to complete just a few other

choice paragraphs. ''The commission would be appointed by the President and congressional leaders; and the commission would examine the performance of several Federal agencies responsible for public safety, law enforcement, national security, and intelligence gathering. It would have subpoena powers and would report back in six months of its formation.''

I think it is important to note that our previous speaker who laid a blistering attack against the INS, the INS which brought all of these immigrants in and is not doing a good job to keep people out, he holds them responsible, they are not mentioned in this article. They are not mentioned as an intelligence gathering agency or a national security agency. In fact, repeatedly, it has been noted that in terms of processing the terrorists that have been identified, the INS did its job. But it was a failure of communication between the FBI and the CIA after the INS pinpointed the people were in the country, the failure of communication that resulted in two of them not being apprehended.

''President Bush has already ordered internal reviews of intelligence gathering.'' President Bush has already ordered internal reviews of intelligence gathering. But the committee said, ''If history serves, however, no substantial changes will occur after these internal reviews are completed. The committee believes that major changes are necessary.''

Another way to interpret that is the usual response to any embarrassment experienced by the CIA or the FBI is to have an internal review. For the 19 years that I have been here, there have been several internal reviews of the CIA and FBI. Now this committee, this friendly committee is saying, look, we will not go for this. It is not going to result in any major difference. We need the independent investigation. I agree with the committee.

I applaud the fact that they are willing to tell the truth partially, but they are wrong in not assuming that we can hold accountable the CIA and FBI.

Further quoting from this article, ''While the intelligence bill is not expected to be controversial, some amendments could prove to be controversial as Congress contends with how much it wants to rethink the limits on covert operations. The House committee focused in its report on the shortage of intelligence analysts and case officers with foreign language skills.''

This is where I want to end. ''The House committee focused in its report on the shortage of intelligence analysts and case officers with foreign language skills. At the NSA and the CIA, thousands of pieces of data are never analyzed or are analyzed after the fact.'' It said, ''Because there are too few analysts, even fewer with the necessary language skills. Written materials can sit for months and times years before a linguist with proper security clearances and skills can begin the translation.''

Mr. Speaker, I want to go back and tell my constituents that we have a $30 billion agency that cannot find and hire linguists and analysts, and that documents which might have uncovered this plot have been sitting there all this time, and we do not want to blame anybody. The brave men of the CIA should not be blamed for allowing a situation like this to take place?

''The committee recommended that intelligence agencies offer bonuses for language proficiency. They are considering creating their own language schools.''

We do not to create language schools. There are languages schools out west. The military uses them. They can train anybody in any language. We need to have decision-making at the top that it is important for people to learn certain languages and to send them out there so you will not have a gaping hole in the operations of this magnitude.

''The committee also said that the Nation needed to increase its frontline field officers, clandestined case officers and defense attaches. It said a fresh look should be taken at restructuring the CIA.''

Where does education come into all of this? I started by saying I wanted to talk about education. They should have no problem finding the people they need in this great Nation. But I know one of problems they encounter if they find somebody who speaks the language, they have to go through a series of checks in terms of loyalty, et cetera. They find somebody who speaks the language, they may not write English well enough or they may not use computers well enough. They may not be appropriately educated.

We do not have a pool of educated people to draw from for those kind of jobs. We are headed toward a great calamity in the United States of America for a lack of educated people, people with college educations who can part of a pool from which you draw all the professionals you need. There is a teacher shortage of great magnitude. There is a law enforcement shortage. Law enforcement agencies are having trouble recruiting people. There is a shortage in the military in terms of people who are educated enough to operate very sophisticated high tech weaponry. Everywhere there is a shortage of people who are properly educated. So we are back to education. We do not need at this point to say that we have a major crisis created by September 11. And therefore, we should ignore the education bill that is being considered by the Senate and the House at that point or that we should downplay it and not give it the increases that were foreseen before September 11.

In New York City, there is a rush to cut the education budget. First thing they want to cut because we have less revenue coming in, we have a lot of problems. So education is the first agency on the chopping block. That is a primitive, backward reaction and failing to understand where we are.

Our law enforcement agencies, our CIA, our FBI, needs trained people to draw from, from diversified backgrounds. We cannot penetrate certain groups unless we have somebody who looks and acts and has the background and culture of that same group, but America is rich because of immigration. The immigration that has been criticized before has given us practically every religion, every ethnic group, every language in the world. We have to open our institutions to a process that allows these people to come in.

The CIA was sued by women and minorities. The FBI was sued by Hispanics and African-Americans. In the last 5 years, there have been suits brought against them for their discrimination. We are back to my third subject now, reparations.

The World Conference on Racism and how racism is a problem that keeps us from maximizing our resources, our human resources on our maximizing in this country because there are these layers of racism, and racism is worse in the law enforcement community than in any other sector of our society, whether we are talking about local law enforcement, state troopers or the Federal level. Racism is a major problem. We have to confront this and stop carrying the baggage of racism. We have to force the intelligence community to stop being so incestuous, incestuous, and open up so that they have the tools that are needed, the human resources.

Our electronic surveillance systems are magnificent. It can pinpoint people, objects, anywhere in the world, but this incident, this tragedy shows that we have to get down on the ground, and we have to have human beings face-to-face, whether they are agents or assets or people back in the office, analysts, good librarians.

I am a librarian. What they needed in many cases was good librarians to organize the information, librarians who also could speak the language, who would help them recruit people who speak the language. Arrangements could have been made to set up a first class translation system if the decision-makers on the top had considered it important.

So one of the questions I asked, which embarrassed one of my colleagues, the CIA and the FBI, do they have decision-makers who understand the cultures of our enemies? Is there anybody in the high place in the CIA or the FBI who understands the culture of Islam? Or who have a pool of people relating to them that they can rely on to give them up-to-date firsthand ongoing interpretation of what is happening?

Simple questions. I do not think I in any way endanger national security by asking the questions, and I said to myself, well, I may not push anybody to answer it because that might endanger national security, but now, since newspapers and talking heads and everybody is asking the same question, why do we not have people who understand the cultures, people who speak the language? We are asking the obvious questions.

Education would give us a pool of people who are in a position to be trained to take these positions. We cannot ever eliminate racism, but if we had less racism we could develop those diverse groups. Whether it is people who speak Islamic or different colors, whatever, if there was less racism we could make use of our great advantage of diversity which President Clinton so often talked about.

The conference on world racism which talked about reparations was hijacked by some selfish Arabs who forced the issue, twisted the issue and made it part of the conflict between Israel and Palestinians. So there was no real discussion of the ramifications of reparations, but reparations is something that we have to get off the table, an apology for slavery, something to get off the table. We ought to go on and do those things, apologize for slavery, just as the Japanese were asked to apologize and the Germans apologized to the holocaust victims. There have been a lot of apologies to people who have been wronged.

Let us apologize for slavery. Let us talk about reparations in some sensible way. It may mean just the creation of an education system which guarantees the descendents of slaves who were economically disadvantaged will always have the opportunity get the first class education, and by helping them get the first class education, we help to enlarge the pool of people we need.

There was a time when I heard frequently when I was younger in high school, I heard people say that the society only needs so many educated people, and therefore, if you educate too many people, there will be no jobs for educated people. I heard that at one of the colleges. I heard it as early as 10 years ago. People feeling that we have got enough educated people, but the needs have been mushrooming.

One of the characteristics of this very complex modern world of ours is that it needs so many more educated people. You cannot get educated people, of course, by giving more scholarships and fellowships at the college and university level if you do not have the raw material coming up from elementary and secondary schools.

Our problem in this country is not the opportunity for people who make it to college. There are all kinds of benefits, all kinds of opportunities for people who qualify to go to college. The problem is that there are too few among certain groups that are very much needed in this society who are able to qualify for entry into college.

So education, the kind of bill we are considering now, what President Bush chose to call leave no child behind becomes as vital as anything we are doing. The terrorism bill is not more important than the education bill. The stimulus bill that we are talking about, a package to help boost the economy at a time like this, it is not more important than the education bill.

In order for all of these things to work, we have got to have a continuing flow up from the pool of people with good education.

□ 2100

H. G. Wells said, and I often get the quote wrong, I am not sure I have it right, that ''civilization is a race between education and chaos.'' I think I came close to what he said. ''Civilization is a race between education and chaos.'' And it is even more true as our society becomes more complicated.

There are people who can wreck our computer systems and our whole cybernetworks, and we need people who are as smart as they are who are constantly able to have a counteraction and monitor these things. We need large numbers of young people with those kinds of minds. Large numbers. What happened at the World Trade Center showed how vulnerable an attack on a physical facility can be; but Y2K, which I understand, I do not know the details, but I understand we must give credit to the CIA and FBI for stopping some plots related to the sabotage of our whole computer system at the changing of the century. The Y2K problem that we were so concerned about.

Education is relevant today just as it was a few weeks ago. We have just completed a Congressional Black Caucus Annual Legislative Weekend where we come together from all over the country and we talk about certain issues and problems. I serve as the chairman of the Congressional Black Caucus Education Brain Trust. I am going to just read a statement that I made at the opening of our brain trust:

''As we assemble on this historic legislative weekend, we must all resolve that no emergency situation or special event will be allowed to lessen the priority we assign to the education emergency in the African American community. The nature of the critical problems that we presently face reemphasizes the need for America to have the most diverse and best educated population possible. In order to improve their operations and to achieve greater efficiency and excellence, every profession needs more and better educated recruits. Law enforcement and military agencies have a mushrooming need for personnel with information technology know-how. Unless we create and maintain a rapidly expanding pool of high quality students, the effectiveness of the military as well as intelligence operations will continue to be inadequate.

''Our Nation's needs for digital expertise will increase for a long time in the future. Activities similar to the recent terrorist act and other pressures on America will last into the next decade. Our school system has a new challenge and thus will need new resources. Advocates for education must focus intensely on current legislation at every level beginning with President Bush's 'Leave No Child Behind Act,' which is now under consideration. As America marshals its resources to fiercely fight new threats to our way of life, our greatest weapon remains our educated citizens. We shall overcome.''

Our educated citizens are our greatest weapon. This bill is not just any other bill. President Bush has led the creation of landmark education legislation. The bipartisan effort that went into this legislation is unprecedented.

There are pieces that I do not like. I do not like the fact that it has a great deal of emphasis on testing. I do not like the fact that it calls for a testing program for students in grades 3 to 8 every year; that there must be a testing program and the results of those tests will be used to judge the effectiveness of the schools. If a school is not doing well, after 2 years it will be put into a probationary program. After 3 years they may choose to reorganize the school, wipe it out and start something new, or send the kids off somewhere else.

It has some real harsh measures. Three years is not long enough. We do not really pass judgment on most projects at 3 years. A school and the process of education is very complicated. In the conference committee we are now trying to ameliorate some of the harshness. But basically that is a feature I do not like.

I do like the fact the President proposed that we double title I funding. Title I funding in 5 years is supposed to go to $17.2 billion. That makes the bill worthwhile. We have some problems between the Senate and the House in terms of overall funding authorization. I like the Senate figure of $32 billion versus the House figure of $23 billion. We can do so much more with the $32 billion in terms of meeting the education crisis that we face.

I propose that we support efforts in this bill to double the funding for school renovation. Unfortunately, the House bill had zero dollars for school repairs, construction or renovation. The Senate bill had $200 million for charter school construction. But since the item of construction is included, it is fair game for discussion, and I am proposing that we accept the charter school construction.

But there is another construction item that we have in operation at this point, and that is a program that is underway, which most Members of Congress do not know about, and that is the program to repair and renovate schools with $1.2 billion that was included in the omnibus appropriations bill last fall. President Clinton signed it on December 21.

H.R. 4577 had a provision for $1.2 billion for school renovation and modernization. I am happy to report, and most people do not know about it so I am taking this time to talk about it, because I want the children of America to celebrate with me, it is a hidden victory, but I am happy to report that the distribution of the $1.2 billion for school repairs and renovation is going forward. I have a list of the amounts of money that each State will get.

New York will get $105 million. You can build a few schools with $105 million. California, of course the largest population, gets $138 million. On and on it goes. It is a small amount of money, $1.2 billion, because we need about $200 billion to rebuild our schools across America; but this was a breakthrough. We persisted. We said our institutions are not working properly. The Department of Education did not support school construction. We took our case straight to the President. And finally, in his last month, we got the President to approve $1.2 billion.

It is a good example of how citizen scrutiny, citizen push makes a difference. Just like the Mothers Against Drunk Driving, MADD, made a big difference with regard to policies on drunk driving. The Million Moms March started us on the road to more reform toward gun safety. We need a citizens group that is watching our law enforcement agencies at the national level. Citizens, ordinary people, should be asking questions about the way the CIA operates and the way the FBI operates. The fine-tuning of these vital institutions, the lubrication, the guarantee that the very best that we can get is occurring in these agencies is a life and death matter. It is a life and death matter.

Another item in the education bill is increased funding for IDEA, special education. The Senate has taken a position that we need to have the funding for special education as a mandatory expenditure off the budget, not competing with other budget priorities in education. I wholeheartedly support that. The Congressional Black Caucus wholeheartedly supports mandatory expenditure of IDEA; that the special education programs should be covered with mandatory expenditures and not part of the regular budget.

We insist that the Federal Government pay for any costs of these new tests. I do not like the test, but if we are to have the tests from grades 3 to 8, the costs should be paid for by the Federal Government, which mandates them.

We support the inclusion of two very effective programs that we helped to create, Community Technology Centers and 21st Century Community Learning Centers, which have afterschool components and Saturday workshop components and summer school components.

We support funding for Teaching Quality Grants, Troops to Teachers, which is a program which allows people in other careers to become teachers with a minimum amount of red tape. We support HBCUs. Historically Black Colleges and Universities should be involved in these teacher recruitment programs, teacher training, teacher orientation, so that there are more minority teachers brought into the education field.

We also support the funding of a special initiative by the information technology industry and the computer industry to assist in establishing functional technology programs in schools. During this period of slow activity within that industry, such goods and services should be provided at a discount rate. An authorization program of this nature, if we authorize it in the education package, it will be eligible for additional funding in the economic stimulus package. I think it would contribute greatly to closing of the digital divide to have those high-tech agencies in the computer industry, in the software industry, who have a lot of idle workers and who are going through a crisis, to have them at this point bring all of our educational institutions up to date at cut rates. Let them do it at very low rates as a contribution, but it also would give them work.

Returning to the Congressional Black Caucus weekend, on Saturday we had a special tech fair, and I talked about the digital divide: ''Closing the digital divide, building schools first must be a continuing priority for all of us who welcome the new cyber-civilization and who are determined to rescue the communities and students that are being left behind. Partnerships to promote school construction and education technology are absolute necessities. Uniting labor unions and underserved schools and communities to gain repairs, wiring, and new schools is one kingpin goal of education. Fostering private sector partnerships to assist in carrying the initiatives of the Federal Government forward to practical utilization is a high priority of the Congressional Black Caucus Foundation's Annual Legislative Weekend.

''One of the boldest and most vital proposals of the Congressional Black Caucus during the 106th Congress involves the heart of the national debate on education: funding for school construction. Time and time again, poll after poll, the American people have identified education as our number one priority. And during a recent debate on the floor of the U.S. House of Representatives, more than 70 Members of Congress endorsed the caucus's alternative budget that called for a $10 billion increase over the President's budget for school construction. In a period of unprecedented wealth and opportunity, the caucus believes that this amount should be taken from the $200 billion budget surplus.

''I believe an investment for the future should be our first priority. Maximizing opportunities for individual citizens is synonymous with maximizing the growth and expansion of the U.S. superpower economy. It is the age of information. It is a time of computer and digitalization. It is the era of thousands of high-level vacancies because there are not enough information technology workers. With enlightened budget decisions, we can, at this moment, begin the shaping of the contours of a new cyber-civilization. If we fail to seize this moment, to make investments that will allow a great Nation to surge forward in the creation of this new cyber-civilization, then our children and grandchildren will frown on us and lament the fact that we failed, not because we lacked fiscal resources, but because our very devastating blunder was due to a poverty of vision.''

At our decision-makers lunch we had as a guest the honorable Dan Goldin, who is the administrator of NASA. Dan Goldin has visions for where we should go in space. And unlike any other administrator in government, Dan Goldin understands that in order for us to realize our ambitions and our dreams for outerspace, we must have a firm foundation of education which is constantly creating new pools of recruits to go into our various professions.

Dan Goldin pointed out that at NASA there are twice as many people over 60 as there are under 30. The space program faces a critical shortage. If that agency faces a critical shortage, imagine all of our other priority projects and industries where that must be so.

In conclusion, it may be that these three topics do not really relate, but I think that it is time that we put forth the energy to make it merge. We must merge them and understand the complexity of our society.

My message is our institutions are vital. But to keep them functioning properly, they must have the scrutiny of the American people at all times. They must be kept in good tune, well tuned and well lubricated, to do the job they are set up to do.

□ 2115

If they do not do that, it is a life and death matter, and we have just experienced an unfortunate matter where thousands of people died because we in the government could not keep our people safe from harm.

Mr. Speaker, we feel guilty about that, but the important thing is to look forward and make certain that it never happens again.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCINNIS) to revise and extend their remarks and include extraneous material:)

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. SHERMAN, for 5 minutes, today.

Ms. MCKINNEY, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

Mr. LANGEVIN, for 5 minutes, today.

Mrs. MALONEY of New York, for 5 minutes, today.

Mr. BLUMENAUER, for 5 minutes, today.

Mr. SMITH of Washington, for 5 minutes, today.

Mr. FOLEY, for 5 minutes, October 4.

Mr. NUSSLE, for 5 minutes, today.

Mr. WELDON of Florida, for 5 minutes, October 4.

ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1583. An act to designate the Federal building and United States courthouse located at 121 West Spring Street in New Albany, Indiana, as the ''Lee H. Hamilton Federal Building and United States Courthouse.''

H.R. 1860. An act to reauthorize the Small Business Technology Transfer Program, and for other purposes.

ADJOURNMENT

Mr. OWENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 15 minutes p.m.), the House adjourned until tomorrow, Thursday, October 4, 2001, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

4056. A letter from the Acting Administrator, Rural Utilities Service, Department of Agriculture, transmitting the Department's final rule—RUS Standard for Service Installations at Customer Access Locations—received September 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4057. A letter from the Acting Administrator, Rural Utilities Service, Department of Agriculture, transmitting the Department's final rule—Telecommunications System Construction Contract and Specifications (RIN: 0572–AB41) received September 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4058. A letter from the Deputy Assistant Administrator, Office of Diversion Control, DEA, Department of Justice, transmitting the Department's final rule—Schedule of Controlled Substances: Placement of Dichloralphenazone Into Schedule IV [DEA 209F] (RIN: 1117–AA59) received September 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4059. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—List of Approved Spent Fuel Storage Casks: NAC-MPC Revision (RIN: 3150–AG83) received September 4, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4060. A letter from the Executive Secretary and Chief of Staff, Agency for International Development, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

4061. A letter from the Executive Secretary and Chief of Staff, Agency for International Development, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

4062. A letter from the Executive Director, Committee for Purchase from People Who Are Blind or Severely Disabled, transmitting the Committee's final rule—Additions to and Deletions from the Procurement List—received September 4, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

4063. A letter from the General Counsel, Department of Housing and Urban Development, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

4064. A letter from the White House Liaison, Department of Justice, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

4065. A letter from the Attorney/Advisor, Department of Transportation, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

4066. A letter from the Attorney/Advisor, Department of Transportation, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

4067. A letter from the Attorney/Advisor, Department of Transportation, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

4068. A letter from the Attorney/Advisor, Department of Transportation, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

4069. A letter from the Special Assistant, White House Liaison, Department of Transportation, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

4070. A letter from the Deputy Assistant Administrator, Office of Diversion Control, Department of Justice, transmitting the Department's final rule—Listed Chemicals; Establishment of Non-Regulated Transactions in Anhydrous Hydrogen Hydrogen Chloride [DEA–156FF] (RIN: 1117–AA43) received September 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

4071. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone; Milwaukee Home Run 2001 Hog Rally Fireworks, Milwaukee, WI [CGD09–01–115] (RIN: 2115–AA97) received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4072. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Special Local Regulations for Marine Events; Nanticoke River, Sharptown, Maryland [CGD05–01–055] (RIN: 2115–AE46) received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4073. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Special Local Regulations for Marine Events; Wrightsville Channel, Wrightsville Beach, North Carolina [CGD05–01–054] received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4074. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Special Local Regulations for Marine Events; Milwaukee River, Milwaukee, WI [CGD09–01–119] (RIN: 2115–AE46) received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4075. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations; Trail Creek, IN [CGD09–01–003] (RIN: 2115–AE47) received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4076. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operating Regulation; Atchafalaya River, LA [CGD08–01–028] received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4077. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations; Cheboygan River, MI [CGD09–01–008] (RIN: 2115–AE47) received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4078. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operating Regulation; Inner Harbor Navigation Canal, LA [CGD08–01–030] received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4079. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operations Regulations; Duwamish Waterway and Lake Washington Ship Canal, WA [CGD13–99–005] received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4080. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operating Regulation; Port Allen Canal, LA [CGD08–01–027] received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4081. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Special Local Regulations for Marine Events; Delaware River, Pea Patch Island to Delaware City, Delaware [CGD05–01–053] (RIN: 2115–AE46) received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4082. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bombardier Model DHC–8–102, 103, -106, -201, 202, -301, -311, -314, and -315 Series Airplanes [Docket No. 2000–NM–45–AD; Amendment 39–12301; AD 2001–13–19] (RIN: 2120–AA64) received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4083. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bombardier Model DHC–8–100, -200, and -300 Series Airplanes [Docket No. 99–NM–371–AD; Amendment 39–12414; AD 2001–17–23] (RIN: 2120–AA64) received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4084. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model MD–11 Series Airplanes [Docket No. 2001–NM–145–AD; Amendment 39–12422; AD 98–24–02 R1] (RIN: 2120–AA64) received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4085. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC–10 and MD–10 Series Airplanes [Docket No. 2000–NM–149–AD; Amendment 39–12413; AD 2001–17–22] (RIN: 2120–AA64) received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4086. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model 717 Series Airplanes [Docket No. 2001–NM–47–AD; Amendment 39–12412; AD 2001–17–21] (RIN: 2120–AA64) received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4087. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC–10 Series Airplanes, and KC–10A and KDC–10 (Military) Airplanes [Docket No. 2000–NM–69–AD; Amendment 39–12410; AD 2001–17–19] (RIN: 2120–AA64) received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4088. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Agusta S.p.A. Model A109E Helicopters [Docket No. 2001–SW–24–AD; Amendment 39–12407; AD 2001–17–16] (RIN: 2120–AA64) received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4089. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Israel Aircraft Industries, Ltd., Model Astra SPX and 1125 Westwind Astra Series Airplanes [Docket No. 2001–NM–261–AD; Amendment 39–12418; AD 2001–17–27] (RIN: 2120–AA64) received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4090. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Special Local Regulations for Marine Events; Hampton River, Hampton, Virginia [CGD05–01–056] received September 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4091. A letter from the Deputy Assistant Administrator for Satellite and Information Services, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Financial Assistance for the Use of Satellite Data for Studying Local and Regional Phenomena [Docket No. 980608149–1186–02] (RIN: 0648–ZA44) received September 4, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

4092. A letter from the Director, Office of Regulations Management, Department of Veterans' Affairs, transmitting the Department's final rule—Duty to Assist (RIN: 2900–AK69) received September 4, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HANSEN: Committee on Resources. H.R. 1989. A bill to reauthorize various fishery conservation management programs; with an amendment (Rept. 107–227). Referred to the Committee of the Whole House on the State of the Union.

Mr. GOSS: Committee on Rules. House Resolution 252. Resolution providing for consideration of the bill (H.R. 2883) to authorize appropriations for fiscal year 2002 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. 107–228). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. OXLEY (for himself, Mr. LAFALCE, Mr. LEACH, Mrs. MALONEY of New York, Mrs. ROUKEMA, Mr. BENTSEN, Ms. HOOLEY of Oregon, Mr. BEREUTER, Mr. BAKER, Mr. BACHUS, Mr. KING, Mrs. KELLY, Mr. GILLMOR, Mr. CANTOR, Mr. RILEY, Mr. LATOURETTE, Mr. GREEN of Wisconsin, and Mr. GRUCCI):

H.R. 3004. A bill to combat the financing of terrorism and other financial crimes, and for other purposes; to the Committee on Financial Services, and in addition to the Committees on the Judiciary, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. THOMAS (for himself, Mr. CRANE, Mr. DREIER, Mr. JEFFERSON, Mr. TANNER, and Mr. DOOLEY of California):

H.R. 3005. A bill to extend trade authorities procedures with respect to reciprocal trade agreements; to the Committee on Ways and Means, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. JO ANN DAVIS of Virginia (for herself, Mr. SMITH of New Jersey, and Mr. PITTS):

H.R. 3006. A bill to require assurances that certain family planning service projects and programs will provide pamphlets containing the contact information of adoption centers; to the Committee on Energy and Commerce.

By Mr. SHUSTER (for himself, Mr. EHLERS, Mr. HAYES, Mr. BOSWELL, Mr. PETERSON of Minnesota, Mr. LAMPSON, Mr. OTTER, Mrs. KELLY, and Mr. DUNCAN):

H.R. 3007. A bill to provide economic relief to general aviation small business concerns that have suffered substantial economic injury as a result of the terrorist attacks perpetrated against the United States on September 11, 2001; to the Committee on Small Business, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. JOHNSON of Connecticut (for herself, Ms. DUNN, and Mr. ENGLISH):

H.R. 3008. A bill to reauthorize the trade adjustment assistance program under the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. CRANE (for himself and Mr. THOMAS):

H.R. 3009. A bill to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; to the Committee on Ways and Means.

By Mr. CRANE:

H.R. 3010. A bill to amend the Trade Act of 1974 to extend the Generalized System of Preferences until December 31, 2002; to the Committee on Ways and Means.

By Ms. VELÁZQUEZ (for herself, Mr. DAVIS of Illinois, Mr. PASCRELL, Mrs. CHRISTENSEN, Mr. BRADY of Pennsylvania, Mr. GONZALEZ, Mrs. NAPOLITANO, Mr. PHELPS, Mrs. JONES of Ohio, Mr. UDALL of New Mexico, Mr. UDALL of Colorado, Mr. BAIRD, Mr. ROSS, Mr. LANGEVIN, Mr. CARSON of Oklahoma, Mr. ACEVEDO-VILA, Mr. ALLEN, Mr. KENNEDY of Rhode Island, Mr. PALLONE, Mr. ANDREWS, Mr. OWENS, Mr. WEINER, and Ms. MILLENDER-MCDONALD):

H.R. 3011. A bill to authorize the Administrator of the Small Business Administration to make loans to certain concerns that suffered economic and other injury as result of the terrorist attacks against the United States that occurred on September 11, 2001, and for other purposes; to the Committee on Small Business.

By Mr. BLUNT:

H.R. 3012. A bill to amend the Internal Revenue Code of 1986 to allow any employer maintaining a defined benefit plan that is not a governmental plan to treat employee contributions as pretax employer contributions if picked up by the employer; to the Committee on Ways and Means.

By Ms. BROWN of Florida:

H.R. 3013. A bill to direct the Secretary of Transportation to take actions to improve security at the maritime borders of the United States; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MCCARTHY of New York (for herself, Mr. GRUCCI, Mr. TRAFICANT, Mr. FILNER, and Mrs. MORELLA):

H.R. 3014. A bill to amend the Public Health Services Act to require the Director of the National Institutes of Health to expand and intensify research regarding Diamond-Blackfan Anemia; to the Committee on Energy and Commerce.

By Ms. SOLIS (for herself, Mr. BORSKI, Mr. KUCINICH, Ms. LEE, Mr. CLEMENT, Mr. CLAY, Mr. FILNER, Mr. OWENS, Ms. WATERS, Mr. NADLER, Ms. WATSON, Mr. OLVER, Mr. BISHOP, Mr. BROWN of Ohio, Mrs. CHRISTENSEN, Mr. WYNN, Mr. DAVIS of Illinois, Mr. SANDERS, and Mr. UDALL of Colorado):

H.R. 3015. A bill to amend the Internal Revenue Code of 1986 to provide a refund of up to $300 to individuals for payroll taxes paid in 2000; to the Committee on Ways and Means.

By Mr. TAUZIN (for himself and Mr. DINGELL):

H.R. 3016. A bill to amend the Antiterrorism and Effective Death Penalty Act of 1996 with respect to the responsibilities of the Secretary of Health and Human Services regarding biological agents and toxins, and to amend title 18, United States Code, with respect to such agents and toxins, to clarify the application of cable television system privacy requirements to new cable services, to strenghen security at certain nuclear facilities, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. UDALL of New Mexico (for himself, Mrs. MCCARTHY of New York, Mrs. KELLY, and Mr. DOYLE):

H.R. 3017. A bill to amend title 38, United States Code, to enhance the authority of the Secretary of Veterans Affairs to recruit and retain qualified nurses for the Veterans Health Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SAM JOHNSON of Texas (for himself and Mr. CRANE):

H.J. Res. 66. A joint resolution proposing an amendment to the Constitution of the United States to abolish the Federal income tax; to the Committee on the Judiciary.

By Mr. GILMAN:

H. Con. Res. 241. Concurrent resolution expressing the sense of the Congress that trained service dogs should be recognized for their service in the rescue and recovery efforts in the aftermath of the terrorist attacks on the United States on September 11, 2001; to the Committee on Government Reform.

By Mr. STUPAK:

H. Res. 253. A resolution recommending the integration of the Republic of Slovakia into the North Atlantic Treaty Organization (NATO); to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Mr. SHAW introduced a bill (H.R. 3018) to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Lauderdale Lady*; which was referred to the Committee on Transportation and Infrastructure.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 17: Ms. LEE.

H.R. 303: Mr. MATSUI.

H.R. 525: Ms. HARMAN.

H.R. 527: Mrs. JOHNSON of Connecticut, Mr. PICKERING, and Mr. JOHNSON of Illinois.

H.R. 537: Mr. DIAZ-BALART and Mr. FORD.

H.R. 544: Ms. LEE.

H.R. 876: Mr. REHBERG.

H.R. 959: Mr. WAXMAN.

H.R. 993: Mr. BEREUTER.

H.R. 1097: Mr. PETRI, Ms. MILLENDER-MCDONALD, and Mr. THOMPSON of Mississippi.

H.R. 1108: Ms. WOOLSEY.

H.R. 1136: Ms. MCCOLLUM and Mr. HALL of Texas.

H.R. 1155: Mr. NUSSLE, Mr. LARSEN of Washington, and Mrs. BIGGERT.

H.R. 1341: Mr. SUNUNU and Mr. ALLEN.

H.R. 1383: Mrs. BIGGERT, Mr. BEREUTER, Ms. HOOLEY of Oregon, Mrs. MYRICK, Mr. LANGEVIN, Mr. FALEOMAVAEGA, Mr. MOORE, and Mr. WATKINS.

H.R. 1556: Mr. BEREUTER, Mr. SHAW, Mr. TAYLOR of Mississippi, and Mr. ROGERS of Kentucky.

H.R. 1567: Mr. FRANK.

H.R. 1609: Mr. COYNE.

H.R. 1780: Mr. MCHUGH, Mr. FROST, Mr. REYNOLDS, Mr. JENKINS, Mr. SIMMONS, Mr. HOLDEN, and Mr. RILEY.

H.R. 1782: Mr. GOODE.

H.R. 1851: Ms. LEE.

H.R. 1948: Mr. GRAHAM.

H.R. 1979: Mr. CANTOR.

H.R. 2117: Mr. GILLMOR and Mr. WATT of North Carolina.

H.R. 2157: Mr. FARR of California.

H.R. 2362: Mrs. THURMAN, Mr. DINGELL, Mr. MEEHAN, Mr. SMITH of New Jersey, Mr. PAYNE, Mr. HOLT, Mr. MENENDEZ, Mr. ENGEL, Mr. OLVER, Mr. MARKEY, Mr. TOOMEY, Mr. CAPUANO, Mr. DELAHUNT, Mr. LIPINSKI, and Mr. NEAL of Massachusetts.

H.R. 2375: Mr. UPTON, Mr. WATT of North Carolina, Mr. LANTOS, and Mr. SMITH of New Jersey.

H.R. 2482: Ms. PELOSI and Mr. OWENS.

H.R. 2485: Mr. ARMEY.

H.R. 2515: Mr. SHOWS, Mr. BOUCHER, Mr. WALDEN of Oregon, Ms. HOOLEY of Oregon, Mr. OSE, Mr. CANTOR, and Mr. MCCRERY.

H.R. 2527: Mr. OBERSTAR and Mr. FORD.

H.R. 2593: Mr. CONYERS.

H.R. 2598: Mr. RUSH and Ms. LEE

H.R. 2725: Mr. GIBBONS, Mr. LARSON of Connecticut, and Mr. MALONEY of Connecticut.

H.R. 2839: Mrs. NAPOLITANO, Ms. WOOLSEY, Mr. OWENS, Ms. WATSON, Mr. HASTINGS of Florida, Mrs. CHRISTENSEN, Mr. PAYNE, and Mr. LEWIS of Georgia.

H.R. 2841: Mrs. CLAYTON, Mr. FROST, Mr. HAYES, Ms. EDDIE BERNICE JOHNSON of Texas, and Mrs. THURMAN.

H.R. 2895: Mr. BONIOR, Mr. LARSON of Connecticut, Mr. PLATTS, Mr. FRANK, and Mr. GEORGE MILLER of California.

H.R. 2896: Mr. HEFLEY, Mrs. MINK of Hawaii, Mr. SCHAFFER, and Mr. BARTLETT of Maryland.

H.R. 2899: Mr. GALLEGLY.

H.R. 2917: Mr. ROHRABACHER, Mr. CALVERT, Mr. REGULA, Mr. KIRK, Mr. MCNULTY, Mr. PUTNAM, Mr. ISAKSON, Mr. WALSH, Mr. EVERETT, Mr. REYES, Mr. OXLEY, Mr. KOLBE, Mr. SHIMKUS, Mr. SCHROCK, Mr. UDALL of Colorado, Mr. FORBES, Mr. MORAN of Virginia, Mr. HONDA, Ms. HART, Mr. BERMAN, Mrs. MINK of Hawaii, Mr. HALL of Texas, Ms. BERKLEY, Mr. GEKAS, Ms. MCCOLLUM, Mr. PRICE of North Carolina, Mr. SANDERS. Mr. HOEFFEL, and Ms. MCKINNEY.

H.R. 2932: Mr. PLATTS, Ms. BROWN of Florida, and Mr. ENGLISH.

H.R. 2942: Mr. ENGLISH.

H.R. 2955: Mr. MCGOVERN, Mrs. CAPPS, Mr. SMITH of Washington, Mr. LAMPSON, Mr. KILDEE, Mr. UDALL of Colorado, Mr. UDALL of New Mexico, Ms. PELOSI, Mr. STRICKLAND, Mr. CAPUANO, Mr. ABERCROMBIE, Mr. ROTHMAN, Mr. SAWYER, Mr. FROST, Mr. MASCARA, Mr. OWENS, Mr. DEUTSCH, Mr. SCHIFF, Mr. LUCAS of Kentucky, Mr. FILNER, Mr. STUPAK, Ms. HARMAN, Ms. SLAUGHTER, Mr. JEFFERSON, and Ms. LEE.

H.R. 2965: Mr. DEAL of Georgia and Mr. FOLEY.

H.R. 2970: Mr. CRANE.

H.R. 2981: Mr. BLUNT, Mr. ROGERS of Michigan, Mr. BUYER, Mr. FOSSELLA, Mr. TERRY, Mr. BRYANT, Mr. LARGENT, Mr. SHADEGG, Mr. PITTS, Ms. ESHOO, Mr. SAWYER, Mr. DEAL of Georgia, Mrs. WILSON, Mr. GANSKE, Mr. COX, Mr. CRANE, and Mr. PICKERING.

H.R. 2998: Mr. CROWLEY.

H.R. 3003: Mr. FILNER, Mr. CLAY, and Mr. BONIOR.

H.J. Res. 40: Mr. BARCIA, Mr. COSTELLO, Mr. GREEN of Texas, Mr. HILL, Mr. PETERSON of Minnesota, Mr. SANDLIN, Mr. HALL of Texas, Mr. BORSKI, Mr. STRICKLAND, and Mr. NEAL of Massachusetts.

H.J. Res. 54: Mr. BLUNT.

H. Con. Res. 232: Mr. FORBES, Mr. HANSEN, Mr. LATOURETTE, Mr. SAWYER, Mr. BEREUTER, Mr. SKELTON, Mr. ABERCROMBIE, Mr. SCHIFF, Ms. ESHOO, Mr. LIPINSKI, Ms. SLAUGHTER, Ms. LEE, and Mr. TRAFICANT.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 2646

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 66: Page 361, add after line 3 the following:

TITLE X—REPORTS

SEC. 1001. ANNUAL REPORT ON IMPORTS OF BEEF AND PORK.

The Secretary shall submit to the Congress an annual report on the amount of beef and pork that is imported into the United States each calendar year.

H.R. 2883

OFFERED BY: MR. GOSS

AMENDMENT NO. 1: Strike the heading of section 306 (page 12, lines 1 and 2) and insert the following:

SEC. 306. COMMISSION ON NATIONAL SECURITY READINESS.

Page 12, beginning on line 4, strike ''Commission on Preparedness and Performance of the Federal Government for the September 11 Acts of Terrorism'' and insert ''Commission on National Security Readiness''.

Page 12, strike lines 9 through 17 and insert the following:

(1) REVIEW.—With respect to the acts of terrorism committed against the United States on September 11, 2001, the Commission shall review the national security readiness of the United States to identify structural impediments to the effective collection, analysis, and sharing of information on national security threats, particularly terrorism. For purposes of the preceding sentence, the scope of the review shall include—

Page 13, line 8, strike ''subsection (g)'' and insert ''subsection (f)''.

Page 13, line 11, strike ''10'' and insert ''8''.

Page 13, line 13, strike ''4'' and insert ''2''.

Page 13, after line 21, insert the following new paragraph and redesignate the succeeding paragraphs accordingly:

(2) QUALIFICATIONS.—(A) A member of the Commission shall have substantial Federal law enforcement, intelligence, or military experience with appropriate security clearance.

(B) A member of the Commission may not be a full-time officer or employee of the United States.

Page 16, beginning on line 5, strike ''hold hearings,''.

Page 16, beginning on line 8, strike ''The Commission'' and all that follows through the end of line 9.

Strike paragraph (6) of section 306(e) (page 17, beginning on line 7 through page 19, line 3) and redesignate the succeeding paragraph accordingly).

Page 19, line 10, strike ''6 months'' and insert ''one year''.

Page 19, beginning on line 17, by striking ''subsection (g)'' and insert ''subsection (f)''.

H.R. 2883

OFFERED BY: MR. LAHOOD

AMENDMENT NO. 2: Page 12, beginning on line 1, strike section 306 (page 12, line 1, through page 19, line 18).

H.R. 2883

OFFERED BY: MR. SIMMONS

AMENDMENT NO. 3: At the end of title IV, page 21, after line 12, insert the following new section:

SEC. 404. FULL REIMBURSEMENT FOR PROFESSIONAL LIABILITY INSURANCE OF COUNTERTERRORISM EMPLOYEES.

Section 406(a)(2) of the Intelligence Authorization Act for Fiscal Year 2001 (Public Law 106–567; 114 Stat. 2849; 5 U.S.C. prec. 5941 note) is amended by striking ''one-half'' and inserting ''100 percent''.

H.R. 2883

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 4: Page 19, line 15, strike the period and insert the following: '', and shall include a comprehensive assessment of security at the borders of the United States with respect to terrorist and narcotic interdiction efforts.''.

H.R. 2883

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 5: At the end of title III (page 19, after line 18), insert the following new section:

SEC. ___. COMPLIANCE WITH BUY AMERICAN ACT AND SENSE OF CONGRESS REGARDING PURCHASE OF AMERICAN-MADE EQUIPMENT, PRODUCTS, AND SERVICES.

(a) COMPLIANCE WITH BUY AMERICAN ACT.—No funds authorized to be appropriated in this Act may be provided to a person or entity unless the person or entity agrees to comply with the Buy American Act (41 U.S.C. 10a–10c) in the expenditure of the funds.

(b) SENSE OF CONGRESS.—In the case of any equipment, products, or services that may be authorized to be purchased using funds authorized to be appropriated in this Act, it is the sense of Congress that recipients of such funds should, in expending the funds, purchase only American-made equipment, products, and services.

H.R. 2883

OFFERED BY: MR. WOLF

AMENDMENT NO. 6: At the end of title III (page 19, after line 18) insert the following new section:

SEC. 307. IMPLEMENTATION OF RECOMMENDATIONS OF THE NATIONAL COMMISSION ON TERRORISM.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Director of Central Intelligence, in cooperation with the heads of the departments and agencies of the United States involved, shall implement the recommended changes to counterterrorism policy in preventing and punishing international terrorism directed toward the United States contained in the report submitted to the President and the Congress by the National Commission on Terrorism established in section 591 of Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277; 112 Stat. 2681–210).

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act, if the Director of Central Intelligence determines that one or more of the recommended changes referred to in subsection (a) will not be implemented, the Director shall submit to Congress a report containing a detailed explanation of that determination.

EXTENSIONS OF REMARKS

FRED AND JANE MARTINI: A LOVING UNION

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. BARCIA. Mr. Speaker, I rise today to honor two very special friends, Fred and Jane Martini of Hampton Township, Michigan, as they prepare to celebrate fifty years of marriage and a loving commitment to each other, their two children, four grandsons and their great-granddaughter. The Martinis' devotion and dedication to all around them has set a high benchmark to which their family, friends and neighbors might aspire.

From the day they were married on October 6, 1951 at St. John's Church in Pinconning, Michigan, Fred and Jane have helped nurture a community of loving persons by setting a beautiful example for all those whose lives they have touched. Their marriage has been blessed with two remarkable children, Cynthia and James. Both parents worked hard to create a good and supportive family environment. While they never lost sight of that priority, the Martinis recognized that they also had a responsibility beyond their family and they somehow managed to find time to give back to their community in untold ways that will long be remembered.

After serving in the U.S. Army Air Corps during World War II, Fred began an extensive and venerable career with Consumers Power Company, retiring after 36 years. In his spare time, Fred was active with the Boy Scouts, taught civil defense, volunteered for the United Way and served as an Elder with Immanuel Lutheran Church. Over the years, Jane held numerous political positions in Hampton Township and in Bay County. She was first elected to the Township Board in 1968 and then spent 18 years as Township Clerk. In fact, during her tenure as Clerk, she registered me allowing me to vote for the first time so many years ago. Throughout her life, Jane has volunteered to serve on many boards and committees, including the Bay County Library Board and the Senior Citizens Advisory Board.

Fred and Jane, however, never forgot about each other, despite their active lifestyles, because a strong marriage not only is a covenant with one another, it serves as a declaration of eternal love. As the Gospel according to John teaches, a person who loves others ''knows God for God is Love.'' The everlasting union shared by Fred and Jane serves as a shining example of the power of love and its capacity to bring us all closer to the warmth and grace of our creator.

Mr. Speaker, I ask my colleagues to join me in congratulating Fred and Jane for achieving a rarely reached milestone of fifty years of marriage. The fullness of their commitment and the bountifulness of their love strengthen us all and we look to them for many more years of happiness.

THE 25TH ANNIVERSARY OF OHIODANCE

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. KUCINICH. Mr. Speaker, I rise today to honor and recognize OhioDance, Ohio's statewide service organization for dance and movement arts, on their 25th anniversary.

OhioDance has long been dedicated to supporting the diverse and vibrant field of dance in Ohio by providing communication, information, education, cooperation building, and organizational services to the entire state. OhioDance serves a variety of audiences from professional companies and dancers to amateur dancers. They benefit college and university dance departments, dance studios, school and community programs, and dance supporters. OhioDance also provides a quarterly newsletter, dance calender, and directory/recourse guide.

The Ohio Dance Festival is to be held this year on October 19–20 and will prove to be an amazing time for all those in attendance. In conjunction with this year's festival, OhioDance will produce statewide showcases and master classes.

Over the past few years, OhioDance has partnered with countless organizations to promote their goal and affect more Ohio citizens. Recently, they have collaborated with the Ohio Department of Education, the Ohio Arts Council, and K–12 teachers in the development of dance education curriculum.

Mr. Speaker, please join me in celebration on this very special 25th Anniversary of OhioDance. Their admirable mission to spread the art of dance to all Ohio citizens should be commended by all.

MEMORIALIZING FALLEN FIREFIGHTERS

SPEECH OF

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 2001

Mr. WALSH. Madam Speaker, as an original co-sponsor of this legislation, I also rise in support of H.J. Res. 42 sponsored by Congressman CASTLE, which requires each year, the American flags on all Federal office buildings be lowered to half-staff in honor of the National Fallen Firefighters Memorial Service in Emittsburg, Maryland. This modest tribute to our nation's fallen heroes is long overdue.

Roughly 1.2 million men and women serve our country as fire and emergency personnel and, on average, 100 firefighters sacrifice their lives each year. This year has been especially troubling for the fire service with 343 firefighters confirmed missing or dead as a result of the tragic events that unfolded on September 11th in New York City. It has also been a troubling year in Upstate New York as well. In my own Congressional district we lost Maine Firefighter Joe Vargason, who was killed by a drunk driver as he directed traffic at a car fire. Firefighter Vargason had honorably served the Maine community for 22 years prior to his death. Just last week, 19 year old Lairdsville Firefighter Bradley Golden perished during a ''live-burn'' training exercise in Oneida County, New York in Congressman BOEHLERT's district.

These tragedies remind us all how dangerous the fire fighting profession truly is. Answering 16 million calls a year firefighters young and old, experienced or rookies, are always in harms way. They put their lives' on the line every call to ensure our nation's safety.

The many sacrifices firefighters make remind me of the Baker Fireman's Fountain located in Owego, NY. The fountain was given to the Village of Owego and its firefighters in 1914 by Frank M. Baker as a memorial to his son, George Hobart Baker, who was killed in an automobile accident in 1913. Both men had been members and chief engineers of the Owego Fire Department. This fountain has become a symbol of Tioga County. The fountain depicts a firefighter holding a young baby at a fire scene demonstrating the strength, devotion, and unselfish caring that is a part of all firefighters. It is standing testament to the courage and honor of these brave men and women who are willing to pay the ultimate price for us every time they are called to duty.

Much like the Baker Fireman's Fountain, H.J. Res. 42 will also honor the men and women who are firefighters. Lowering the flag to half-staff each year is a fitting tribute to our nation's heroes. We as a nation are forever in their debt.

TRIBUTE TO THE COMMUNITY CHRISTIAN CHURCH, ALTON, ILLINOIS

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. SHIMKUS. Mr. Speaker, I rise today to pay tribute to the Community Christian Church and the Anniversary of its 30 years of service to the community of Alton, Illinois.

The people of the Community Christian Church are truly good Samaritans. They have spent 30 years preaching the word of Christ to

Alton and surrounding areas and participating in other good works. They have helped to feed the hungry, clothe the needy, and have sent missionaries around the world bearing the word of God.

To such people as Robert Brunk and his congregation, the good deeds themselves are their own best rewards. Yet, on this special day, I think it is appropriate that they are recognized for their efforts. They are good Christians and good Americans, and remind us all of the compassion and energy that makes this country great.

To the people of the Community Christian Church, thank you for all your good works over the last three decades; and may God grant you the opportunity to continue doing His work for many years into the future.

MEMORIALIZING FALLEN FIREFIGHTERS

SPEECH OF

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 2001

Mr. CASTLE. Madam Speaker, I rise today in strong support of House Joint Resolution 42, the ''Fallen Firefighters Act of 2001.'' As the author of the bill I am proud to be able to help honor our firefighters. This legislation serves as a remembrance to the heroic men and women who have died in the line of duty by requiring the American flag on all federal buildings be lowered to half-staff one day each year on the observance of the National Fallen Firefighters Memorial Service. This year's service will be held this Sunday, October 7 in Emmitsburg, MD, at the National Fallen Firefighters Memorial. President and Mrs. Bush are scheduled to attend the ceremony.

This year's service will be especially emotional in the wake of the terrorist attack on America where hundreds of brave men and women gave their lives to save those of thousands of strangers. I have personally visited the World Trade Center and the Pentagon and continue to be amazed by the work these men and women continue to do on a daily basis—and the work they have done that has saved thousands upon thousands of lives. I continue to be touched as I attend numerous town ceremonies in the wake of the tragedy by the support both for firefighters in our communities and their unwavering dedication to their communities, fellow firefighters, and our country.

Firefighters provide one of the most valuable services imaginable to this country—that of saving lives and safeguarding our precious lands. With integrity, firefighters preserve the safety in the communities they serve with tireless dedication and commitment. These heroes need to be recognized and thanked by all Americans, not just in the wake of this horrible tragedy but to the nearly 1.2 million men and women serve our country as fire and emergency services personnel on a daily basis. Firefighters are our first line of defense in both natural and man made disasters walking into burning buildings and battling forest fires with determination and defiance.

Approximately one-third of our nation's finest suffer debilitating injuries each year making it one of the most dangerous jobs in America. Furthermore, approximately 100 men and women die in the line of duty every year—many are volunteers. Since 1981, every State in America, as well as the District of Columbia and Puerto Rico, has lost firefighters serving in the line of duty. Since 1981, the names of 2,077 fallen fire heroes have been added to the Roll of Honor. Ninety-six men and women who lost their lives in 2000 will be honored in October. This year, the name of Arnold Blankenship, Jr., of Greenwood, DE, will be placed on the 2000 memorial plaque. Sadly, Mr. Blankenship is not the first firefighter in Delaware to be memorialized. He will join H. Thomas Tucker, James Goode, Jr., W. Jack Northam, and Prince A. Mousley, Jr.

Lowering the flag on federal buildings one day a year will remind all Americans of the patriotic service and dedicated efforts of our fire and emergency services personnel. In October 2002, the over 300 firefighters who lost their lives in the attack on America will also be honored at the National Fallen Firefighter Memorial Service, along with 81 of their colleagues who also died in the line of duty during 2001, and sadly that number may grow by the end of the year. It is important for this legislation to be in place to honor all these heroic men and women who have served our communities and our Nation. These men and women work tirelessly to protect and preserve the lives and property of their fellow citizens. Through this legislation, we can show our support and respect for America's fire heroes and those who carry on the noble tradition of service.

We must always remember the contributions of all of our public safety officers. In 1962, Congress passed a joint resolution honoring America's police officers who died in the line of duty in recognition of their dedicated service to their communities and amended it in 1994 to lower the flag to half staff in memorial. Today, we take the first step in bestowing the same respect on the 1.2 million fire and emergency services personnel who also serve as public safety officers. I would like to thank all the members who sponsored this legislation and I urge my colleagues to support this legislation and recognize these heroic men and women.

AIRLINE WORKER RELIEF

SPEECH OF

HON. HILDA L. SOLIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 2001

Ms. SOLIS. Mr. Speaker, tonight I stand with my congressional colleagues in the House and in the Senate in my support of relief for the thousands of employees that have been or soon will be laid off in the wake of the tragic terrorist attacks of September 11. And, perhaps most importantly, I want to re-emphasize the immediate need for congressional action.

As this body deliberates the form and size of a worker relief package, many working men and women are now searching for new jobs. They are beginning the application process for unemployment benefits. Quite frankly, they are wondering how they are going to buy their groceries, make their house payment, and pay for transportation. All of this, when our economy is at a downturn.

The United States is facing a crisis, and it is not merely a security crisis. There is a visible, pressing need for worker relief. Just as this body acted swiftly to address the needs of the airline industry, we should also move quickly to enact assistance for America's displaced workers.

I would also urge my colleagues to remember all workers that have been displaced in recent weeks. The dramatic decrease in travel and tourism affects not only those workers employed by the airline industry. No. Working men and women in the hospitality industry are facing massive layoffs. The same is true for restaurant workers and thousands of service sector employees. Close to 3 million jobs could be lost.

In recent years, the safety net for these workers has begun to unravel. Passing a relief package for workers displaced by the tragic events of September 11 will give us the opportunity to begin to weave the safety net back together. I will do all that I can to ensure our safety net regains its strength now and maintains its strength in the future. I sincerely hope that my congressional colleagues and the President will do the same.

DON KRZYSIAK: A POLKA PRINCE

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. BARCIA. Mr. Speaker, I rise today to honor Don Krzysiak of Bay City, Michigan, for his induction into the Michigan State Polka Music Hall of Fame and for his many years of celebrating Polish heritage in a town where nearly everyone seems to claim Polish ancestry or at least wishes they could.

Bay City's Polish community is one of the proudest in Michigan, bringing with it a love for good food, good spirits, fellowship, dance and the traditions of a footstomping, lively musical style known as the polka.

When Don and his wife, Lois, opened Krzysiak's House Restaurant in 1979, they created a touchstone for all things Polish for people near and far. From the pacskis to the polka, Don and Lois brought Old World Polish charm to Bay City in the same melting pot style that joined classical European music with folk music to form a uniquely American brand of polka during the Depression Era in the United States.

Over the years, Don has been an active promoter of both Polish heritage and the polka. He has been instrumental in organizing many events, including the Bay Area Polish Tall Ships Festival, a presentation of the Magnificent Mazowsze song and dance ensemble, Polish Cabarets and traditional Polish Wigilia celebrations. He is perhaps most noted for putting together an event on Fat Tuesday in 1999 billed as the ''Polka Paczki Party at Krzysiak's House Restaurant,'' which was covered live by a local television station and received front page coverage from the Bay City

Times. This event is now described in mythic proportions in the local Polish community and throughout the state.

The reasons for Don's induction into the Michigan State Polka Music Hall of Fame, however, go beyond his legendary abilities as a restaurateur and promoter of Polish heritage. He also has a keen ear for the polka and is an expert polka music listener. Don also recently learned to play the stumpf fiddle and he performs at hospitals, nursing homes, and senior sites throughout the year.

Mr. Speaker, I ask my colleagues to join me in congratulating Don Krzysiak on achieving the Michigan Polka Music industry's highest honor and for his many contributions in safeguarding all aspects of Polish heritage for generations to come. I am confident that Don will continue to warm Polish hearts and satisfy the appetites of people of all backgrounds well into the future.

IN HONOR OF CHESTER J. NOWAK

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. KUCINICH. Mr. Speaker, I rise today to honor Mr. Chester J. Nowak, United States Army Sergeant, on his years of dedicated military service to our great nation.

Mr. Nowak was born and raised in Cleveland, Ohio and is currently residing in Rocky River. He served selflessly for our country in the Korean War, and was in battle in Northern France, Rhineland, Central Europe, and Ardennes, known as the Bulge. He served in Company L, the 194th Glider Infantry Regiment with the 17th Airborne Division.

His love and true devotion to America is an inspiration to all. He received the Combat Infantry Badge and also the Glider Badge. He was awarded a Purple Heart after he was wounded in Belgium and was awarded a Bronze Star Medal for meritorious achievement in ground operations against the enemy.

Originally, the Republic of Korea offered medals to those veterans that served in Korea between June 25, 1950, the outbreak of hostilities in Korea, to July 27, 1953, the date the armistice was signed. In addition, veterans are eligible if they served on the soil of Korea, in waters adjacent, or in the air above Korea. These medals are a symbol of American freedom, patriotism, democracy, and sacrifice.

Mr. Speaker, please join me in honoring a man that has sacrificed for his nation and has served our country in many capacities, Sergeant Chester J. Nowak. Mr. Nowak is an inspiration to all, and our great country is thankful for his services.

CONGRATULATING TONY GWYNN ON ANNOUNCEMENT OF HIS RETIREMENT FROM BASEBALL

SPEECH OF

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 2001

Mr. WALSH. Madam Speaker, I also rise in support of House Resolution 198 sponsored by Representative SUSAN DAVIS honoring Tony Gwynn for his numerous achievements to baseball and his community.

Tony Gwynn has a career batting average of .338 placing him 15th on the all-time leaders list. This amazing feat puts him in company with great Hall of Fame players like Ty Cobb, Rogers Hornsby and Tris Speaker. In fact, he is second, only to Ted Williams amongst players in the Major League after the Second World War. Gwynn's consistent hitting rewarded him with eight Silver Bats for the eight batting titles he has won. Four of these titles came consecutively in the years of 1994-1997.

Gwynn is a 16-time all-star with 3,127 career hits and is seventeenth on the all-time list behind such greats as Hank Aaron and Stan Musial. Gwynn achieved the 3,000 hit milestone faster than all but two players: Ty Cobb and Nap Lajoie. Gwynn's success has not been limited to offense. His incredible defense has earned him five Golden Glove awards in his career.

Gwynn is among the all-time San Diego Padres careers leaders. He is first in batting average, hits, runs batted in and runs. Throughout his career Gwynn's sportsmanship has placed him on a highly respectable list of players that consistently conduct themselves with great dignity. By staying with the Padres, Gwynn has given his fans a consistent and stable hero.

Gwynn, though, is a hero off the field as well. Despite his reluctance to speak on his numerous community service activities, they continue to emerge as amazing acts of selflessness. Gwynn is the first to help out with local baseball clinics for youngsters. He is the principal force behind the Padres' scholarship program. Gwynn's foundation actively serves the needs of physically and sexually-abused children. Tony and his wife, Alicia, also routinely open their home to troubled youth and have paid for numerous funerals for victims of gang violence. Madam Speaker, I believe Tony Gwynn is fully deserving of the honor of this resolution.

PERSONAL EXPLANATION

HON. STEPHANIE TUBBS JONES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mrs. JONES of Ohio. Mr. Speaker, had I been present on Tuesday, October 2, 2001, the record would reflect that I would have voted:

On Roll 360, HR 169, On Motion to Suspend the Rule and Pass, as Amended, the Notification and Federal Employee Antidiscrimination and Retaliation Act, Yea.

On Roll 361, HJ Res 42, On Motion to Suspend the Rule and Pass, as Amended, the measure Memorializing fallen firefighters by lowering the American flag to half-staff in honor of the National Fallen Firefighters Memorial Service in Emittsburg, Maryland, Yea.

On Roll 362, HR 2904, On Motion To Instruct Conferees, Yea.

I was unable to return to Congress on October 2 due to pressing matters in my district.

RABBI ISRAEL ZOBERMAN'S THOUGHTS ON THE SEPTEMBER 11TH TRAGEDIES

HON. J. RANDY FORBES

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. FORBES. Mr. Speaker, people of all faiths and backgrounds all across the nation are still struggling to comprehend the senseless loss of life and destruction of landmarks that occurred on American soil on September 11th. Rabbi Israel Zoberman of the Congregation Beth Chaverim in Virginia Beach, a congregation that draws people from all over the Tidewater area, has sent to me his thoughts on these attacks. Though Rabbi Zoberman has lived and preached in the United States for many years now, he grew up in Israel, and is all too accustomed to living with terrorism as a part of his daily routine. His eloquence might help us all to make sense of these tragedies, and I commend his article to my colleagues' attention.

So much pain, so many tears, God too is weeping for and with America. We are bowed down by heavy losses knowing that a new, unfamiliar burden has been placed upon us with a new kind of evil in a world gone mad. Yet, in our crushing and humbling sorrow we have touched our most tender humanness, reaching higher national oneness.

We knew of the possibility of a large-scale terrorist attack in the United States, but it is a hard reality to absorb. An empire's icons of pride and security, seemingly so well grounded, were toppled and penetrated, changing our outer and inner landscape. Surely the apocalyptic images of doomsday born of diabolic design will be etched in the collective American memory, of a day the world held its breath and a heartbeat was forever lost. There is an insidious insecurity creeping in with such a shock that only time will ease.

The terrifying cloud of dust and ashes with dazed relatives looking for loved ones had a Holocaust resonance to it, and the devastation's wide scope bore a World War Two signature. Terrorism's essence is to disrupt a normal way of life, assailing us physically, psychologically and spiritually. Their target was our very pluralism and inclusiveness by a merciless enemy threatened by our freedoms and global reach, feeling inadequate and powerless in face of the West's superior technology and incomparable standard of living. The great tragedy befalling us ought to bring appreciation for Israel, America's true ally, in its long struggle against Arab and Muslim fundamentalism, acutely suffering during the past year.

The free world with America's irreplaceable leadership has now gained the

undeterred and deterring resolve to uproot the multi-head monster of international terrorism, not without sacrifice. It should have acted more decisively before but that so sadly and costly is a recurrent theme. A trying time like this has the potential for false patriotism with varied and dangerous extremism, profiling and stereotyping certain religious and ethnic affiliations. Fundamentalism of whatever ilk is irreconcilable with the pluralistic tapestry of the grand American model. The urgency of faith, family and fellowship for support and healing has been highlighted. We reject a culture of death with its terrorists-martyrs' messengers whether in the United States or in the Middle East, as we uphold the sanctity of each human life, reaffirming our democratic values and ideals. However, the need for interfaith and cultural dialogue is more vital than ever.

We are grateful for the many heroic rescuers who died while rushing to help and those who tirelessly search for survivors—they all reflect the true divine presence of inexhaustible goodness, encountering inexhaustible human evil. We take pride in our military with its shining presence in Hampton Roads, poised to defeat civilization's adversaries. An uncertain era has begun even as the American dream, albeit bruised but ever more essential for humanity's survival, lives on. Will a new world order sans terrorism finally emerge out of disorder?

ROLL OUT THE BARREL FOR BOB TENBUSCH

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. BARCIA. Mr. Speaker, I rise today to honor Bob Tenbusch for his induction into the Michigan State Polka Music Hall of Fame. Michigan is a state whose citizens are proud of their multi-cultural ancestry and who delight in celebrating that diversity with others. The Polish community is one of the proudest in Michigan, bringing with it a passion for good food, good spirits, fellowship, dancing and the traditional foot-stomping, lively music of Poland known as the polka.

When Bob played his first polka tune, he joined a rich musical heritage that traces its origins to European classical music and folk music that later combined to form a uniquely American style during the Depression Era in the United States. Contemporary polka is a melting pot of musical influence from the vast array of immigrants that came to the United States and is representative of the diverse cultural backgrounds of our nation.

Bob's musical career began when he blew his first few notes on the trumpet for his high school band. It didn't take long for the polka to lure Bob on stage with ''Big Daddy'' Marshall Lackowski. By 1954, Bob struck up his own band, which he called the Melody Makers and who later changed their name to the Michigan Cavaliers. The group was a local favorite in Michigan's Thumb region for many years. In 1974, Bob formed the Golden Stars and eight years later he joined his sons in the Tenbusch Brothers.

In addition to his reputation as a musician, Bob earned kudos for his work on fund-raisers to benefit burn and accident victims and people who lost homes or barns to fire. After 30 years of playing and promoting polka music, Bob has retired from the stage, but he remains an active polka fan and is a member of the Great Lakes Polka Association.

Mr. Speaker, I wish to congratulate Bob Tenbusch on achieving the Michigan Polka Music industry's highest honor. He has truly used the power of the polka to touch hearts and coax even the most reluctant toe-tappers to embrace the liveliness and vibrancy of the polka. I ask my colleagues to join me in expressing gratitude for Bob's generous and spirited trumpet playing and in wishing him many more happy years of musical comraderie.

IN MEMORY OF C. DONALD BRADY

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. KUCINICH. Mr. Speaker, I rise today to honor the memory of a great citizen, C. Donald Brady.

Born in Connellsville, Pennsylvania, Mr. Brady was a truly selfless individual. In his spare time he enjoyed canoeing and fly-fishing, but it was his time that he dedicated to others that stands out.

Mr. Brady passed away recently but left in his path a long established pattern of giving. After graduating from high school he gave to his country by joining the Navy and serving four years. Next he gave to his community, serving as a teacher after attending California (Pa.) State Teachers College and West Virginia University. Even after earning a bachelor's degree in education and a masters in education from these universities respectively, he continued to increase his knowledge by studying bacteriology at Indiana (Pa.) State Teachers College. He taught for six years at Firelands High School and then joined the faculty at North Olmsted High School in 1965. Upon retiring as a biology teacher in 1987 he continued his model of giving by rediscovering his youthful joy of playing the clarinet and becoming active in Dixieland music associations.

Mr. Speaker, I ask you to join me in honoring the memory of C. Donald Brady.

174TH ASSAULT HELICOPTER COMPANY 2001 REUNION

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today to pay tribute to the 174th Assault Helicopter Company (AHC), Dolphins & Sharks (both pilots and enlisted crew members) who played such an important role during their service in Vietnam and Laos during 1966–1971. They will be gathering once again for their reunion in Fort Walton Beach, Florida on October 5, 6, and 7 of 2001.

The contribution of the 174th AHC to the American war effort is significant and they should be recognized for their valor. The personnel of the 174th AHC were an elite group formed at Fort Benning, Georgia in 1965. The 174th was deployed to Vietnam by U.S. Navy ships in 1966, landing at the Vietnamese port at the City of Qui Nhon. The unit's three primary ''homes'' in Vietnam were Lane Army Heliport near Qui Nhon (1966; II–Corps), Duc Pho in Quang Ngai Province (1967–1970; I–Corps), and Chu Lai, base camp for the Americal Division (1971; also I–Corps). The 174th flew various models of the UH–1 ''Huey'' helicopter. The unit served long and proud in Vietnam and saw much combat action in the rice paddies and mountains in the northern half of South Vietnam from 1966 until 1971, and in Laos during Operation Lam Son 719 in 1971.

Representative of the sacrifices of this great country is the proud and gallant record of combat service of the 174th AHC. Members of this company engaged the enemy and these engagements have taken their toll. Sixty members of this special corps of Dolphins and Sharks died gallantly for the cause of freedom. They shall not be forgotten. The 174th AHC has on countless occasions proven its high spirit and ''can do'' attitude as is so appropriately emblazoned on the Company crest—''Nothing Impossible.''

The proud legacy of the 174th remains. They proved that the preservation of freedom required heroic sacrifice. They proved that their loyalty to American ideals and their desire for peace was their first priority. When our country needed them, they answered the call, and served proudly. It is this same spirit of sacrifice and duty that has made this nation great.

As the members of the 174th Assault Helicopter Company gather for their 2001 reunion, I wish to extend a heartfelt ''thank you'' for their actions in Vietnam and Laos. During this dangerous and uncertain time, we are reminded that in every generation, the world has produced enemies of freedom. The evidence of this fact is clear today after the recent attack on America. The resolve and commitment of those who have fought for freedom throughout our history continues to be the calling of our time.

The proud legacy of the 174th Assault Helicopter Company is the inspiration for today's America and those who will be called to serve. We can never repay them except by promising each other to never forget. God bless the men of the 174th AHC and their families. I hope that their reunion is a success and I wish them well in the future.

A TRIBUTE TO THOMAS E. HOBBINS, M.D.

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. CARDIN. Mr. Speaker, on Sunday, September 23, 2001, the City of Baltimore, the State of Maryland, and our nation's health care comnunity lost a valiant pioneer. Dr. Thomas Hobbins was a physician by training, but he made an indelible mark as a health care and human rights activist.

Tom Hobbins harbored a deep and abiding commitment to health care for all. He taught at the University Medical School and served as medical director of the Maryland Sleep Disorders Center in Towson. A board member of the Maryland Citizens' Health Initiative, he fought tirelessly for universal health care coverage for Marylanders. He also served on the front lines against handgun violence, teen smoking, and environmental degradation. He was a member of my health advisory group and I greatly valued his guidance.

Dr. Hobbins' curriculum vitae is filled with memberships, awards, and accolades. But I and my colleagues whom he visited here in Washington will remember him best for his generous spirit, his calm demeanor, and his altruistic approach to public policy matters. Whenever he called my office for an appointment, I could be assured that the subject of his visit would involve his patients' welfare and the common good. Tom Hobbins never once disappointed me. He combined a rare selflessness with a level of grace and serenity that most can only aspire to. It is with a sense of gratitude that I remember Dr. Thomas Hobbins. There are many who have been touched by his good will, and I am proud to count myself among them.

PROCLAMATION FOR STEVEN FUCALORO

HON. STEVE ISRAEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. ISRAEL. Mr. Speaker, it is with great pride that I rise today to recognize one of New York's outstanding young students, Steven Fucaloro. This young man has received the Eagle Scout honor from his peers in recognition of his achievements.

Since the beginning of this century, the Boy Scouts of America have provided thousands of boys and young men each year with the opportunity to make friends, explore new ideas, and develop leadership skills while learning self-reliance and teamwork.

The Eagle Scout award is presented only to those who posses the qualities that make our nation great: commitment to excellence, hard work, and genuine love of community service. Becoming an Eagle Scout is an extraordinary award with which only the finest Boy Scouts are honored. To earn the award—the highest advancement rank in Scouting—a Boy Scout must demonstrate proficiency in the rigorous areas of leadership, service, and outdoor skills; they must earn a minimum of 23 merit badges as well as contribute at least 100 man-hours toward a community oriented service project.

I ask my colleagues to join me in congratulating the recipients of these awards, as their activities are indeed worthy of praise. Their leadership benefits our community and they serve as role models for their peers.

Also, we must not forget the unsung heroes, who continue to devote a large part of their lives to make all this possible. Therefore, I salute the families, scout leaders, and countless others who have given generously of their time and energy in support of scouting.

It is with great pride that I recognize the achievements of Steven and bring the attention of Congress to this successful young man on his day of recognition, Friday, November 2, 2001. Congratulations to Steven and his family.

''POLKA-BRATION'' TIME FOR ELEANORE MAGIERA

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. BARCIA. Mr. Speaker, I rise today to honor Eleanore Magiera of Caro, MI, for her induction into the Michigan State Polka Music Hall of Fame. The citizens of our State are proud of their multi-cultural ancestry and delight in celebrating that diversity with others. The Polish community is one of the proudest in Michigan, bringing with it a passion for good food, good spirits, fellowship, dancing and traditional foot-stomping, lively polka music.

First introduced to the polka at an early age, Eleanore became part of a rich musical heritage with origins in European classical music and folk music that later combined to form a uniquely American style during the Depression Era in the United States. Contemporary polka music is a melting pot of musical influences from the vast array of immigrants that came to the United States and is representative of the diverse cultural backgrounds of our Nation.

In 1970, Eleanore and her husband, Frank, helped form the Michigan Polka Boosters Club to promote polka music and dancing. Eleanore was elected secretary-treasurer of the club, and over the years has put out the Michigan Polka News publication. She also organized the State of Michigan Polka Hall of Fame and is currently a member of the Great Lakes Polka Association.

Of course, everyone remembers Eleanore as a disc jockey for ''Polka Party'' on Sunday afternoons at the Rainbow Bar in Caro. Her enthusiastic, energetic and persistent promotion of the polka has brought smiles and good cheer to thousands of people everywhere. She continues to be active in many efforts to trumpet the qualities of polka music and to ensure its continued popularity among the young and old alike.

Induction into the Michigan State Polka Music Hall of Fame is a great honor bestowed upon those who have upheld the joyful spirit that is at the heart of polka music. Eleanore's hard work and outstanding service on behalf of polka enthusiasts has earned her this nomination, but her passion for the polka has done more than win her accolades. It has spread the love of music and dance to many who otherwise might have missed the opportunity to discover the polka.

Mr. Speaker, I ask my colleagues to join me in congratulating Eleanore Magiera on achieving the Michigan Polka Music industry's highest honor and in expressing gratitude for her spirited promotion of the polka. I am confident she will continue to roll out a barrel of fun for polka lovers near and far.

SEARCH AND RESCUE DOGS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. GILMAN. Mr. Speaker, I am introducing H. Con. Res. 241, which recognizes the service of the search and rescue dogs who have been an integral part of the ongoing emergency response efforts in New York, Washington, and Pennsylvania following the tragic events of September 11.

Our Nation has witnessed the valiant courage and selfless sacrifice of our public safety officers as well as ordinary citizens in the wake of these horrendous barbaric terrorist attacks. It should be noted that these search and recovery efforts have been aided by the service of more than 300 specially trained rescue dogs which possess unique sensory abilities that allow them to perform much-needed tasks that cannot be conducted as efficiently by people.

These rescue dogs, working in tandem with their equally courageous handlers, have endured exhaustion, exposure to noxious fumes and active fires, risks from falling debris, and other hazards during the rescue and recovery efforts. Accordingly, we should recognize the contribution of these highly trained canines along with those brave men and women who have risen to the challenge of responding to this tragedy.

H. CON. RES. 241

Whereas thousands of Americans and citizens of other nations perished in the terrorist attacks on the United States on September 11, 2001;

Whereas many police officers, firemen, and other emergency rescue workers also perished or were injured in their heroic efforts to save people at the site of the World Trade Center, in New York, New York, and also worked in the rescue and recovery efforts at the Pentagon outside Washington, D.C., and at the site of the airline crash in Pennsylvania;

Whereas the rescue operations also involved more than 300 trained service dogs that performed rescue and recovery duties, particularly in New York City;

Whereas these dogs performed their duties at serious risk to their health and welfare and suffered injuries during the rescue and recovery process; and

Whereas these dogs were an important component of the larger rescue and recovery efforts: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that—

(1) more than 300 specially trained rescue and recovery dogs were instrumental in the emergency response operations in New York, Pennsylvania, and Virginia in the aftermath of the terrorist attacks on the United States on September 11, 2001;

(2) these dogs have unique sensory abilities that allow them to perform a set of tasks that cannot be conducted as efficiently by people;

(3) these dogs, working in tandem with their handlers, endured exhaustion, exposure to noxious fumes and active fires, risks from falling debris, and other hazards during the rescue and recovery efforts; and

(4) the Nation owes a debt of gratitude for the service given by these dogs.

PERSONAL EXPLANATION

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. JONES of North Carolina. Mr. Speaker, on rollcall No. 362, I was unable to vote. Had I been present, I would have voted ''yes.''

IN SUPPORT OF H.R. 2946, THE DISPLACED WORKERS RELIEF ACT OF 2001 AND H.R. 2955, THE DISPLACED WORKERS ASSISTANCE ACT

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mrs. MEEK of Florida. Mr. Speaker, I rise in strong support of immediate relief for the tens of thousands of workers who have lost their jobs as a result of the September 11th terrorist attacks. Since September 11th more than 100,000 airline employees have lost their jobs. Many thousands more workers in industries directly and indirectly affected by the disruption of the airline industry also have been laid off.

Small businesses also have been hit very hard by the September 11th attacks. Many of them lost key customers who constituted the lion's share of their business, as well as key suppliers who enabled them to do business.

The September 11th attacks have radically altered business prospects throughout our country. No community has been spared. While even places thousands of miles from the destruction of September 11th have been severely affected, tourist dependent communities that rely upon the airlines and the hotel industry, like my home town of Miami, have been particularly hard hit.

Unfortunately, it seems clear that we have not yet hit bottom. Many more hard working Americans, through no fault of their own, soon will lose their jobs. Mr. Speaker, all of these workers desperately need our help and they need it now.

Mr. Speaker, the human costs of this economic downturn for many of our fellow Americans are truly staggering. Airline and airport workers, transit workers, employees who work for airline suppliers such as service employees and plane manufacturers, all face common problems and challenges. Their mortgages, rents, and utilities still must be paid. Food must be placed on the table. Children must be clothed. Health care costs must be covered.

While some will get by by depleting their savings, the vast majority of those who have lost their jobs have little or no savings to deplete. All of these workers need a strong, flexible and lasting safety net, the kind that only the Federal government can provide.

With no income coming in and little prospect for prompt re-employment within their chosen field, these displaced workers must search for new jobs while few firms are even hiring. While some will find new positions quickly, many, if not most, will not. Some of this unemployment will be structural as some of these industries will be downsizing permanently. As a result, many workers will have to retrain in a new field or receive additional training in their chosen field simply to get re-employed.

So what is it that these workers need? Just like those workers who qualify for help under the Trade Adjustment Assistance Program, workers who lost their jobs because of the September 11th attacks need extended unemployment and job training benefits (78 weeks instead of 26 weeks). Those workers who would not otherwise qualify for unemployment benefits need the 26 weeks of benefits that H.R. 2946 would provide.

They especially need COBRA continuation coverage, that is, they need to have their COBRA health insurance premiums paid for in full for up to 78 weeks, or until they are re-employed with health insurance coverage, whichever is earlier. Those without COBRA coverage need coverage under Medicaid.

Mr. Speaker, this Congress acted quickly and responsibly to meet the challenges posed by the September 11th attacks. We acted as one to pass the Joint Resolution authorizing the use of United States Armed Forces against those responsible for the attacks against the United States. We heeded the call of all Americans and said: Never again.

We stood shoulder to shoulder with President Bush, our Commander in Chief, firmly united in our resolve to identify and punish all nations, organizations and persons who planned, authorized, committed, or aided the September 11th terrorist attacks, or harbored such organizations or persons. We unanimously passed the $40 billion Emergency Supplemental Appropriations bill to finance some of the tremendous costs of fighting terrorism and of helping and rebuilding the communities devastated by these horrendous attacks. We provided cash assistance and loan guarantees to the airline industry.

Now, Mr. Speaker, we must demonstrate the same resolve, the same commitment on behalf of our workers. Deeds, not just words, are required. All of these hard working, innocent displaced airline workers and their families desperately need our help. We must hear and answer their pleas. They need our help and need it now. We cannot rest until we have met their needs. I urge all of my colleagues to join with me to support H.R. 2946 and H.R. 2955.

A TRIBUTE TO FRED MCALL

HON. BOB ETHERIDGE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. ETHERIDGE. Mr. Speaker, I rise today to pay tribute to Campbell University Coaching Great and my former basketball coach Mr. Fred McCall.

A native of Denver, North Carolina, Coach McCall earned his Bachelor of Arts Degree in 1948 from Lenoir-Rhyne College, where he was a three-sport standout. He was inducted into the Lenoir-Rhyne Athletic Hall of Fame in 1980. Following graduation he earned his master's degree from George Peabody College and then pitched professionally in the Carolina League at Hickory, in the Coastal Plain League at Rocky Mount, and in the Western Carolina League at Newton. A graduate of the Infantry School in Fort Benning, Georgia, he served as an officer during World War II.

Coach McCall joined the Campbell staff in 1953 and served the University with distinction for 33 years. He coached Campbell's basketball team to a 221-104 record in 16 seasons. Coach McCall directed his teams to five state junior college championships in eight years, then led the Fighting Camels through their first eight years of competition on the senior college level.

During his tenure as head coach and director of athletics, McCall coached three Junior College All-Americans–Len Maness, Bob Vernon, and George Lehmann.

In 1954, Coach McCall and Wake Forest Coach Horace ''Bones'' McKinney began the Campbell Basketball School, which has featured such outstanding sports greats as Coach John Wooden of UCLA. Forty-one years later, the School still ranks as the nation's oldest and largest continually running summer basketball camp.

Coach McCall developed the McCall Rebounder in the late 1950s to teach proper rebounding techniques. The device has been used by coaches in all 50 states and numerous countries worldwide and has been on display at the Basketball Hall of Fame in Springfield, Massachusetts.

Named Tar Heel of the Week by the News and Observer in 1969, Coach McCall resigned his basketball and athletic director duties on January 10, 1969, to accept an appointment as Campbell's Vice-President of Institutional Advancement. He served in that capacity until 1979 when he was named Vice-President for Administration, a position he held until his retirement in 1986.

On June 13, 1994, Coach McCall was honored by being inducted into the North Carolina Sports Hall of Fame.

Coach McCall and his wife, the former Pearle Klutz of Granite Quarry, have three daughters—Janet King, Leah Devlin, and Lisa Singletary—and six grandchildren.

Mr. Speaker, Coach McCall not only taught others and me about basketball; he taught us about life. Coach McCall not only helped make me a better player; he helped to make me a better human being. The life lessons taught to me and countless others by Coach McCall's special brand of coaching are lessons we live by to this day. Coach McCall helped strengthen Campbell University, his community, and his country. On behalf of the people of North Carolina, I rise today to offer our eternal gratitude.

THE 25TH ANNIVERSARY OF THE CLEVELAND POLKA ASSOCIATION

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. KUCINICH. Mr. Speaker, I rise today to honor the 25th Anniversary of the Cleveland Polka Association, a long-standing organization in the Cleveland community that has

brought happiness and fine music to thousands in the Northeastern Ohio area.

As long-time polka all-star Frankie Yanovic put it, Cleveland is a polka town! Originating in 1976, the Cleveland Polka Association has long been dedicated to preserving the polka heritage, and promoting interest in polka events. The CSA has been working diligently to establish close friendships among all those who have a great interest in polka music and dance.

The Cleveland-style polka has its roots in Slovenian folk music, but American musicians have given the polka a style that people of all backgrounds can enjoy. The Cleveland Polka Association devotes their time and energy to upholding great polka lessons, such as ''If you can't do the Polka, don't Marry my Daughter'', and ''In Heaven there is no Beer.'' They will never really answer the question ''Who stole the Kishka?''

Mr. Speaker, please join me in honoring and recognizing the Cleveland Polka Association on their distinguished 25th Anniversary celebration. The polka music will be heard long and far as the CSA celebrates to the melodious tunes into the night.

BENNY PRILL: POLKA'S ''GOLDEN STAR''

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. BARCIA. Mr. Speaker, I rise today to honor Benny Prill for his induction into the Michigan State Polka Music Hall of Fame. Michigan is a state whose citizens are proud of their multi-cultural ancestry and who delight in celebrating that diversity with others. The Polish community is one of the proudest in Michigan, bringing with it a love for good food, good spirits, fellowship, dancing and the lively, foot-stomping traditions of the polka.

When Benny was just a toddler, he drove nails into a board to simulate an accordion and in doing so he became part of the rich heritage that all polka music enthusiasts share. Like many musical genres, polka is a mingling of many styles, including European classical music and folk music. During the Depression Era in the United States, a uniquely American style developed that reflected the melting pot musical talents of the many immigrants who came to this country.

Like many polka lovers, Benny was introduced to the music at an early age and quickly developed a passion for it. During his school years, Benny played for weddings, dances, house parties and at many other functions. He was drafted into the army at eighteen and during his enlistment he joined a band called the Drifters. Once back home, Benny went on to play for the Golden Stars and most recently in the Polka Music Sound. Many polka fans have come to know Benny through bus trips he has organized throughout Michigan and Ohio for the promotion of polka music. He also hosts polka dances and is a part-time disc jockey for WKJC–FM in Tawas City.

For Benny and others, polka is more than just a type of music, it is a lifestyle that represents a culture and a warmth of spirit that attracts people from all over the world. Polka fans have their own language, with words such as ''tubs'' to describe a drum set or ''boxman'' to describe a concertina or accordion player. Benny has earned a reputation not only as a fine musician, but as someone who honors the customs and traditions of polka music so that future generations also will be able to enjoy it.

Mr. Speaker, I ask my colleagues to join me in congratulating Benny Prill on achieving the Michigan Polka Music industry's highest honor. As a keeper of the polka flame, Benny will ensure that good music and lively dancing will live on for many years and I am confident that he will find even more ways of providing venues for all to enjoy the melodic energy of the polka.

HONORING MARVIN GREENBERG

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. DEUTSCH. Mr. Speaker, I rise today to honor a man who will be greatly missed by all those who knew him. A man who served his country proudly, and a man who displayed immeasurable love for his work, his community, his life, and his family. It brings me great sadness to report that Marvin Greenberg of Plantation, Florida, passed away on September 24, 2001 at the age of 81.

Marvin Greenberg was born in Brooklyn, New York, where he was raised and attended high school. Upon graduation, he began what was to become a very long, meaningful life as a contributor to both his country and community in a variety of ways.

Before matriculating to college, Marvin was called upon by his country to serve in World War II. As a 1st Lieutenant in the United States Army, Marvin bravely commanded a tank battalion in the European Theatre. For the unwavering valor he showed in battle, Marvin was awarded both the Silver Star Medal and a Purple Heart with two clusters, a testament to his willingness to sacrifice himself for the freedom of our nation.

After returning home from Europe, Marvin attended Pace College and graduated with an accounting degree. Marvin went on to work as a production manager for a Brooklyn-based company, and later became a successful national sales representative for a security company.

In 1983, Marvin moved to Plantation, Florida, where he would remain throughout the rest of his life. It was in Plantation where Marvin became an indispensable member of the community, becoming an avid advocate for those in his condominium community and within the city of Plantation as a whole. Passionate about the importance of equality, Marvin became a frequent visitor before the city council, where he argued for causes including housing, loans, and traffic safety. Marvin would join the Lauderdale West Democratic Club, where he was an active member of the Board for eight years and served dutifully as the President for four. Above all else, Marvin made certain that everyone had a voice, and that it was heard.

Mr. Speaker, Marvin Greenberg was both well-loved and widely respected by all those blessed to have known him. He is survived by his wife, Lee, his brother Irwin, his three children, Phil, Paula, and Ricki, and by his five grandchildren and two great-grandchildren. Marvin selflessly served his country and his family was a source of admiration and great pride. Today we celebrate Marvin's life, which serves as a wonderful example to all who follow in his footsteps.

LIMITATION ON PER COUNTRY SHARE OF ASSESSMENTS FOR UNITED NATIONS PEACEKEEPING OPERATIONS

SPEECH OF

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 24, 2001

Ms. ESHOO. Mr. Speaker, I rise in support of this legislation.

In May, the House passed legislation, the Foreign Relations Authorization Act that authorized both the release of the $582 million and a third installment of $244 million. However, two weeks before the House considered the bill, the United States was removed from the U.N. Commission on Human Rights. The House responded by adopting an amendment conditioning the third installment on the U.S. return to the commission. This legislation repeals that amendment and reschedules the untimely repayment of our U.N. dues.

As a delegate of the United Nations and Chair of the Commission on Human Rights, Eleanor Roosevelt once said, ''Without the United Nations our country would walk alone, ruled by fear instead of confidence and hope.'' I believe that the American people want to walk in confidence with the U.N.

The majority of Americans consistently show a readiness to pay U.N. dues in full. Most recently a Zogby poll found that 62 percent of Americans believe that we should pay our delinquent dues. Another poll showed that 53 percent of Americans believe that the U.S. should not hold back dues as a means of pressuring the U.N.

It's regrettable that the U.S. lost its seat on the Human Rights Commission but I firmly believe there will never be an appropriate venue for this country to deny its responsibility. Instead of disengaging ourselves from the U.N., I believe that we should do just the opposite and support it with all our vigor.

I'm proud to support this legislation and I will continue to do all that I can to support full payment of our Nation's U.N. dues.

TASK FORCE ON MENTORING IN MONTGOMERY COUNTY

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mrs. MORELLA. Mr. Speaker, I rise today to congratulate and to express my appreciation

for the Montgomery County Task Force on Mentoring on its 10th anniversary. In late 1991, after completing a study, the Montgomery County Human Relations Commission concluded that a broad and determined mentoring program could vastly improve the current situations of the County's young males. Following a September 28, 1991 conference titled ''Black Males in Crisis—Is Mentoring a Solution?'' the Task Force was founded on December 16, 1991.

Functioning under the core belief, as stated by Jonathan Alter, Senior Editor of Newsweek, that, ''no one succeeds in America without some kind of mentor—a parent, teacher, coach, older friend—to offer guidance along the way,'' the task force has grown into an umbrella organization for dozens of non-profit organizations providing mentorships for high risk youths. Annually the task force helps a significant number of children and young adults within Montgomery County.

Another of the Task Force's core beliefs: ''reaching out together as a united community, we will make a difference,'' should become a mantra for all Americans. Mr. Speaker, please join me in congratulating the Montgomery County Task Force on Mentoring, for their commitment to improving our community.

My thanks to Mr. John Smith, president of the task force and to all of its members for the outstanding and valuable service they provide to the citizens of Montgomery County.

MOTOR VEHICLE OWNERS' RIGHT TO REPAIR ACT

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. TOWNS. Mr. Speaker, on August 2, 2001, I introduced HR 2735, ''The Motor Vehicle Owners' Right to Repair Act of 2001'' to ensure that all motoring consumers have the freedom of choice of where, how and by whom to have their vehicles repaired, maintained and to choose the parts of their choice. I introduced HR 2735 to offer protection to consumers who will suffer from high, non-competitive prices.

But since the introduction of HR 2735, my state of New York and the United States have been changed forever by the devastating attack of September 11th on American lives, our way of life, and our economic foundations. It is now more important than ever for the passage of HR 2735, which will bring economic relief to consumers and small business.

Since September 11th, many citizens have chosen to drive their vehicles to work, to recreation and to vacation sites, rather than take other means of public transportation. This means that consumers will be spending an ever-increasing amount of time in their vehicles. And, that means that these vehicles will need more repairs and parts replaced.

Another consequence of September 11th is the attack on America's economic foundation. Many businesses will close their doors due to the inability to continue to provide consumer services. Now, more than ever, we in Congress must work to bolster business, not hinder it with the economic chains of monopolies. Passage of HR 2735 will keep the doors open for many in the automotive aftermarket, allowing the domino effect of recovery to continue.

HR 2735 will open the door to motoring consumers who are away from home, whether for business or pleasure, to have unforeseen repairs and parts replaced at the shop of their choice and with the parts of their choice. HR 2735 will allow motoring consumers to dispense with fears of being caught in strange localities or being forced back to dealerships. Consumers will be able to make competitive choices.

For several years, Congress mandated that vehicles come manufactured with a computer system to monitor vehicle emissions. As vehicles have advanced, so have the computer systems installed which now control vital systems such as brakes, ignition, ignition keys, air bags, steering mechanisms and climate control. What began as a clean air measure became an unintended ''vehicle in itself'' to a repair and parts information monopoly by car manufacturers.

The end result is that motorists have become chained to the car manufacturers and their car dealers in order to have their vehicles repaired and parts replaced. Instead of exercising America's free-market ability to choose the automotive technician, shop and parts of their choice—or even work on the vehicles themselves, this lock-out of information has forced motorists to return to car dealers and forced them in many instances into paying higher, noncompetitive costs. Simple tasks such as having an ignition key duplicated can cost $45 or more.

Passage of HR 2735 is essential to the economic structure of the vehicle independent repair industry, as well as the limited budgets of many consumers and their safety.

Passage of HR 2735 will allow motorists who do not live near car dealerships to have their vehicles quickly and efficiently repaired, without being forced into driving a great distance in a problematic car to a dealership, jeopardizing their safety and that of others. It will allow motorists to work on their vehicles and will allow motorists to save money.

Passage of HR 2735 will empower motorists and will not restrict their choices of repair shops, including the desire of those who wish to go to car dealerships. It will allow motorists to actually own the repair and parts information to their own vehicles and to be the ultimate decisionmakers—instead of the car manufacturers—of their own vehicles.

Now more than ever is the time for Congress to keep consumers and small business sound, not pigeon-holed into unnecessary and expensive monopolies. Freedom to choose and to compete is the American Way.

POMONA VALLEY WORKSHOP'S 35TH ANNIVERSARY

HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. GARY MILLER of California. Mr. Speaker, I rise to pay tribute and honor the accomplishments of the Pomona Valley Workshop on its 35th Anniversary of dedicated service to individuals with developmental disabilities in Western San Bernardino County and Eastern Los Angeles County.

The Pomona Valley Workshop is one of the largest employers in the city of Montclair and strives to maintain the highest of standards in its provision of traditional and innovative services. As an active member of the local community, the Workshop's efforts to improve the public's understanding of issues which affect persons with disabilities have resulted in strong community support and volunteer efforts.

I salute the Pomona Valley Workshop on the outstanding role it has played in assisting adults with disabilities achieve their highest level of employment and community integration. I wish them continued success in their exemplary endeavors.

ATTACKS ON SIKHS SUBSIDING—STILL UNDER SIEGE IN INDIA

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. TOWNS. Mr. Speaker, I am glad that the attacks on Sikhs and other Americans in the wake of the September 11 attacks have subsided. While there are still some incidents, Sikhs, Muslims, and other Americans are safer now then they were a week or two ago. That is good news.

However, Sikhs continue to be under assault in India. The Indian government holds over 52,000 Sikhs as political prisoners. It has murdered over 250,000 Sikhs since 1984. A few months ago, Indian troops were caught red-handed trying to set fire to a Gurdwara (a Sikh temple), but Sikh and Muslim villagers prevented them from carrying out this atrocity.

This is part of a long pattern of violation of the rights of Sikhs and other minorities by the Indian government. The attacks on Sikhs in America, which are terribly unfortunate and should be condemned by all, have been incidents carried out by individuals. That is a key difference. Much of the problem is that since the Sikhs don't have their own country, Americans and others don't know who they are. This is one more reason why a free Khalistan is essential.

Khalistan is the Sikh homeland which declared its independence from India on October 7, 1987. This week marks Khalistan's independence anniversary. It will also see the annual convention of the Council of Khalistan, the government pro tempore of Khalistan which leads its independence struggle.

Given India's apparent reluctance to cooperate with the United States in our war on terrorism, American support for a free Khalistan and for freedom for the Kashmiris, for predominantly Christian Nagaland, and for all the other nations seeking their freedom is more urgent than ever. We must do what we can to extend the glow of freedom all over the world. We can help that along by maintaining our sanctions on India, by cutting off our aid to India until human rights are respected, and by

supporting an internationally-supervised plebiscite on the question of independence for all the nations of South Asia. Our war on terrorism is about preserving freedom. Let's not forget that freedom is universal.

TRIBUTE TO TY MARBUT AND OTHER YOUNG MONTANA HUNTERS

HON. DENNIS R. REHBERG

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. REHBERG. Mr. Speaker, hunting in Montana is one of our most popular time-honored traditions. Each fall thousands of Montana men and women traverse our mountains, forests and prairies in pursuant of a wide range of large and small game.

One of the greatest stalwarts of the Second Amendment to the U.S. Constitution is Gary Marbut who is president of the Montana Shooting Sports Association. Gary works tirelessly with the Montana Congressional Delegation to protect our vanishing right to keep and bear arms.

The June 2001 issue of the National Rifle Association's ''American Hunter'' contains Gary's article ''A Kid's First Elk Rifle.'' It details the strong father and son bonding involved in his son Ty's preparations to hunt elk and get comfortable with the proper rifle. I commend my colleagues to read this article that embodies how hunting and family values are still very much in vogue in Montana.

A KID'S FIRST ELK RIFLE

(By Gary Marbut)

Tyrel turned 11 last fall, which means he's old enough to hunt elk when he passes hunter safety. I began thinking what the criteria would be for a good elk rifle for an 11-year-old boy. It would need to be light enough to carry, pack enough punch to take the animal, have suitable accuracy for successful 200-yard shots, and minimal recoil so as not to terrify a young shooter and cause him to flinch.

Fortunately, there are so many choices the real problem is not finding something suitable, but narrowing the field. I first looked at my own collection. A rifle that I've always liked is my Ruger semi-auto carbine in .44 Magnum. This rifle has a clear and wide little 4X scope with the old post reticle.

This seemed the ideal choice for Ty. It has a short stock, much of the recoil is soaked up by the semi-auto action, the .44 Magnum is enough for elk with well-placed shots, and since I hunt elk with a .44 Magnum revolver, we could practice with, carry, and use the same ammo. I would prefer to shoot elk with this rifle under 150 yards, and I did ponder the safety aspect of a semi-auto for a kid's first hunting rifle. However, this rifle had one large added benefit: it is the same size and shape as a Ruger 10/22, and Ty could hone his shooting skills with my 10/22 and cheaper ammo.

The idea was fine until I suggested it to Ty. ''Nope,'' he said. ''Nothing magnum. Too much recoil.'' Kids can be notional, and I didn't want to push him. I wanted his first hunting season to be something he'd anticipate and remember.

So I started asking experienced hunting and shooting friends about how they would solve my problem. What amazed me was how wide-ranging the answers were. Some said to get him some sort of ''oh-my-gosh'' magnum and let him learn to shoot and pack it. Others advised that a well-placed head shot on elk with a .223 would always take it down. And I heard everything in between.

I finally decided to narrow the field by choosing what I determined was the minimum, fully elk-capable caliber. Admitting a bias for .30-caliber cartridges, I finally chose the .308 Win. for Ty. I found that if I looked hard enough I could find a Remington 700 in a short-stocked, short-barreled youth configuration, and with a synthetic stock. I had a local dealer order it for me and it arrived a few days before Christmas, in just enough time to slap a 6X Weaver scope on it. It did look nice under the tree, and the look on Ty's face when he opened it promised a great hunting season.

Still, there was a lot of work to be done. I belong to the school that believes a person should put a lot of ammo through the gun they'll hunt with before they go hunting. I had hopes of Ty being able to put several hundred rounds through his new rifle before hunting season, but because recoil had been one of my original concerns, and since this youth model was lightweight, there was no way I was going to subject Ty to several hundred rounds of full-house 308.

I ended up handloading some light ''plinker'' rounds that Ty liked shooting immediately. We practiced until he could place five-round groups of this ammo into a two-inch circle at 100 yards. Spring came around and Ty passed the Montana Hunter Education class, even becoming a junior instructor—quite proud to be the only 11 year-old with that status. A prairie dog shoot later in June allowed him lots of shooting, the two of us going through several gun changes and some 2,000 rounds of ammo in one afternoon alone.

Between the prairie dog shoot and other practice at the Deer Creek Range near Missoula, Ty consumed almost 400 rounds of his light practice ammo over the summer. The next project was selecting the right ammo for his elk hunt. I tested several kinds, but the bullet I finally selected as the best compromise of weight, shape, cost, and performance was the Hornady 165-grain soft-point boat-tail. Backed by Varget powder in Lake City brass, the bullet would run out of Ty's barrel at about 2800 fps and group five shots into about 1¼ inches at 100 yards. I should say that this ammo makes Ty's light rifle kick pretty good—he has never fired a round of it. He's carrying it elk hunting now, and I've promised him that when he shoots at an elk, he won't notice the kick at all.

Ty is 12 now, and though it is currently the second week of elk season in Montana, school has limited the youngster to only two days afield so far. And though we haven't seen any elk, there's lots of good hunting within a two-hour drive of where we live. Soon, we hope to be able to put to the final test, a kid's first elk rifle.

TRACKING FOREIGN VISITORS AND STUDENTS IS A PROTECTION FOR ALL

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. BEREUTER. Mr. Speaker, this Member wishes to commend to his colleagues the October 1, 2001, and the October 2, 2001, editorials from the Omaha World-Herald entitled ''Loosey-Goosey Borders'' and ''Loosey-Goosey Borders: II.'' For many years, this Member has argued that it is critical to U.S. security interests to have our government energetically reform and effectively implement visa control for foreign nationals and to screen those foreign nationals who are seeking to be accepted as legitimate refugees or immigrants. As the October 1st editorial notes, ''U.S. law enforcement agencies should know who is entering the country and where they are supposed to be.'' Sadly, it took the horrific terrorist attacks of September 11, 2001, for the American public to fully understand why that is the case.

[From the Omaha World-Herald, Oct. 1, 2001]

LOOSEY-GOOSEY BORDERS

One of the greatest challenges facing the United States now is how to maintain an open, free society while protecting the country from terrorists who exploit that freedom. A key element of the question is the millions of foreigners who enter the United States each year, some of whom have had terror, not touring, on their mind.

In 1998, about 30 million people entered the country on visitors' visas, a form that is relatively easy to obtain, sometimes after only a few routine questions. Then this is what happens: nothing. Once these visitors arrive, the U.S. government washes its hands of them. They are never checked on unless they commit a felony of some kind. In practice, they are free go home or disappear into American life, as they wish.

Many of them never leave. One estimate suggests that half of the 7 million illegal aliens in this country didn't enter illegally but simply overstayed their visas. And the Immigration and Naturalization Service has no idea who they are, where they could be or what they might be up to. Officials say that 16 of the 19 hijacker-terrorists entered the United States on temporary visas as students, workers or tourists.

U.S. borders aren't simply porous, said Mark Krikorian, director of the Center for Immigration studies in Washington; they are, to all intents and purposes, wide open. That is crazy. An open border is an open invitation to terrorism.

First, the painfully obvious. The INS should keep track of all who visit the United States, where they are and when they are required to leave. The act of not leaving should trigger a reaction from INS enforcement officers—perhaps a letter of inquiry, perhaps arrest, depending on the potential threat.

Keeping track of visitors will take a computer system, a reform mandated by Congress in 1996 but abandoned when border states objected to the delays and loss of business. It will mean time lost and, in all likelihood, traffic jams, particularly at busy U.S.-Mexican and U.S.-Canadian borders. But it is vital to check foreign visitors both in and out. Not to do so invites what has happened.

Protecting the United States may require that the embassy and consulate staffs where visas are issued be better trained or enlarged. They are the first line of defense against attack, and they should act positively, checking backgrounds and criminal records of would-be tourists, particularly if the applicant is from a problematic country such as Iran.

The changes needed might also involve modifications in the visa waiver program, by which nationals in 29 friendly countries such as Great Britain and Norway are admitted to

this country without the formality of a visa. At the very least, these visitors, too, should be checked in and out via computer. Because the criminal world so highly values stolen or forged passports from waiver countries, more stringent security provisions might be needed.

Foreign visitors shouldn't look at increased scrutiny or security as an accusation or violation of rights. They are, after all, guests, here on sufferance and required to obey the law. Few other countries have been as wide open as the United States in the past, and even fewer are likely to be in the future.

U.S. law enforcement agencies should know who is entering the country and where they are supposed to be. These organizations can then judge potential risks and problems and handle them as the law allows. When the INS keeps closer track of visitors, it isn't intended to harass but to identify, not to accuse but to protect. It's not xenophobia. It's self-defense.

And self-defense, within the context of freedom, has suddenly become of vital importance.

[From the Omaha World-Herald, Oct. 2, 2001]

LOOSEY-GOOSEY BORDERS: II

As the United States moves to take control of its borders and keep track of foreign nationals entering the country, it is important to change the way student visas are handled, too.

About half a million foreign students enter the country every year, some headed for colleges or universities, some for vocational or language schools. The vast majority of them actually attend school.

Some, however, do not, and disappear into the population. In that category was one Hani Hanjour, who was supposed to study English at Holy Names College in Oakland, Calif. Ten months after he skipped out on his student visa, he and companions hijacked the jet that crashed into the Pentagon.

Hard as it might be to understand, schools are not required to notify the Immigration and Naturalization Service if foreign students fail to appear or drop out. Five years ago, Congress ordered the INS to begin tracking foreign visitors. That was to include students starting in 2003. But in August, a bill was introduced to end the system before it began.

The system would have issued cards with magnetic strips to students. The strips, containing personal information, would have to be swiped through a reader when the student entered the country and the cards would have to be shown to school authorities when they arrived on campus.

Then, campus officials would be required to report changes of address and other information concerning international students.

More than a hundred schools spoke out against the INS plan, as did NAFSA/Association of International Educators, a lobbying group. Many university officials worried that any identification system would discourage international students.

Perhaps it would, but it shouldn't. It is not unreasonable and it should not be intimidating to require foreign students not only to be what they claim—students—but to allow the immigration service to keep track of their whereabouts.

The education lobbying group has seen the light and changed its position. Last month, after the attacks on New York City and Washington, D.C., its spokesman said, ''The time for debate on this matter is over, and the time to devise a considered response to terrorism has arrived.''

That is a commendable turn-around, one that college and university leaders would do well to emulate. The idea is not to punish foreign students or inconvenience their schools but to protect Americans from terrorists who might enter the country under false pretenses.

The system needs to be put in place yesterday.

CHAIRMAN OF CITIGROUP, SANDY WEILL, GIVES A HELPING HAND

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 2001

Mr. TOWNS. Mr. Speaker, I would like to bring to your attention the insightful article from the October 1 edition of USA Today that reflects the philanthropic efforts of corporate America to assist the victims of September 11.

The article illustrates the scope of the corporate philanthropy taking place to help my constituents and all those affected by the attacks. Leading the charge is Citigroup which has set up a $15 million education fund for all the victim's children. CEO and Chairman of Citigroup, Sandy Weill described the mindset of America's corporations, as he talked about the company's employees ''not just giving their money but their time and talents'' to help the victims.

As we struggle with the grief and new realities before us, I ask that we also look to the compassionate efforts of the individuals and corporate America as a symbol of what makes America great. The efforts of Citigroup and others are not going unnoticed in Washington or across the country and I would ask you all to join me in thanking those who have helped during this time of great need.

[From USA Today, Oct. 1, 2001]

CORPORATIONS SETTING UP OWN CHARITABLE FOUNDATIONS

(By Julie Appleby)

Restaurateur Waldy Malouf never thought he'd be running a charity. But he has joined a growing number of executives who are doing just that.

In coming weeks, he'll be helping decide how to dole out millions of dollars to families devastated by the attack on the World Trade Center.

And he's not alone.

Some big-name corporations, and a few trade associations, have created their own multimillion-dollar relief funds, determining how, where and to whom to give the money.

As the events of the past weeks have been unprecedented, so, too, are these efforts: Corporations don't generally give direct financial aid to victims.

''We had to take care of our own,'' says Malouf, co-owner of Beacon Restaurants, which lost 76 employees in the Windows of the World of the World Restaurant in Tower One at the World Trade Center.

He and his business partners spent a whirlwind week creating the Windows of Hope Family Relief Fund, aimed at helping the families of food-service workers killed in the collapse of the towers. Without such a fund, Malouf feared that bus boys and waitresses would be overlooked in the outpouring of support for other victims.

Such efforts are generally being overseen by top business executives, many of whom have served on the boards of charitable organizations.

Philanthropy experts caution that this planning to give direct aid—rather than funneling money through private foundations or established relief groups—face challenges.

''The danger is that companies may be amateurs in running effective relief funds,'' says Kirk Hanson, who has studied philanthropy for 20 years and heads an ethics center at Santa Clara University in California. ''They will need to look to experts in relief to ensure the money is spent wisely.''

Who, for example, will oversee the funds and provide an accounting of the monies spent? (Funds that obtain charity tax status will report itemized details to the IRS, but not all are seeking that status.)

Which victims will get money and how much? Will the money go only to families of those who died, or could the definition grow to include the injured or the unemployed?

Publicly traded companies may face opposition from shareholders about how money is distributed.

''This is one of the thorniest problems of disaster relief,'' Hanson says. ''Any charity engaged in direct aid has to struggle with the definition of who is needy.''

Which is what Malouf and other firms wrestled with last week.

''There are a lot of legal and moral and ethical issues that come up that you have to grapple with,'' says Malouf.

One example: Three carpenters were working in the Windows on the World Restaurant when the attacks occurred. All three died.

The relief fund, however, is designed to help restaurant workers. Would the carpenters' families be eligible?

''In that case, we know the families, and we probably will help. They might not have been washing dishes, but they were working on the restaurant,'' Malouf says.

Malouf and other executives say they are either hiring administrators to run the funds or relying on to executives, many of whom have served charitable organizations.

''It's more difficult (to run a fund), but we've always had a philosophy that we have talented executives who can be helpful in working on a lot of things other than business, giving not just of their money, but of their time and talents,'' says Sandy Weill, chairman and CEO of Citigroup.

His company, which already supports charities and student programs through its foundation, plans to run its own $15 million scholarship fund to help children who lost parents in any of the attacks, including the one on the Pentagon.

''We'll sit down with the appropriate people and come up with (eligibility) criteria that will be simple, that people can understand,'' Weill says. ''I don't think it's rocket science.''

Many of the companies that have established funds have earmarked them for specific purposes.

Morgan Stanley has set aside $10 million to aid the families of its own employees who were injured, missing or killed in the World Trade Center, along with families of missing rescue workers.

The National Association of Realtors has raised $2.5 million to help the families of victims from any of the attacks make rent or mortgage payments.

''The money is targeted for families who have lost a breadwinner as a result of the tragedy and might be in jeopardy of missing housing payments, spokesman Steve Cook says.

Money will be given out on a first-come, first-served basis in Massachusetts, Connecticut, New York, New Jersey, Maryland, Virginia and Washington, D.C.

At DaimlerChrysler, executives are pondering whether they want to turn over their $10 million children support fund to an outside organization to manage.

''You need people who have expertise in the endeavor,'' spokesman Dennis Fitzgibbons says.

At Alcoa, where a $2 million relief fund has been set up, executives won't rush to fund anything immediately, preferring to wait to see where the greatest needs are, spokesman Bob Slagle says.

''We believe we are capable of sorting through some of these difficult issues and really making a different,'' Slagle says.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, October 4, 2001 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

OCTOBER 5

9:30 a.m.
Joint Economic Committee
To hold hearings to examine the employment-unemployment situation for September.
1334, Longworth Building

OCTOBER 9

10 a.m.
Health, Education, Labor, and Pensions
To hold hearings to examine effective responses to the threat of bioterrorism.
SD–430

2:30 p.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of John H. Marburger, III, of New York, to be Director of the Office of Science and Technology Policy; and the nomination of Phillip Bond, of Virginia, to be Under Secretary of Commerce for Technology.
SR–253

OCTOBER 10

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation and Merchant Marine Subcommittee
To hold hearings to examine bus and truck security and hazardous materials licensing.
SR–253

10 a.m.
Environment and Public Works
To hold hearings to review the Federal Emergency Management Agency's response to the September 11, 2001 attacks on the Pentagon and the World Trade Center.
SD–406

Judiciary
Administrative Oversight and the Courts Subcommittee
To hold hearings to examine new priorities and new challenges for the Federal Bureau of Investigation.
SD–226

Health, Education, Labor, and Pensions
Business meeting to consider S. 1379, to amend the Public Health Service Act to establish an Office of Rare Diseases at the National Institutes of Health; S. 727, to provide grants for cardiopulmonary resuscitation (CPR) training in public schools; proposed legislation with respect to mental health and terrorism, proposed legislation with respect to cancer screening; H.R. 717, to amend the Public Health Service Act to provide for research and services with respect to Duchenne muscular dystrophy; and the nomination of Eugene Scalia, of Virginia, to be Solicitor for the Department of Labor.
SD–430

2 p.m.
Judiciary
To hold hearings on the nomination of John P. Walters, of Michigan, to be Director of National Drug Control Policy.
SD–226

OCTOBER 11

10 a.m.
Commerce, Science, and Transportation
Oceans, Atmosphere, and Fisheries Subcommittee
To hold hearings to examine the role of the Coast Guard and the National Oceanic and Atmospheric Administration in strengthening security against maritime threats.
SR–253

2:30 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings to examine the needs of fire services in reponding to terrorism.
SR–253

OCTOBER 12

9:30 a.m.
Commerce, Science, and Transportation
Consumer Affairs, Foreign Commerce, and Tourism Subcommittee
To hold hearings to examine the state of the tourism industry.
SR–253

OCTOBER 16

2:30 p.m.
Veterans' Affairs
To hold hearings to examine the Department of Veterans Affairs's Fourth Mission—caring for veterans, servicemembers, and the public following conflicts and crises.
SR–418

OCTOBER 17

10 a.m.
Joint Economic Committee
To hold hearings to examine monetary policy in the context of the current economic situation.
Room to be announced

OCTOBER 18

10 a.m.
Health, Education, Labor, and Pensions
To hold hearings to examine genetic nondiscrimination.
SD–430

OCTOBER 23

10 a.m.
Health, Education, Labor, and Pensions
To hold hearings to examine the effects of the drug OxyContin.
SD–430

OCTOBER 24

10 a.m.
Health, Education, Labor, and Pensions
Business meeting to consider pending calendar business.
SD–430

POSTPONEMENTS

OCTOBER 5

9:30 a.m.
Health, Education, Labor, and Pensions
To hold hearings to examine the economic security of working Americans and those out of work.
SD–430